



ANNUAL REPORT 2001/2002

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## THE YEAR IN BRIEF

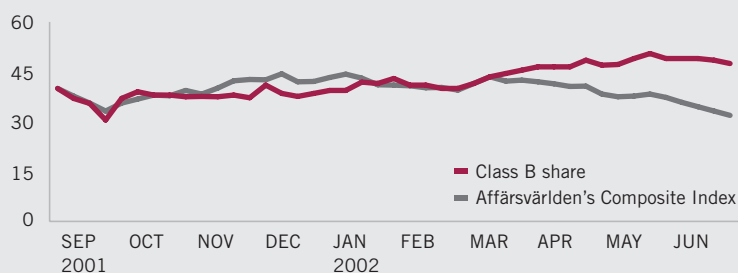
### THE 2001/2002 OPERATING YEAR<sup>1</sup> – FOCUS AND CONSOLIDATION

- >> Income after financial items, not including items affecting comparability, amounted to MSEK 140 (180).
- >> The Group structure was streamlined through the distribution and separate listing of Addtech AB and Lagercrantz Group AB.
- >> New organization with sharper focus on core areas in the Tools operations and business area MediTech.
- >> Proposed dividend: SEK 1.75 per share.

### FOCUS AREAS 2002/2003 – GROWTH AND STRATEGIC DEVELOPMENT

- >> The Tools operations will be the core for Bergman & Beving's long-term growth. The integration in the value chain is to be increased – forwards through partnerships with resellers and backwards through increased brand control.
- >> Development of business area MediTech into a strong, independent and profitable group in well-defined growth areas.
- >> Very restrictive attitude towards investments in operating areas outside of the Tools and MediTech operations.

#### THE BERGMAN & BEVING SHARE, SEK



#### THE GROUP IN FIGURES<sup>1</sup>

	2001/2002	2000/2001
Net revenues, MSEK	3 902	3 748
Income before taxes <sup>2</sup> , MSEK	140	180
Net income for the year, MSEK	91	223

#### Per share in SEK

Earnings	3.30	7.90
of which items affecting comparability	–	3.80
Cash flow from the current operations	7.55	
Shareholders' equity	27.70	30.10
Dividend	1.75 <sup>3</sup>	<sup>4</sup>
Return on shareholders' equity <sup>2</sup> , %	11	14
Equity ratio, %	40	41
Average number of employees	1 361	1 262

<sup>1</sup>All data refer to Bergman & Beving pro forma, not including Addtech and Lagercrantz Group.

<sup>2</sup>Refers to income not including items affecting comparability.

<sup>3</sup>As proposed by the Board of Directors.

<sup>4</sup>Relevant comparative data do not exist due to the distribution of Addtech and Lagercrantz Group during 2001.



## STATEMENT OF THE PRESIDENT

Stefan Wigren

### SHARPER FOCUS!

#### HISTORICAL DECISION

The Annual General Meeting held August 22, 2001 resolved the perhaps most important proposal in Bergman & Beving AB's history, namely to distribute two businesses to the shareholders and list these businesses under the names of Lagercrantz Group AB and Addtech AB. The distribution resulted in a new Bergman & Beving comprised of two business areas: Tools and MediTech. The motive for the distribution was to create a better structure for future growth.

#### A CHANGING WORLD

I myself had the privilege of taking office as President and Chief Executive Officer in conjunction with the Annual General Meeting in August 2001. The year that has passed has been marked to a high degree by changes in the world around us. Changes that have touched us all, and which obviously have affected the

prerequisites for all business activity. Political events and general uncertainty of the future economic development are factors that we have felt the effects of every day of the past year. However, the market to which the present Bergman & Beving turns has not been affected nearly as harshly as certain other markets.

We have worked with two over-riding ambitions in this environment:

- To continue to run and develop the existing business!
- To establish the structure that will form the core of Bergman & Beving's future growth!

#### THE 2001/2002 OPERATING YEAR

In an uncertain environment, and facing major strategic issues on our agenda, the Group generated revenues of MSEK 3 902 and income after financial items of MSEK 140.

The Tools operations as a whole had a good year. Some of the companies displayed excellent performance while other companies did not achieve their goals. This is due to a blend of internal and external circumstances. Action programs are initiated and have to a large extent been completed, which implies expectations of positive development for the current year.

MediTech recorded income of MSEK 40. This represents a significant drop compared to the preceding year. The business area started the year on a weak note, but registered a significant recovery towards the end of the year. The diagnostics business in MediTech showed a very strong performance and is expected to continue its positive development.

Intense efforts have been made in the Group to reduce the working capital. These efforts have resulted in a freeing up of almost MSEK 70 in liquid funds.

#### NEW STRUCTURE IN PLACE

With the businesses represented by MediTech and Tools as a starting point, we have worked with the issue of how to create the most interesting development for the Bergman & Beving Group in the long term.

The overriding conclusion can be summarized by sharper focus!

With sharper focus as our lodestar, a strategy for growth with good profitability has been adopted. We have also created an organizational structure aimed at supporting that strategy.

#### STRATEGY FOR THE FUTURE

The Tools operations will constitute the core of Bergman & Beving's long-term growth. Business area MediTech will be developed into a strong and independent group, where a separate listing or a structural transaction will be realistic alternatives for development in a two to three year perspective. We will have a very restrictive attitude towards investments in operating areas outside of the Tools and MediTech operations.

#### MediTech

MediTech continues to evolve according to already established guidelines.

#### Tools

In the Tools operations, we will continue to develop and strengthen the position created by our product companies.

To this will be added our ambition to establish more strong proprietary brand names. We integrate backwards in the value chain. The acquisition of TengTools constitute an important strategic step in this ambition.

In the Tools operations, sales to end customers are via resellers. This will continue. The development of concepts and close partnerships with the resellers are vital elements in Bergman & Beving's ambition to support resellers' growth and profitability. Our ambition is to build a strong reseller chain in partnership with progressive resellers. Thus, we are also integrating forwards in the value chain.

We will continue to work on refinement of strong brand names and the work to increase our presence in Europe will continue.

#### THE MOST IMPORTANT

With the strategy adopted and with a structure for growth in place, we have created some of the important prerequisites for a favorable development. The most important prerequisite, however, is that we have competent and motivated employees, willing and able to carry Bergman & Beving to new heights. I feel great confidence in that regard. We have a strong team of highly experienced and competent co-workers in our different core areas, a team that is committed to succeed and a team that works hard in the big scheme of things as well as on the details.

With these words I wish to extend my gratitude to all colleagues for a job well done during the past operating year. An exciting future lies ahead!



Stefan Wigren

## BERGMAN & BEVING BUILDS ITS BUSINESS ON A NUMBER OF SUCCESS FACTORS

### THIS IS BERGMAN & BEVING

Bergman & Beving works with value-adding technology trade in two principal areas – Tools and MediTech. With aggregate sales of more than MSEK 2 900, the companies in Tools are the Nordic Region's leading suppliers in a number of product areas around tools and consumables for the industrial and construction sectors. MediTech, with revenues of about MSEK 1 000, is a leading supplier in the Nordic Region in the fields of laboratory instruments, diagnostics equipment and plastic products for dental and medical applications.

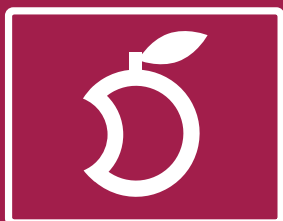
Bergman & Beving's companies work with high-quality products from world-leading manufacturers. A growing proportion of the products is marketed under the Group's own strong brand names. A few units also conduct some of their own manufacturing. Bergman & Beving is increasingly providing complementary services for resellers and end customers.

The Tools operations turn to resellers with mostly professional end customers in the industrial and construction sectors. Business area MediTech's end customers are found in health care, research/universities

and in the pharmaceutical industry. Sales are primarily in the Nordic Region, Poland, the Baltic States and Germany. Bergman & Beving's suppliers are found in Europe, Asia and North America.

