

BT Industries AB (publ)

Annual Accounts for 2001

- ▷ *The world market for warehouse trucks fell by approx. 7%, with a decline of around 25% in North America.*
- ▷ *Orders received SEK 12,245 m. (SEK 12,060 m.), up 2%*
- ▷ *Sales SEK 13,248 m. (SEK 11,518 m.), up 15%*
- ▷ *Income after financial net SEK 888 m. (SEK 824 m.), up 8%*

Financial summary

SEK m.	October – December 3 months		Full-year	
	2001	2000	2001	2000
Orders received	3,318	3,267	12,245	12,060
Net sales	3,533	3,400	13,248	11,518
EBITDA 1)	348	415	1,385	1,313
Operating income	200	279	810	831
Income after net financial items	245	284	888	824

1) EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation of intangible assets

Market development

Demand for warehouse trucks declined in 2001. The strong economy and growth that had distinguished the market for several years gradually reversed course.

In North America, the slowdown began back in late 2000. Early in 2001 demand fell by approximately 25% on an annual basis before stabilising.

In Europe, demand developed well, with good growth at the start of the year. Later in the year, however, there were clear indications of slowing demand.

In other markets, the situation varies, although the major slowdown in the U.S. has adversely affected several markets. As a whole, demand is expected to have remained largely unchanged.

Estimates show that the total lift truck market developed as follows:

Thousands of units	2001	2000	Change %
Warehouse trucks	244	261	- 7 %
Counterbalanced trucks, total	347	406	- 15%
of which:			
- Electric-powered	112	127	- 12%
- Combustion-powered	235	279	- 16%
Total	591	667	- 11%

Despite the downturn in 2001, the lift truck market is showing long-term growth. This is particularly evident in the warehouse truck segment. Higher consumer spending, and the resulting rise in transports and materials handling, is the main driving force behind growth in demand.

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Traditionally, BT has been active mainly in the warehouse truck segment. It has chosen to complement its core business primarily with electric counterbalanced trucks, in part through acquisitions.

BT's global market share in warehouse trucks is estimated at 20 percent, against 22 percent in the previous year. BT's market share is significantly higher in North America than in other markets. Thus the heavy market decline in North America is attributable to the drop in global market share for BT.

Structural changes

During the year BT established new companies in Estonia and Latvia. It also obtained part-ownership in, or acquired, several small dealers, mainly to improve market coverage in Western Europe. In North America, BT reduced its interests in a number of dealers at the end of the year.

Following the conclusion of the fiscal year BT acquired the remaining 49% of the shares in BT Souel of Greece. Moreover, it acquired 100% of a small German service organisation.

Orders and invoiced sales

The Group's orders received amounted to SEK 12,245 m. (SEK 12,060 m.), an increase of 2% compared with the previous year.

Net sales amounted to SEK 13,248 m. (SEK 11,518 m.), 15% higher than the previous year. At comparable exchange rates, the increase was approximately 6%.

Of the Group's net sales, 49% were in Western Europe, 43% in North America and 8% in the rest of the world.

Net sales for 2001 and 2000 by product area were as follows:

Amounts in SEK m.	Full-year		Change %
	2001	2000	
Warehouse trucks	6,578	5,868	+ 12%
Counterbalanced trucks	1,809	1,406	+ 29%
Manual trucks	503	511	- 2%
Total, trucks	8,890	7,785	+ 14%
- % of total	67%	68%	
Spare parts	1,966	1,712	+ 15%
Service	1,260	1,070	+ 18%
Other areas	1,132	951	+ 19%
Total, service market	4,358	3,733	+ 17%
- % of total	33%	32%	
Net sales	13,248	11,518	+ 15%

The high order backlog at the beginning of the year, in combination with an increased delivery capacity, facilitated growing factory deliveries in 2001. As a result, net sales rose more than orders received. Thereby the order backlog was reduced significantly, although this was also due in part to lower overall demand.

Income

Gross income amounted to SEK 3,548 m. (SEK 3,247 m.), an increase of 9%. The gross margin declined by approximately 1.4 percentage points during the year. One of the reasons was a temporary increase in production costs in connection with the expansion of production capacity.