Bergman & Beving is permeated by its belief in a decentralized organization. The ability and desire of the employees of driving the business forward within set requirements for revenue growth, profitability and development is crucial for Bergman & Beving's success. Our corporate philosophy can be summarized in five key words – simplicity, efficiency, willingness to change, accountability and freedom.

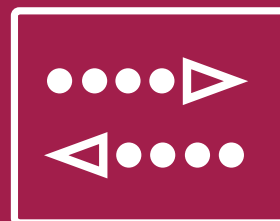
The total return on the Bergman & Beving share has been good. Since the initial public offering in 1976, the average return to the shareholders, measured as aggregate appreciation and dividends, has been about 25 percent per year.



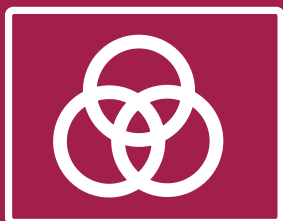
**Knowledge of customer needs**



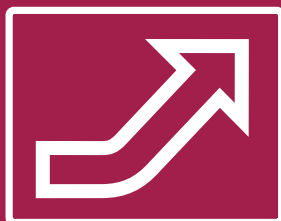
**Attractive and comprehensive offers with strong brand names**



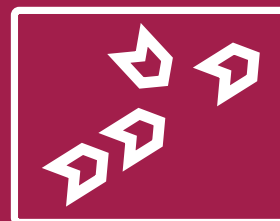
**Value-adding IT and logistics solutions**



**In-depth relationships with customers and partners**



**Strength and stamina**



**Ability to make successful acquisitions**

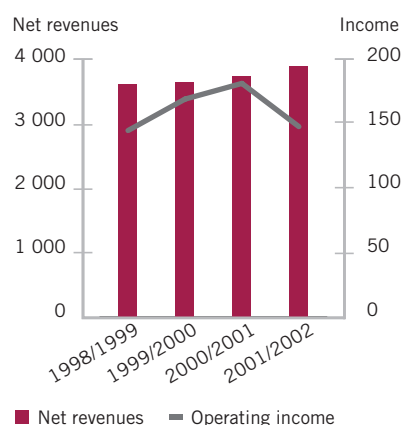
#### THE 2001/2002 OPERATING YEAR

The 2001/2002 operating year was a historical year for Bergman & Beving, when the former business areas Addtech and Lagercrantz Group were distributed to the shareholders in August 2001. The background for this was that these business areas had reached such a size and profitability that they were judged to have better opportunities for growth as independent units with niched business concepts and focused product and market orientations.

The key words during the year for the new Bergman & Beving have been focus and consolidation of the existing operations in the business areas Tools and MediTech. Despite a weak economic trend, Bergman & Beving's sales rose by 4 percent to MSEK 3 902, and income after financial items amounted to MSEK 140. The Group's cash flow showed a strong development thanks to various activities to reduce funds tied up in working capital.

In concert herewith the strategic focus that will constitute the core of Bergman & Beving's future

#### NET REVENUES AND OPERATING INCOME<sup>5</sup>, MSEK



<sup>5</sup>Income data refer to operating income not including items affecting comparability

growth has been adopted. These efforts are supported by the new organization that went into effect April 1, 2002. The purpose is to give the Group good development potential for the years to come.

## THE TOOLS OPERATIONS ARE THE CORE FOR FUTURE GROWTH

The operations in the former business area Tools will be the core of Bergman & Beving's long-term growth. This was the foundation for the decisions about the Group's strategic focus that the Board of Directors in Bergman & Beving AB made in May 2002.

The ultimate purpose of the new strategic focus is to concentrate the Group's efforts to certain core areas offering good growth opportunities. The strategic decisions can be summarized as follows:

- >> The Tools operations will be Bergman & Beving's core for long-term growth – with substantial identified potential.
- >> Business area MediTech will be developed into a strong, independent group where a separate listing or a structural transaction will be realistic alternatives for development in a two to three year perspective.
- >> Bergman & Beving will have a very restrictive attitude towards investments in operating areas outside of the Tools and MediTech operations.

### STRATEGY – BUSINESS AREA MEDITECH

MediTech's strategy stands firm. The goal is to develop the business area into a strong Nordic player in three defined core areas: medical and chemical analysis, health care, and medical and dental technology. Operations will continue to be conducted in niche companies in selected markets. Acquisitions will be an important element in MediTech's growth strategy.

### STRATEGY – THE TOOLS OPERATIONS

Through its product companies, Bergman & Beving today has a leading position in the Nordic Region in market areas such as tools and machinery, personal protection, workplace equipment, fastening elements and consumables for the industrial and construction sectors. The success of the operations is based on know-how, experience and economies of scale in, for instance, IT and logistics.

The market is fragmented and based on the Group's market position and comparative financial strength, Bergman & Beving sees a great potential in taking an active role in a restructuring of the market.

The Group's development efforts will thus be concentrated on increased integration in the value chain; backwards towards suppliers and forwards towards resellers.

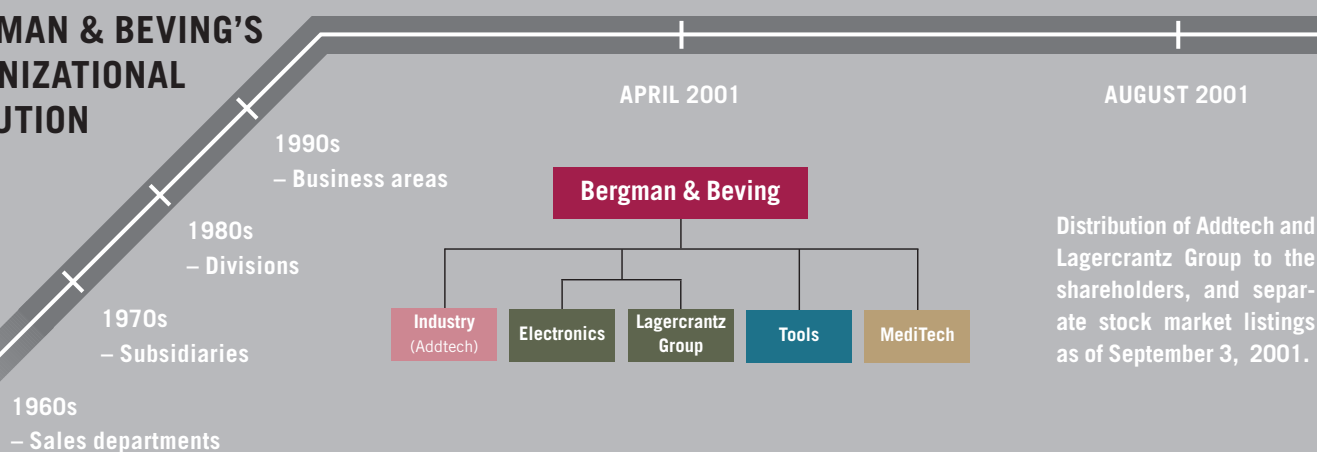


**Strength  
and stamina**

- Bergman & Beving will strive to increase the proportion of proprietary brand names in selected product areas.

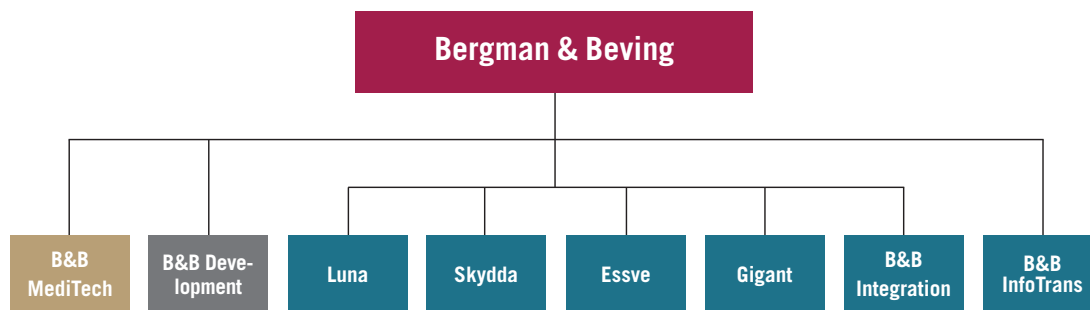
- Bergman & Beving will develop strong concepts for resellers that contribute to their profitability and growth. A strong chain will be established in the Nordic Region in partnership with progressive resellers.

## BERGMAN & BEVING'S ORGANIZATIONAL EVOLUTION





## ORGANIZATION FROM APRIL 1, 2002



### NEW ORGANIZATION

The new organization that went into effect April 1, 2002 is aimed at supporting Bergman & Beving's strategic orientation with sharper focus on and within the Group's core areas.

>> Product companies **Luna**, **Skydda**, **Essve** and **Gigant**, which were part of the former business area Tools, are now divisions reporting directly to the Parent Company Bergman & Beving AB. These units have niched business concepts with clear product focuses. The product companies are responsible for the ambition of building strong proprietary brand names.

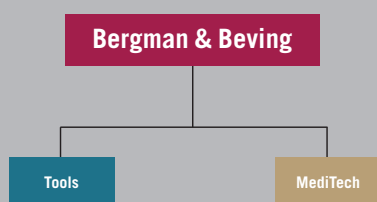
>> **Bergman & Beving Integration** is responsible for the integration forwards through development and building of concepts for resellers in partnership.

>> **Bergman & Beving InfoTrans** has responsibility for development, coordination and running of IT and logistics services for the Tools operations.

>> **Bergman & Beving Development** is comprised of a total of six companies at an early stage of development with the ambition of evolving into an independent division, such as Grunda, or have a business focus which lies outside the core areas in the Tools operations and business area MediTech.

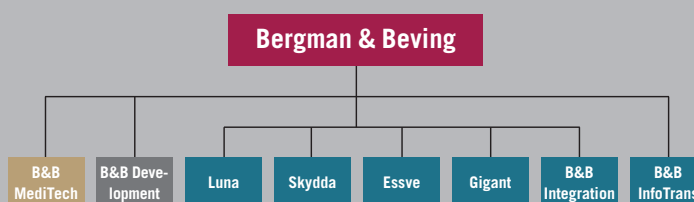
>> **Business area MediTech** retains its present structure with focus on three defined core areas.

SEPTEMBER 2001



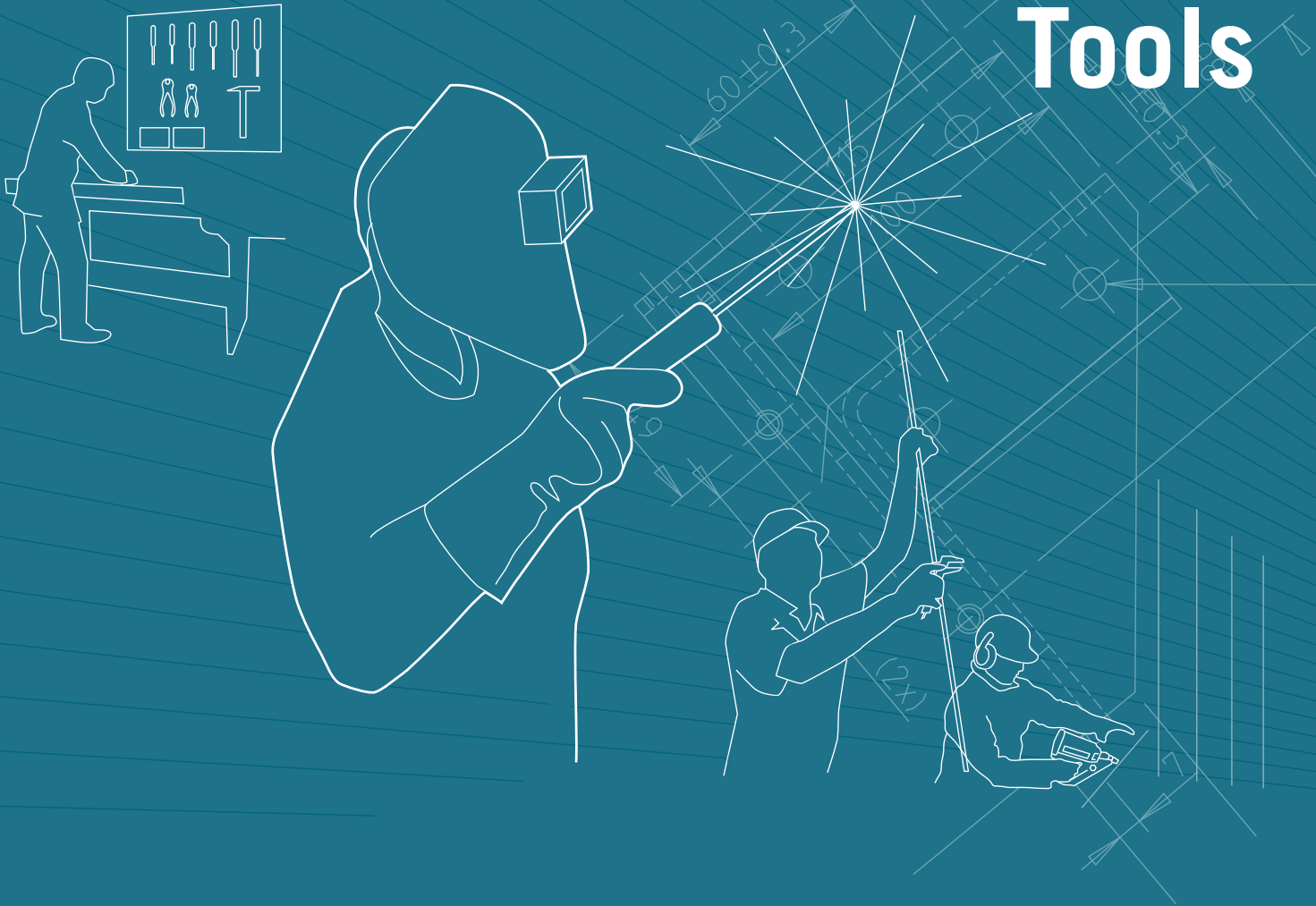
Focus on development of existing operations in Tools and MediTech.

APRIL 2002



New organization that supports the Group's new strategic focus.

# Tools



Bergman & Beving is the Nordic Region's leading supplier of tools and consumables for the industrial and construction sectors. The operations today are comprised of a number of specialized product companies with strong customer offers in selected market niches. Through coordination of functions in IT and logistics, major economies of scale and high efficiency have been achieved.

Bergman & Beving possesses great potential to render the value chain more efficient and to further strengthen the market positions. The goal is to be one of the leading players in Northern Europe in selected product areas.

## FIRMER HOLD ON THE VALUE CHAIN

Bergman & Beving's size and market position create opportunities to gain a firmer hold on the whole value chain. Resellers and partners can be linked closer to Bergman & Beving through the market's most attractive and comprehensive offers and efficient IT and logistics services. A higher proportion of proprietary brand names improves the trading margins and creates a platform for geographic expansion in Europe.

### MARKET STRUCTURE AND TRENDS

The market for tools and consumables for the industrial and construction sectors is fragmented. Purchases by professional end customers are often handled locally, but are increasingly based on group-wide supplier agreements. Hence, the end-customer increasingly becomes a national account, established on several locations. The resellers – independent as well as those associated with chains – act in local markets with established relationships with larger end customers. The wholesale segment has a small number of fairly large local players as well as a number of niche wholesalers. The manufacturers are of varying size and often work globally under their own brand names, or as contract manufacturers for global suppliers with well-known brand names. The market structure has the effect that Bergman & Beving meets competition primarily on product company level within each respective market niche.