The Group's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation of intangible assets) rose by 5% to SEK 1,385 m. (SEK 1,313 m.) Income was charged with items affecting comparability of SEK -36 m. for pension expenses resulting from Toyota's acquisition of BT. These expenses are reported in the income statement among "Administrative expenses." In 2000 items affecting comparability included a surplus insurance refund from KP/SPP credited to the Group's Swedish companies. This non-recurring revenue of SEK 35 m. affected income positively. No similar income was reported in 2001. Operating income amounted to SEK 810 m., against SEK 831 m. in the previous year.

Income (the interest margin) from long-term rentals/leasing amounted to SEK 177 m., against SEK 143 m. in the previous year.

Other net financial income and expenses improved to SEK -99 m., against SEK -150 m. in the previous year. Lower interest expenses due to decreasing rate levels affected the financial net positively.

Income after net financial items amounted to SEK 888 m. (SEK 824 m.), an increase of 8%.

The profit margin decreased to 6.7%, compared with 7.2% in the previous year.

The total tax charge was SEK 336 m. (SEK 271 m.) Net income for the year thus amounted to SEK 552 m. – the same level as the previous year.

Capital expenditures

The Group's total net capital expenditures for tangible fixed assets amounted to SEK 688 m., compared with SEK 521 m. in the previous year.

Investments were made during the year to increase capacity at the warehouse truck plant in Mjölby. The

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capacity expansion raises production potential by around 40%. In addition, the plant in Bologna, Italy was acquired for CESAB, finalising the acquisition of CESAB's operations.

Financing and liquidity

The Group's total assets amounted to SEK 11,851 m., against SEK 10,899 m. at the beginning of the year.

Net borrowings amounted to SEK 1,661 m., compared with SEK 1,838 m. at the beginning of the year. Thus, the net gearing ratio continued to decline, from 60% in the previous year to 44%.

During the first half of 2001 the Group reported a negative cash flow. The trend was reversed in the third quarter, and the positive cash flow was further strengthened during the fourth quarter. Thanks to continued positive earnings, combined with a reduction in working capital, operating cash flow from the beginning of the year amounted to SEK 35 m., against SEK 87 m. in the previous year.

The equity ratio amounted to 32% at year-end, against 28% a year earlier.

Personnel

As of December 31 the Group had 7,820 employees, compared with 7,899 at year-end 2000. Personnel were reduced primarily in production in North America due to the economic slowdown. In Europe, the personnel increase was mainly in the sales and service organisation.

BT's business areas

BT's operations are organised into three business areas. In addition, BT has central, Group-wide resources for, among other things, management, accounting, finance, IT and information.

Business area BT EUROPE

Covering primarily Western Europe.

SEK m.	Full-year	
	2001	2000
Orders received	7,067	6,048
Net sales	7,175	5,897
Income 1)	587	590
Operating margin, % 2)	8.2	10.0
Operating capital 3)	1,966	1,561
No. of employees	4,735	4,504

Demand as a whole remained good in 2001. Growth was significant during the first half of the year, but then declined during the second half. The Western European market is estimated at somewhat below 135,000 warehouse trucks for 2001, an increase of around 3% compared with the previous year.

BT's market share increased to approximately 19%.

The business area's orders received amounted to SEK 7,067 m., an increase of 17%. Net sales rose by 22% to SEK 7,175 m. Sales growth was affected positively by the weaker Swedish krona. Of the increases, around 8 percentage points is the result of foreign currency translation

Income remained essentially unchanged at SEK 587 (590) m. The operating margin thus declined to 8.2%, compared with 10.0% in the previous year. An important reason was the temporary costs owing to the capacity expansion at the Mjölby warehouse truck plant.

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Business area BT RAYMOND

Covering primarily North America.

SEK m.	Full-year	
	2001	2000
Orders received	4,766	5,658
Net sales	5,695	5,289
Income 1)	524	533
Operating margin, % 2)	9.2	10.1
Operating capital 3)	1,288	1,307
No. of employees	2,518	2,917

The major economic slowdown in 2001 caused total volume to decline to somewhat more than 60,000 units, or by slightly over 25%. Demand dropped substantially at the beginning of the year before stabilising at the lower level.

BT's market share is estimated to have declined some percentage unit during the year. Still more than one of every three warehouse trucks in the U.S. market is manufactured by BT, including trucks manufactured by BT in other brands.

Orders received, expressed in USD, decreased by 25% for BT RAYMOND. In Swedish kronor, the decrease was 16%.