The fragmented market structure implies a great potential for restructuring. An overall market trend is that the different players of the market strive to refine

and to render the value chain more efficient based on the respective player's comparative position. Bergman & Beving intends to take an active role in the restructuring of the Nordic market in the years to come.

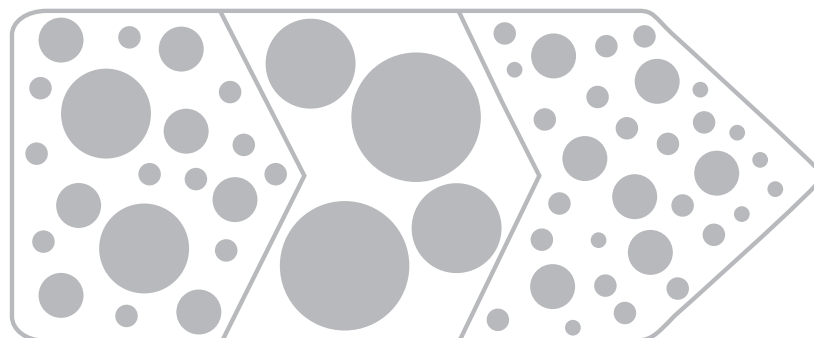
### BUSINESS

The Bergman & Beving Group is the Nordic Region's leading supplier of tools, machinery, personal protection equipment, fastening elements, ergonomic workplace equipment and consumables. End customers are found in the industrial and construction sectors, and sales are via resellers in the professional end of the MRO (Maintenance, Repair and Operation) and building material trades. The main markets are today in the Nordic region.

The operations consist of a number of product companies that provide products and services in clearly defined niches with comprehensive product lines and high delivery capacity as their competitive tools. Bergman & Beving combines its broad product line with cost-efficient IT and logistics services.

### FRAGMENTED MARKET STRUCTURE

Structural action is required to increase the efficiency in the value chain.

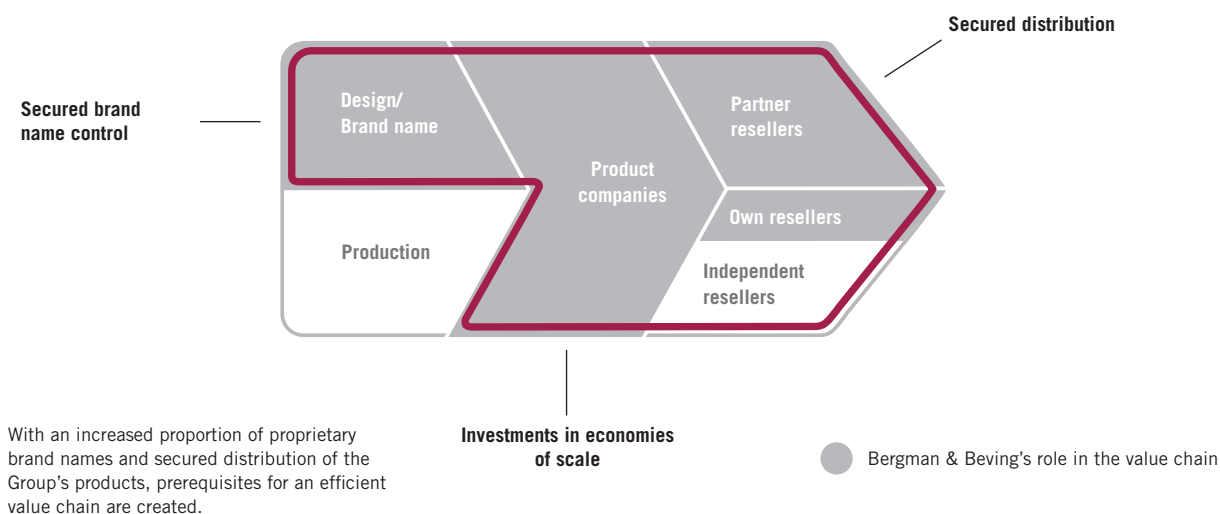


**Manufacturers**  
Fragmented  
global market

**Wholesalers**  
Few local players  
with large revenues

**Resellers**  
Fragmented  
local market

## DEVELOPMENT OF THE VALUE CHAIN



*ctd.*

The service content of Bergman & Beving's offerings has gradually increased over the past few years.

Through the joint industry portal Toolstore resellers and end customers get access to the Group's entire product range, which includes more than 100 000 articles. Via the Internet, hand-held computers, EDI,

**Value-adding IT and logistics solutions**



etc. customers can place orders and get product and delivery information. About 80 percent of all orders are today placed

via electronic media. The efforts to further integrate the systems with partners and end customers are a continuous process.

The solid product and industry know-how of the companies has been crucial to the close cooperation built with a large number of leading reseller chains and individual resellers. Bergman & Beving today runs three separate partner programs: Tools Kjedeforum in

Norway, Luna Partner in Sweden and BBTools Suomi in Finland, with some 90 affiliated partner companies in total. Bergman & Beving also has a total of eight of its own resellers in the industrial and MRO trades in Norway and Finland.

The new division Bergman & Beving Integration, formed April 1, 2002, is responsible for coordination of partner programs for resellers.

#### GOALS AND STRATEGIES

Bergman & Beving's goal is to assume the position as one of northern Europe's leading comprehensive suppliers to the industrial and construction sectors in selected product areas.

#### Integration backwards

Bergman & Beving's aim is to increase the proportion of proprietary brand names in selected product areas.

#### PRODUCT COMPANIES<sup>®</sup> IN THE TOOLS OPERATIONS



Luna is one of the Nordic Region's leading suppliers of high-quality tools and machinery for professional use. Luna markets about 40 000 articles via 600 local resellers in the Nordic countries. Luna has access to strong product brand names that come from leading producers all over the world, but also markets products under proprietary brand names. Aside from in the Nordic Region, Luna has operations in the Baltic States, Poland and Taiwan. Luna has sales of about MSEK 1 000 and has 375 employees.



Skydda markets solutions for personal protection for the industry and is one of the leading suppliers in Sweden, Norway and Finland. Skydda, with sales of about MSEK 530, has 70 employees. Skydda has built a very strong product and service concept, both for partners and end customers.



Essve markets fastening elements and solutions for fastening, and electrical hand tools. Essve has sales of about MSEK 460 and 145 employees. Essve is the leading company in the Nordic Region in fastening technology for the construction and engineering industries and has established cooperations with world-leading suppliers.

- >> By controlling brand names, product development, design and quality, the probability that lasting values are created when these brand names are established in the end customer markets increases.
- >> A platform for geographic expansion in Europe is created by proprietary brand names.
- >> A larger proportion of proprietary brand names gives increased room for improved trading margins.

**Attractive and comprehensive offers with strong brand names**



Production will continue to be placed outside the Group. In-house production

would reduce the flexibility of the operations and also tie up capital.

#### Integration forwards

Bergman & Beving will develop strong concepts for resellers, that will contribute to their profitability and growth. Based on the concepts a strong Nordic chain will be built together with progressive resellers in partnership – with a possibility for further expansion in the rest of Europe.

- >> Bergman & Beving will strengthen the role of the resellers in the fragmented market.
- >> Through integration forwards Bergman & Beving secures the distribution of its products.

Bergman & Beving's chain concept will strengthen the offer and profile of the resellers towards end customers. Features of the chain concepts include effi-

cient routines for administration and order processing (for example via the Toolstore Internet portal), efficient logistics (automatic inventory replenishment for instance), complete store concepts and strong brand names, marketing aimed at end customers, information and training, and comprehensive offers that cover a larger part of the needs of end customers.