Due to a very good order backlog at the beginning of the year, the business area's sales declined significantly less than orders received. Sales amounted to SEK 5,695 m., an increase of 8%. In USD, however, sales decreased by 4% compared with the previous year.

Despite the economic slowdown, income and margins were largely maintained due to further efforts to increase production efficiency and reduce costs. Among the measures taken was a reduction in personnel in production units.

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- 1) Income = operating income + income from long-term rentals/leasing. Amortisation of goodwill at the Group level is not charged against the individual business areas.
 - 2) For definition, see Note 2 on page 8.
 - 3) Operating capital = working capital incl. the share of the equity of associated companies plus tangible and intangible fixed assets, excl. goodwill.

Business area BT INTERNATIONAL

Markets outside North America and Western Europe.

SEK m.	Full-year	
	2001	2000
Orders received	1,137	1,001
Net sales	1,165	920
Income 1)	58	35
Operating margin, % 2)	5.0	3.8
Operating capital 3)	252	166
No. of employees	517	435

Total volume for warehouse trucks is estimated at somewhat above 45,000 units in markets outside Western Europe and North America. This is essentially unchanged from the previous year.

BT's market share in these markets as a whole is estimated at 12%. Excluding the Japanese market, its market share is around 20%.

Business area BT INTERNATIONAL's orders received rose by 14% and its sales by 27% during the year. Income improved significantly, to SEK 58 m., against SEK 35 m. in the previous year. The improvement was due to, among other things, volume effects and the action program initiated in Eastern Europe and Australia. Problems in the Argentine economy in particular have affected BT's income adversely.

Proposed dividend

The Board of Directors is recommending to the Annual General Meeting that all available funds from fiscal year 2001 be carried forward and that no dividend be paid to shareholders.

*Information can be ordered from BT Industries AB,
Information, telephone +46-142- 86 000.*

www.bt-industries.com

Mjölby, March 1, 2002

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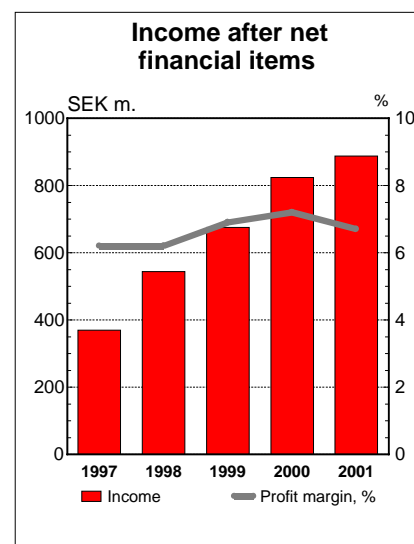
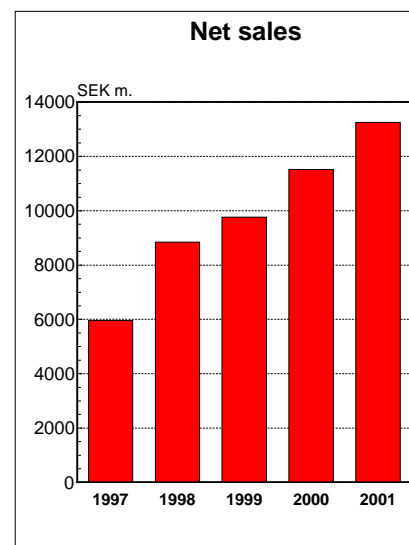
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Income statements

Amounts in SEK m.	Full-year	
	2001	2000
Net sales	13,248	11,518
Cost of sales	-9,700	-8,271
Gross income	3,548	3,247
Product development	-258	-219
Marketing and sales	-1,423	-1,251
Administration	-1,047	-866
Amortisation of goodwill	-135	-120
Other operating income	215	106
Other operating expenses	-116	-98
Income in associated companies	26	32
Operating income	810	831
Income from financial investments		
Income from long-term rentals/leasing	177	143
Interest income and other financial income	60	39
Interest expenses and other financial expenses	-159	-189
Income after net financial items	888	824
Income tax	-336	-271
Minority interests	0	-1
Net income	552	552

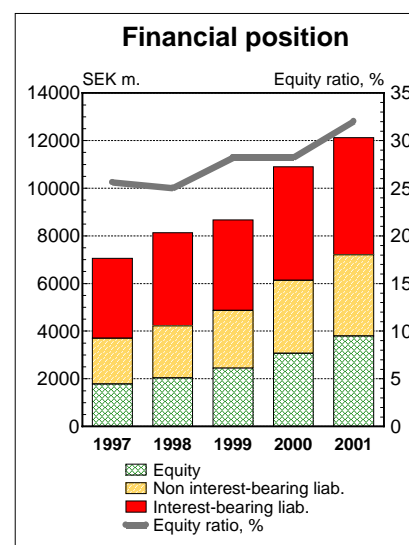
Average number of outstanding shares, thousands	28,000	28,000
Earnings per share after estimated tax, SEK	18.50	17.55
Earnings per share after full tax, SEK	19.70	19.70

Total depreciation and amortisation according to plan	-575	-482
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Balance sheets

Amounts in SEK m.	December 31	
	2001	2000
ASSETS		
Fixed assets		
Goodwill	1,945	1,898
Other intangible	44	10
Tangible	1,906	1,600
Financial	2,153	1,837
Total	6,048	5,345
Current assets		
Inventories	1,601	1,405
Current receivables	3,867	3,585
Cash and banks	335	564
Total	5,803	5,554
TOTAL ASSETS	11,851	10,899
EQUITY AND LIABILITIES		
Equity	3,788	3,070
Minority share	3	3
Provisions	907	738
Liabilities		
Long-term liabilities	4,413	3,807
Current liabilities	2,740	3,281
TOTAL EQUITY AND LIABILITIES	11,851	10,899

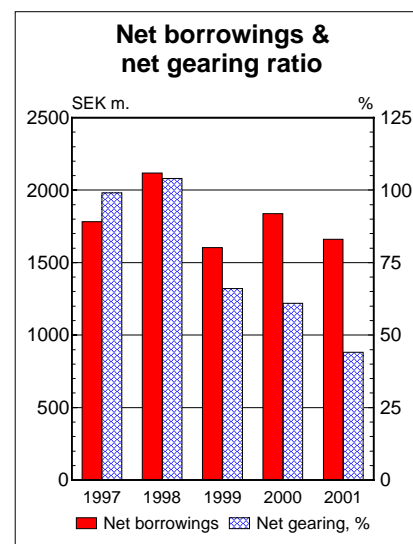
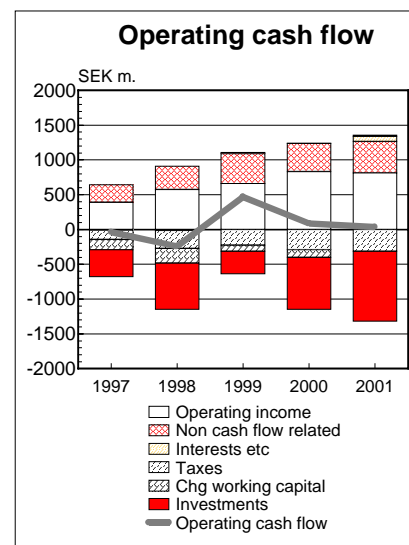


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Statements of cash flows

Amounts in SEK m.	Full-year	
	2001	2000
Operating activities		
Operating income	811	831
<i>Non cash flow related items</i>		
- Depreciation and amortisation acc. to plan	575	482
- Other	-120	-74
Non cash flow related items	455	408
Income from long-term rentals/leasing	177	143
Other financial items, net	-104	-142
Tax paid	-315	-290
Cash flow from operating activities before changes in working capital	1,024	950
Changes in working capital	18	-112
Cash flow from operations	1,042	838
Investment activities		
Investments in financial fixed assets	-319	-230
Investments in tangible and intangible fixed assets	-688	-521
Cash flow from investment activities	-1,007	-751
OPERATING CASH FLOW	35	87
Acquisitions of companies, net	-2	-64
Financing activities		
Changes in loans	-277	364
Dividend paid	-	-119
Cash flow from financing activities	-277	245
Changes in cash and banks	-244	268
Cash and banks brought forward	564	280
Translation differences in cash and banks	15	16
Cash and banks carried forward	335	564