For reference purposes a few own resellers will be established or acquired outside Sweden.

Independent resellers will continue to be an important sales channel for Bergman & Beving.

Integration forwards increases the efficiency in the value chain and at the same time creates opportunities for larger volumes and increased profitability for the resellers – a crucial success factor for Bergman & Beving.

#### STRATEGIC ACQUISITION – TENGTOOLS

In May 2002 Bergman & Beving acquired the company TengTools. TengTools is an international trading business with a strong brand name in high-quality hand-tools intended for mechanical industry. The company, which is located in Taiwan, works with product development, design and packaging, while production is handled by subcontractors in Taiwan. Sales are so far exclusively in Europe, where TengTools is marketed via some fifteen independent distributors.

With the acquisition of TengTools, Bergman & Beving gains access to resources for development of product lines and brand names, and a well-established contact network of subcontractors in Taiwan. TengTools' European distribution network opens opportunities for geographically broader sales and distribution of the Group's other brand names.



Gigant is a leading comprehensive supplier that offers

everything from individual products to complete solutions in the field of ergonomic workplace equipment for the industry. The product areas are interiors, storage, lifting and transportation. Gigant has sales of about MSEK 190 and 35 employees. Gigant has developed an advanced solution for a layout and quoting system under the trademark Gigant 3D, which with the aid of 3D graphics designs the workplace.



Grunda<sup>7</sup> is one of Sweden's leading suppliers of con-

sumables for the manufacturing and construction industries. The company, which has sales of about MSEK 340 and 40 employees, works with resellers and has six different product ranges that comprise a complete offering for the professional and do-it-yourself markets: building consumables, electrical and heating & plumbing consumables, locks and fittings, park and garden, and cleaning.

Consumenta, Jaktia and Mager & Wedemeyer were part of business area Tools during the 2001/2002 operating year. These businesses are since April 1, 2002 part of the new division Bergman & Beving Development together with Grunda.

<sup>6</sup>All data refer to the 2001/2002 operating year.

<sup>7</sup>Grunda is since April 1, 2002 a part of the division Bergman & Beving Development.



Allan Svendsen,  
President,  
Bendéns.



## INVENTORY AUTOMATION WAS A LIFT FOR BENDÉNS

At the very moment when Bendéns Verktyg & Maskiner in Gothenburg makes a delivery from inventory to customer, an order to replenish stock is automatically sent to Luna/Gigant's central warehouse in Alingsås. And already the next morning the truck from Luna/Gigant restocks with new goods in precisely the quantities required for inventory to last a set number of days.

Somewhat simplified, that is how the computerized system for automatic inventory replenishment works, a system that companies in the Bergman & Beving Group offer the resellers in the partner program Luna Partner. Of the about 40 resellers in the Luna Partner group, there are currently seven who take advantage of the opportunity to get their inventory automatically replenished. More resellers will follow once the advantages of the system become better known.

– Since we began with automatic inventory replenishment one and a half years ago, we have managed to shrink our inventory substantially, at the same time as our degree of service has improved dramatically. Now we always have the products most in demand ready for immediate shipment, says Allan Svendsen, President of Bendéns.

Allan Svendsen's cooperation partner at Luna, logistics manager Sverker Helgesson, points out that

automatic inventory replenishment, aside from providing a higher degree of service and less funds tied up in working capital, also involves significant savings in time for resellers as they do not have to spend precious hours on making purchases.

Bendéns, a reseller to industry and shipping, continually gets an average of 6 000 different articles delivered from Luna and Gigant. About half of these are covered by the automated system.



**In-depth relationships with customers and partners**

Aside from certain computer technology-related "teething problems" initially, Bendéns' President has only praise for the system as well as the cooperation partners Luna and Gigant.

– Luna's solutions and IT support have always been totally outstanding and now they are forging ahead in developing the next generation of logistics, says Allan Svendsen.

Products from Skydda and Grunda will also be available shortly in the system with automatic inventory replenishment at Bendéns.

*ctd.*

The acquisition of TengTools constitutes an important strategic step in the striving for integration backwards in the value chain.

#### THE 2001/2002 OPERATING YEAR

Business area Tools' net revenues increased by 3 percent to MSEK 2 911 (2 838). Volume growth was negatively affected by a reduction of transactions with low trading margins, at the same time as exchange rate conversion affects and acquired businesses had a positive effect on revenues. Income after financial items, not including items affecting comparability, amounted to MSEK 115 (122). Income for the fourth quarter was affected negatively by MSEK 11 relating to a non-recurring inventory charge.

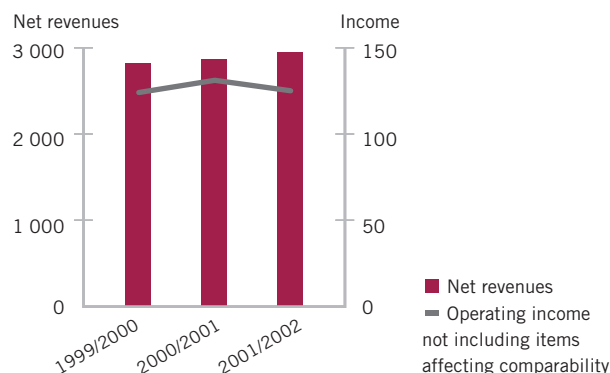
The different business units of the business area recorded varying earnings performance during the year. Focus has been on strengthening the market positions of the different product companies, on improving utilization of capital and on increasing cost awareness. Product range streamlining and broadening of networks for distribution have had a positive impact on earnings, while the weak Swedish krona and the recession had a negative effect on several units.

The joint industry portal Toolstore enjoyed a positive development and continues to be one of the leading e-commerce portals in Europe.

PS Produkt Sp. Z o.o., Fossum Ingerø AS and Pultti-Nurkka Oy, with total annual revenues of about MSEK 115, were acquired during the year. TengTools with annual sales of about MSEK 100 was acquired after the end of the financial year.

Effective April 1, 2002 a new organization was introduced in Bergman & Beving, according to which divisions Luna, Skydda, Essve, Gigant and Bergman & Beving Integration are units reporting directly to Bergman & Beving AB. Four companies from previous business area Tools, Grunda, Consumenta, Jaktia and Mager & Wedemeyer, are included in the new division Bergman & Beving Development. The Group's reporting will be in accordance with the new organizational structure from the financial year 2002/2003.

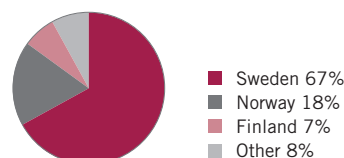
#### NET REVENUES AND OPERATING INCOME, MSEK