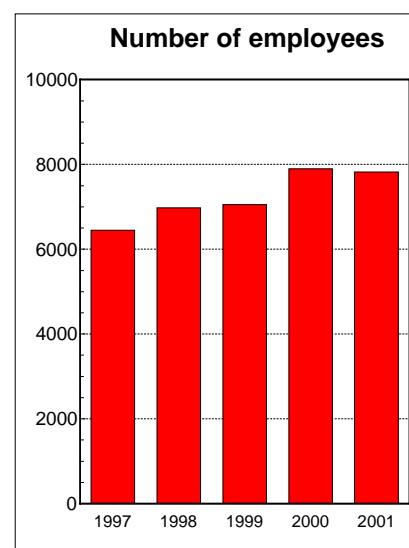
Net borrowings

Amounts in SEK m.	December 31	
	2001	2000
Interest-bearing assets	3,259	2,932
Interest-bearing liabilities	4,920	4,770
NET BORROWINGS	1,661	1,838

Change in equity

Amounts in SEK m.	December 31	
	2001	2000
Equity brought forward, January 1	3,070	2,442
Effect of change in accounting principle	-	39
Foreign currency translation effects etc	166	156
Dividend paid	-	-119
Net income	552	552
Equity carried forward	3,788	3,070

The comparative figures for 2000 in the annual accounts have been adjusted due to a change in accounting principles to comply with the Swedish Financial Accounting Standards Council's recommendation on the reporting of deferred tax. This has affected reported tax, net income, equity and total assets, as also indicated in equity reconciliation



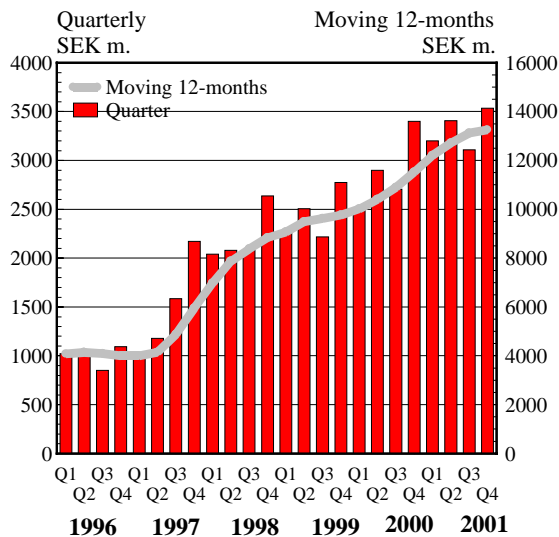
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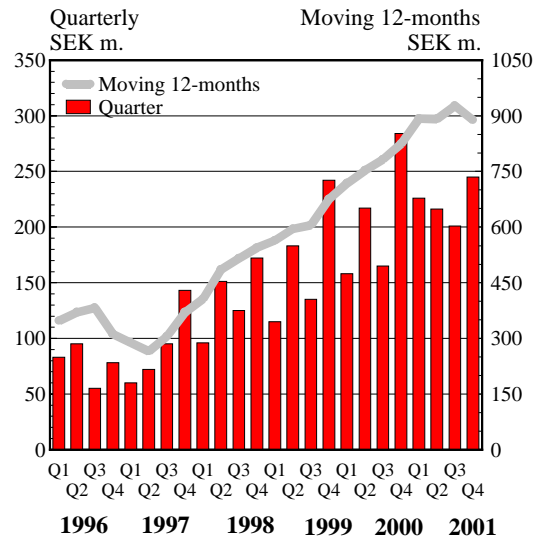
Quarterly development

Amounts in SEK m.	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	2001	2000	2001	2000	2001	2000	2001	2000
Orders received	3,108	2,855	2,970	3,123	2,849	2,815	3,318	3,267
Net sales	3,200	2,517	3,406	2,897	3,109	2,704	3,533	3,400
Cost of sales	-2,310	-1,812	-2,467	-2,077	-2,282	-1,935	-2,642	-2,447
Gross income	890	705	939	820	827	769	891	953
Gross margin, %	27.8%	28.0%	27.6%	28.3%	26.6%	28.4%	25.2%	28.0%
Operating expenses	-664	-551	-751	-601	-631	-590	-691	-674
Operating income	226	154	188	219	196	179	200	279
Interest margin LTR/leasing	38	37	52	36	38	28	49	42
Operating margin, %	8.3%	7.6%	7.0%	8.8%	7.5%	7.7%	7.0%	9.4%
Net financial items, other	-38	-33	-24	-38	-33	-42	-4	-37
Income after net financial items	226	158	216	217	201	165	245	284
Profit margin, %	7.1%	6.3%	6.3%	7.5%	6.5%	6.1%	6.9%	8.4%

Net sales



Income after financial net



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Key ratios

		Full-year	
		2001	2000
EBITDA margin, %	1)	11.8%	12.6%
Operating margin, %	2)	7.5%	8.5%
Profit margin, %	3)	6.7%	7.2%
Interest coverage, multiple	4)	6.9	5.8
Return on capital employed, %	5)	16.5%	18.5%
Return on equity, %	6)	16.1	20.0%
Net gearing ratio, %	7)	44%	60%
Equity ratio, %	8)	32.0%	28.2%

Share data

		Full-year	
		2001	2000
Earnings per share after full tax, SEK	9)	19.70	19.70
Earnings per share after standard tax, SEK	10)	18.50	17.55
EBITDA per share, SEK	11)	55.80	52.00
Cash flow per share, SEK	12)	1.25	3.10
Equity per share, SEK	13)	135.30	109.65
No. of shares, thousands		28,000	28,000

DEFINITIONS

- 1) Operating income plus depreciation, amortisation and income from long-term rentals/leasing divided by net sales.
- 2) Operating income plus income from long-term rentals/leasing in relation to net sales.
- 3) Income after net financial items in relation to net sales.
- 4) Operating income plus interest income divided by interest expenses.
- 5) Operating income plus interest income including income from long-term rentals/leasing in relation to the average of capital employed at the opening and close of each period.
- 6) Net income for the period in relation to the average of equity at the opening and close of each period.
- 7) Net borrowings in relation to equity and the minority share at the close of each period.
- 8) Equity including the minority share in relation to total assets at the close of each period.
- 9) Net income for the period divided by the average number of shares.
- 10) Income before tax charged with standard tax of approx. 35% on income after net financial items plus non-tax deductible amortisation divided by the average number of shares.
- 11) Operating income, depreciation, amortisation and income from long-term rentals/leasing divided by the average number of shares.
- 12) Operating cash flow according to the statement of cash flows divided by the average number of shares.
- 13) Equity divided by the number of shares on the closing day.

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Five-year summary

Amounts in SEK m.	2001	2000	1999	1998	1997
Income statements					
Net sales	13,248	11,518	9,759	8,838	5,956
Gross income	3,548	3,247	2,847	2,568	1,754
Income before depreciation (EBITDA)	1,385	1,313	1,077	956	656
Operating income	810	831	660	576	389
Income after net financial items	888	824	675	544	370
Net income	552	552	431	310	168
<i>Total depreciation according to plan</i>	<i>-575</i>	<i>-482</i>	<i>-417</i>	<i>-380</i>	<i>-267</i>
Balance sheets					
Fixed assets	6,048	5,345	4,531	4,435	3,906
Current assets	5,803	5,554	4,136	3,693	3,155
Total assets	11,851	10,899	8,667	8,128	7,061
Equity	3,788	3,070	2,442	2,027	1,774
Minority share	3	3	2	2	34
Liabilities and provisions	8,060	7,826	6,223	6,099	5,253
Total liabilities and equity	11,851	10,899	8,667	8,128	7,061
Net borrowings					
Interest-bearing assets	3,259	2,932	2,193	1,789	1,578
Interest-bearing liabilities	4,920	4,770	3,796	3,908	3,361
Net borrowings	1,661	1,838	1,603	2,119	1,783
Cash flow					
Cash flow from operations	1,042	838	797	429	352
Cash flow from investments 1)	-1,007	-751	-330	-670	-390
Operating cash flow	35	87	467	-241	-38
Key ratios					
EBITDA margin, %	11.8%	12.6%	12.4%	12.1%	12.2%
Operating margin, %	7.5%	8.5%	8.2%	7.8%	7.7%
Profit margin, %	6.7%	7.2%	6.9%	6.2%	6.2%
Return on capital employed, %	16.5%	18.5%	16.8%	15.3%	16.7%
Return on equity, %	16.1%	20.0%	19.3%	16.3%	12.8%
Capital turnover rate, multiple	2.1	2.1	2.0	1.9	2.1
Interest coverage, multiple	6.9	5.8	5.2	4.2	4.9
Net gearing ratio, %	44%	60%	66%	104%	99%
Equity ratio, %	32.0%	28.2%	28.2%	25.0%	25.6%
Personnel					
Number of employees at year-end	7 820	7 899	7 054	6 975	6 444

1) Excluding acquisitions of companies

For definitions, see page 8