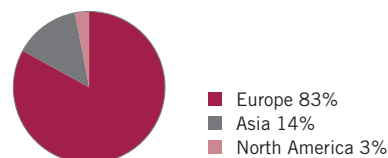
#### END CUSTOMERS BY SEGMENT



#### SALES BY COUNTRY



#### PURCHASES BY PART OF WORLD



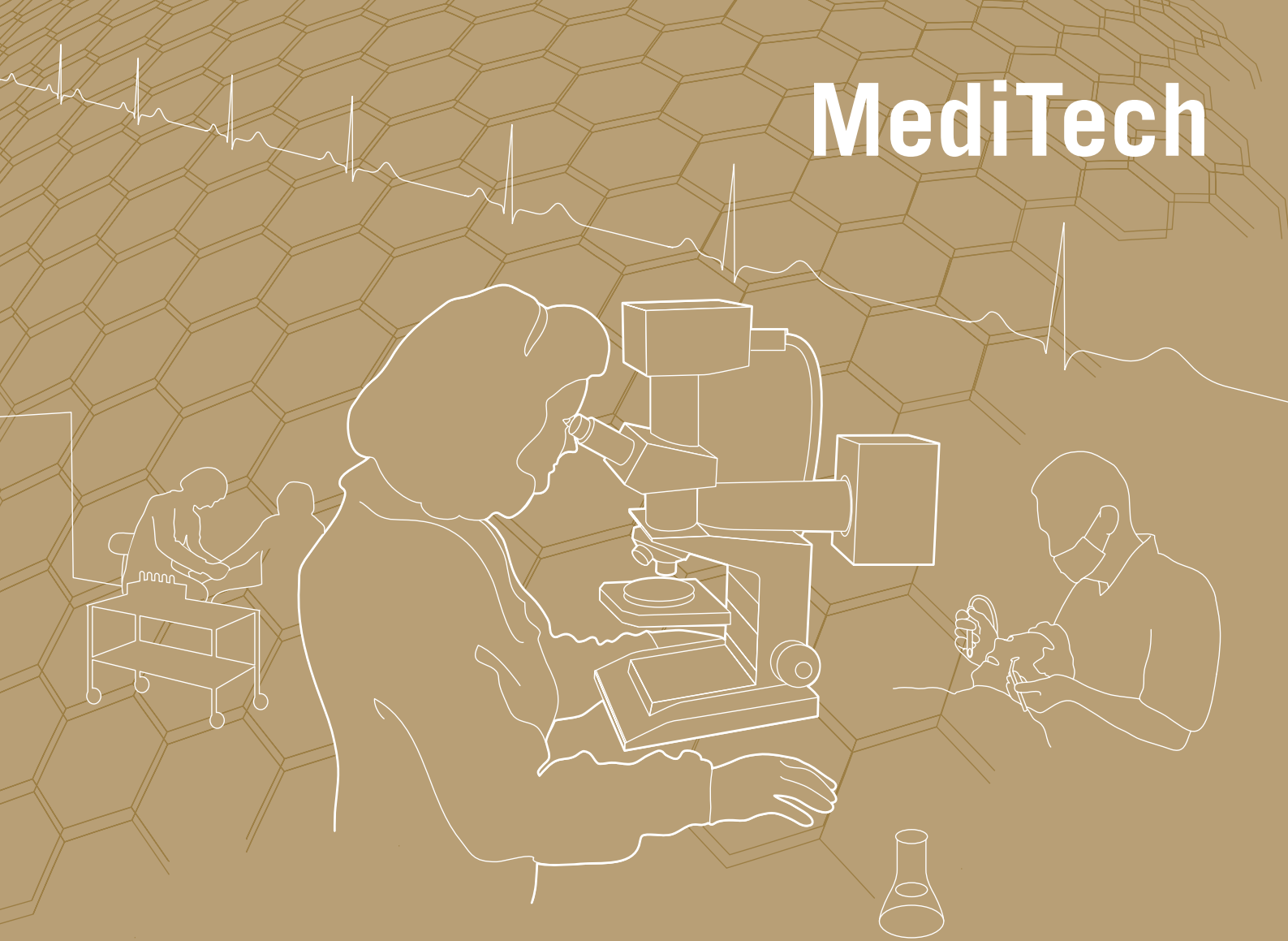
#### THREE YEARS IN FIGURES<sup>a</sup>

	2001/02	2000/01	1999/2000
Net revenues, MSEK	2 911	2 838	2 785
Operating income, MSEK	124	130	123
Income after financial items, MSEK	115	122	117
Average number of employees	910	828	801

<sup>a</sup>Income data refer to income not including items affecting comparability.



# MediTech



Bergman & Beving MediTech is a leading supplier in laboratory instruments for research and development laboratories, diagnostics equipment for health care, and consumables for health care, dental care and research.

An aggressive growth strategy in the Nordic countries will widen the product offerings and make MediTech into the leading, independent supplier in the growth areas medical and chemical analysis, health care, and medical and dental technology.



## FOCUS ON NICHE MARKETS

An aggressive growth strategy will make business area MediTech into one of the Nordic Region's leading, independent suppliers in a number of niche markets. The goal is to develop MediTech to a level where a structural deal or a separate listing will be realistic alternatives for development in a two to three year perspective.

### MARKET STRUCTURE AND TRENDS

The total market for business area MediTech's products and services is distinguished by limited growth, at the same time as niches constantly appear with a high or very high rate of growth. These niches emerge as new discoveries in research and medicine are made, but also for purely demographic reasons. A clear niche philosophy is therefore important to create profitable growth.

The competitive situation in the Nordic market for medical and chemical analysis has become gradually more severe in recent years. The effect is likely to be that smaller players will be eliminated or further marginalized in the future. The globalization of the pharmaceutical industry involves a risk that businesses in the Nordic region are relocated to other parts of the world, which acts as a drag on market growth in the

Nordic Region. At the same time the many fast-growing biotechnology companies in the Nordic Region make up a growing market with new business opportunities for MediTech.

Strong growth is also expected in the health care area given an increasing older population in the Nordic Region and longer life spans. The demand for products, especially in local health care, home health care and self care is expected to increase with the graying of the population. For the same reason, home diagnostics is likely to become an interesting growth market during the decade ahead.

In the area for medical and dental technology, demand is expected to increase through, among other things, the expansion of dental care internationally.

MediTech's main competitors in the area of laboratory equipment include Merck Euro Lab and Tamro

### DIVISIONS<sup>9</sup> IN MEDITECH



PLD Nordic is a leading supplier of equipment for the Nordic medical laboratory market. The business is organized in seven subsidiaries with operations in Sweden, Norway, Denmark and Finland. PLD Nordic has sales of about MSEK 410 and 190 employees. With high product knowledge and focus on selected market segments, PLD Nordic is a very attractive partner for customers as well as suppliers in the Nordic laboratory market. The product range includes everything from advanced analysis instruments to basic equipment and consumables. The customers are found in industry, health care and research.



Triolab is one of the Nordic Region's leading diagnostics companies. Among other things, the division works with methods and intelligent solutions in blood gas, coagulation, hematology, microbiology and clinical chemistry. Triolab, with sales of about MSEK 210 and 65 employees, is active in Sweden, Norway, Denmark and Finland. Triolab represents world-leading manufacturers in each respective application area. The product range includes diagnostic reagents, analysis equipment and instruments. Triolab's customers are found primarily among hospital laboratories, but also in primary care and among pharmaceutical and biotech companies.



Placo Medical consists of two subsidiaries with a focus on development, manufacturing and marketing of different plastic products and dental filling materials, respectively. Kaltoplast is the world-leading manufacturer of saliva suction devices for dental care under the brand name Scanflex. The company is also active as a subcontractor and supplier of extruded and injection-molded plastic components for the medical technology industry. Nordiska Dental is a leading supplier of different types of dental filling materials to the dental care, under brand names such as Cerana and Calasept. Placo Medical has sales on a pro forma basis of about MSEK 95 and has 70 employees.

During the 2001/2002 operating year, ANA Ädelmetall and the Specialpapper Group were parts of business area MediTech. These businesses are since April 1, 2002 parts of the new division Bergman & Beving Development. The subsidiary AB Forssbergs Dental was sold after the end of the financial year.

<sup>9</sup> All data refer to the 2001/2002 operating year.

*ctd.*

Medlab. In the diagnostics area, the competition is mainly from international manufacturers with their own sales organizations, Roche Diagnostics for example. Products produced in-house compete with international manufacturers as well as local manufacturers in the Nordic Region.

#### BUSINESS

Bergman & Beving MediTech is a leading supplier of laboratory instruments for research and development laboratories, diagnostics equipment for health care, and consumables for health care, dental care and research. The business area's main market is the Nordic Region and examples of customers are AstraZeneca, Pharmacia, Novo Nordisk, the major hospital administrations, and colleges and universities.

With solid industry know-how, efficient services in logistics, technical service, customer training and seminars, and products from about 100 world-leading suppliers, mainly from Europe, the companies in MediTech create some of the market's strongest customer offers.

The companies in MediTech operate within well-defined product areas in a number of niche markets – primarily in wholesaling. Certain units also have their own production. The business area's product areas include high-tech diagnostics equipment for blood gas and clinical chemistry, and equipment and analysis instruments for laboratories. This is complemented by accessories and consumables for medical and chemical

use. Another important product area is consumables for the dental market produced in-house.

More than 80 percent of the business area's revenues are attributable to personal sales. Specialist competence is a key factor allowing delivery of solutions that create added value for the customer. The business area's companies in many cases also develop entirely customer-specific solutions.

#### GOALS AND STRATEGY

Through sharper focus and an aggressive acquisition strategy business area MediTech intends to take a leading position in the Nordic market in the growth areas:

- >> **medical and chemical analysis**
- >> **health care**
- >> **medical and dental technology**

In **medical and chemical analysis** MediTech will strengthen its position as the Nordic Region's leading independent diagnostics supplier and continue the emphasis on consumables and instruments for laboratories and the process industry.

In the **health care sector** MediTech will focus on the market for consumables, equipment and aids for health care, home care and self care.

In **medical and dental technology** MediTech will concentrate on products of a disposable character for medical and dental use. The product range of proprietary dental products will be broadened and the position

## TAYLOR-MADE SOLUTIONS ACCORDING TO THE NEEDS OF THE CUSTOMER

The ambition to work close to the customer has been a guiding principle for contract laboratory Mikro

Kemi's connections to its principals. Mikro Kemi's customers can therefore choose to cooperate with an "earmarked" employee,

who only works on assignments from this particular customer.

Johan Doverfjord, for example, works full-time with analyses for one of Mikro Kemi's larger cus-

tomers, Uppsala company Synphora AB, active in research and development of prostaglandin pharmaceuticals. Mikro Kemi provides an analytical chemist, modern analysis instruments and other equipment – all arranged in Mikro Kemi's quality system.

Mikro Kemi in Uppsala is a part of division PLD Nordic in business area MediTech. The company, which has 14 employees, focuses on elementary analysis, analysis of ultra-clean water, pharmaceutical analysis and organic synthesis. Primary customers are the pharmaceutical companies in the Nordic Region.

Knowledge of customer needs



as manufacturer of proprietary and customer-specific medical plastics products will be strengthened via acquisitions of niche-oriented companies with high competence in their area.

The purpose of the acquisition strategy is to widen the product offerings to existing customers and expand in new geographic markets. MediTech's competitive power will also be strengthened through continuing increases in service content.

In a two to three year perspective, business area MediTech will achieve a position where a separate listing or a structural transaction will be realistic alternatives for development.

#### THE 2001/2002 OPERATING YEAR

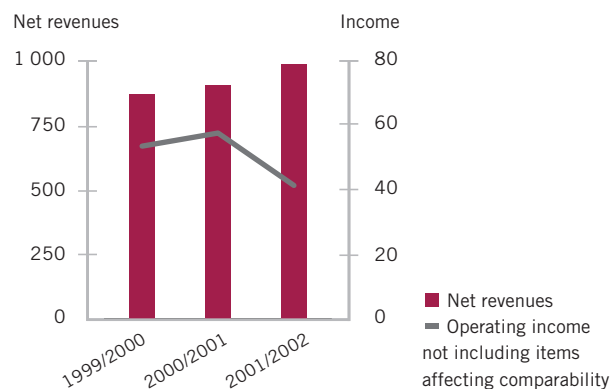
Business area MediTech's net revenues increased by 9 percent to MSEK 991 (910). Income after financial items, not including items affecting comparability, amounted to MSEK 40 (56). The result was affected negatively by the weak economic trend and the weak Swedish krona. Focused efforts to increase margins, combined with a strengthening of the Swedish krona, improved contribution margins during the fourth quarter. MediTech's action programs for increased efficiency took hold gradually during the year.

The business area's operations in diagnostics equipment and consumables for dental and medical applications showed positive revenue and earnings performance compared to the preceding year. Triolab strengthened its market position as a leading, independent diagnostics supplier during the year. The companies that supply laboratory equipment, and the subsidiary active in precious metal refining, recorded lower earnings compared to the preceding year, even though a certain recovery was seen during the fourth quarter.

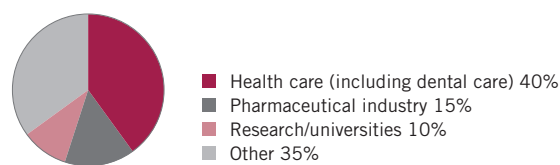
Placo Medical AB and Kontram AB, with aggregate annual revenue of about MSEK 40, were acquired during the year. The subsidiary AB Forssbergs Dental was sold after the end of the financial year.

Business area MediTech's structure is retained in Bergman & Beving's new organization. The prior MediTech businesses ANA Ädelmetall and Specialpapper are parts of the new division Bergman & Beving Development since April 1, 2002.

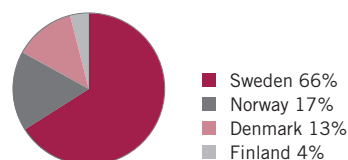
#### NET REVENUES AND OPERATING INCOME, MSEK



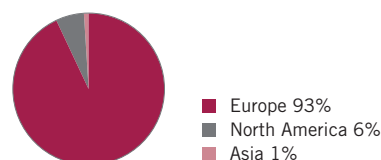
#### CUSTOMER STRUCTURE



#### SALES BY COUNTRY



#### PURCHASES BY PART OF WORLD



#### THREE YEARS IN FIGURES<sup>10</sup>

	2001/02	2000/01	1999/2000
Net revenues, MSEK	991	910	873
Operating income, MSEK	41	57	53
Income after financial items, MSEK	40	56	48
Average number of employees	441	429	421

<sup>10</sup>Income data refer to income not including items affecting comparability.

## Theme: Bergman & Beving as acquirer

### CONTINUITY AND DEVELOPMENT IMPORTANT ELEMENTS OF THE ACQUISITION STRATEGY

Over the past thirty years Bergman & Beving has made more than 175 acquisitions. Nearly all have been successful in the sense that the acquired business has developed well and that Bergman & Beving's investment has yielded a good return.

The basic philosophy of Bergman & Beving's approach to acquisitions is that **we keep it simple!** This simplicity can be summarized as follows:

#### >> Retain the company's core values!

Bergman & Beving's starting point is that the acquired businesses should live on and be offered continuity in several respects. This normally means that management and employees continue to work in the business, and that strategies and business concepts, customers and suppliers, and the way of doing business are left essentially intact. In brief: The business is continued to be run along previously applied principles. Bergman & Beving brings its philosophy regarding profitability and development, and offers a great financial strength that backs up the development.

#### >> Profitability

Bergman & Beving has for a long time developed and applied models to create profitability in technology trade companies. Bergman & Beving's concept for profitability covers knowledge, philosophy, control models, systems support, reporting structures and more. All the companies in the Bergman & Beving Group apply the Group's profitability philosophy. This normally means that acquired companies over time raise their profitability and increase the growth.

#### >> Development

Constant development is one of Bergman & Beving's foundation-stones. The development of acquired businesses can take many forms. Since Bergman & Beving has strived to acquire companies with complementary strengths in a limited number of market areas, it has in many instances been possible to create new, even stronger entities. By seeking favorable combinations of competent employees, strong brand names, important customers and successful leaders, market strength and growth have been created.

#### SIMPLICITY CREATES POSITIVE SPIRALS

Bergman & Beving's attitude towards acquisitions has allowed the entrepreneurs to continue running their companies. This is probably one of the most important reasons why most of the Group's acquisitions have been successful. It is the motivation and development of the leaders and the employees that create success!

Over time, these entrepreneurs in many cases have been given new expanded responsibility in the Group. They have achieved personal development beyond what they would have been able to achieve within the framework of the business they come from, at the same time as they remain in the Group and are able to contribute with experience and competence for the purpose of creating development as well as continuity.

A few additional aspects included in the acquisition philosophy:

- >> **Decentralized business responsibility.** Bergman & Beving works with owner control primarily in the form of proactive board of director oversight.
- >> **Efficient work methods and tools.** Bergman & Beving has knowledge of and experience in economic models and effective support systems for trading operations.
- >> **Opportunities for capital and resource support and exchange of experience.** Bergman & Beving's resources with respect to capital and management can be important factors for further development of businesses.
- >> **Effective logistics and e-commerce solutions.** Bergman & Beving continually works with development of IT and logistics solutions in support of trading company operations.

#### FUTURE ACQUISITIONS

Bergman & Beving's future acquisitions will be made with a view to:

- strengthen the Group's strategic position;
- strengthen the companies' product lines with products and services;
- acquire brand names, and;
- grow geographically in the Nordic Region and Northern Europe.

## “THE IDEAL BUYER FOR TRIOLAB”

The diagnostics company Triolab was acquired by Bergman & Beving in 1997. For Triolab the acquisition has meant both strong expansion and significantly improved profitability.

– You can wake anybody in the organization in the middle of the night and ask him or her what P/WC stands for!

Göran Brandt, President of Triolab, smiles broadly when he says it, but there is no doubt that he means business and that the Bergman & Beving's Group-wide economic approach is fully implemented in Triolab's operations.

– Bergman & Beving's means of control and approach to growth are important to the company and have had a tremendous positive effect on profitability. By way of example, we have worked hard to increase the rate of turnover of our inventory, says Göran Brandt.

The performance since 1997, when Triolab was acquired by Bergman & Beving, has certainly been more than favourable. Sales have increased from MSEK 30 in 1997 to about MSEK 210 in the 2001/2002 operating year. Earnings have improved even more over the same period, as well as the profitability measure P/WC (operating income (profit) divided by working capital).

Göran Brandt was one of the founders of Triolab in 1986. From the start, the company has been in the business of selling diagnostics instruments, tests and consumables. Triolab gradually built a customer base consisting of hospital laboratories, primary care facilities and pharmaceutical companies, and the company grew.



One day in 1996 Göran Brandt's telephone rings at the office in Mölndal and he gets an inquiry from Bergman & Beving if he and his other partners are interested in selling. This telephone call marked the beginning of a negotiation process, which just over a year later resulted in Triolab becoming a part of the Bergman & Beving Group.



Göran Brandt,  
President, Triolab

– For us Bergman & Beving was the ideal buyer. Right from the start we felt comfortable with the corporate philosophy – simplicity, efficiency, willingness to change, accountability and freedom, says Göran Brandt, who was also attracted by Bergman & Beving's approach to acquired companies – to develop them in their existing state, but take advantage of any synergies between the businesses.

For Triolab, the merger with Bergman & Beving was the beginning of an extended growth phase. Businesses from other Bergman & Beving companies were gradually transferred to Triolab, so today practically all diagnostics are assembled in Triolab. Concurrent herewith, sales companies have been acquired in Finland and Denmark, and a subsidiary has been established in Norway.

– The combination of our old contacts and Bergman & Beving's strength made the expansion possible, Göran Brandt sums up.

Today Triolab is a part of business area MediTech and is planning for continued expansion. In tough competition with multi-national giants, such as Abbot, Roche, Bayer and others, Triolab aims for geographic expansion as well as bringing in new agencies to the business. Göran Brandt does hesitate when he declares his vision: to become the largest, independent diagnostics supplier in the Nordic Region.



**Ability to make  
successful acquisitions**

## RESPONSIBLE BUSINESS – THE BASIS FOR GOOD STAKEHOLDER RELATIONS

Environment, quality and social responsibility are of the utmost importance in Bergman & Beving's operations. Listening to the employees and other stakeholders is a prerequisite not only for responsible business, but also for the Group's development. The work with these issues is conducted at company level with a large measure of delegated responsibility.

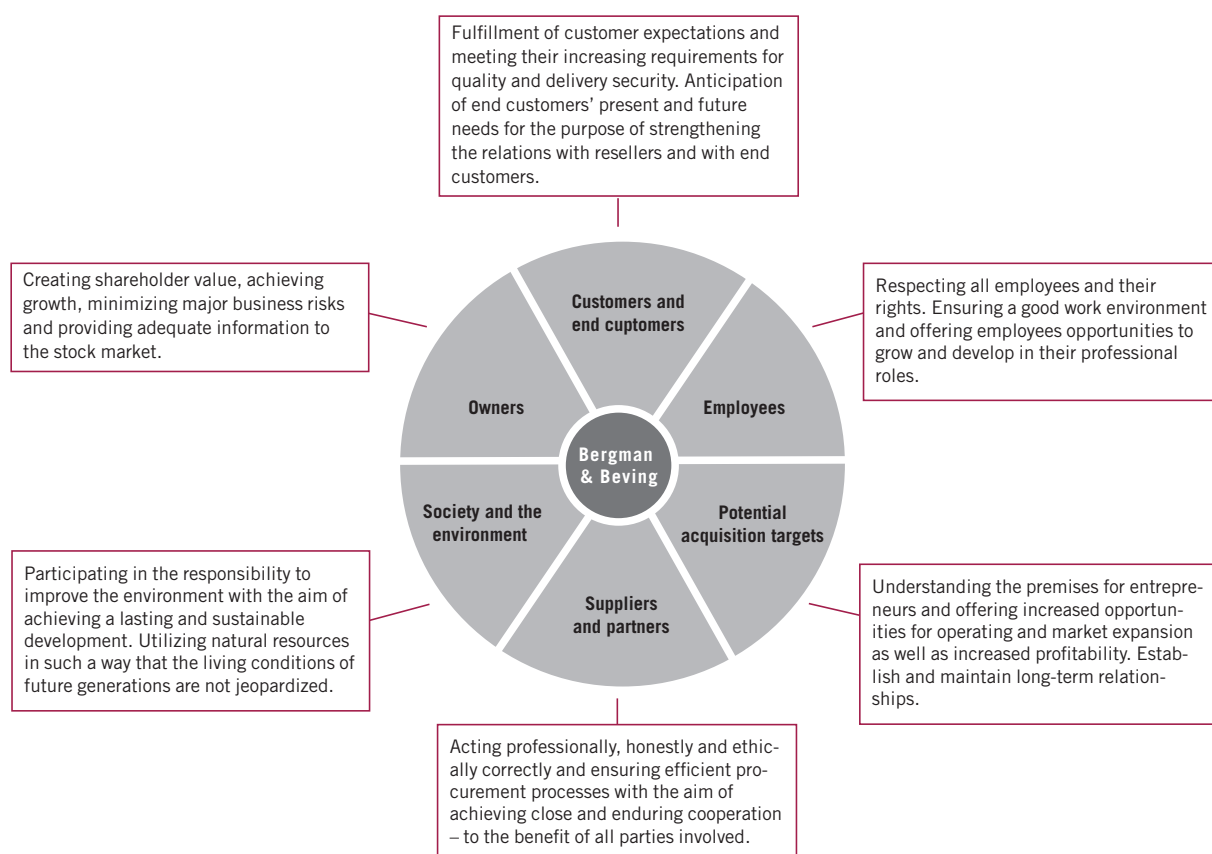
Acting within the framework set by laws and the regulatory environment is obviously a basic requirement for doing business responsibly. Increased knowledge about the Group's most important stakeholders and the responsibility towards them is also important, and in addition it contributes to successful business.

In order to achieve long-standing and good relations with its key stakeholders, Bergman & Beving thus must meet the requirements placed on a responsible

company. Aside from legal requirements and the demands from stakeholders, this is a matter of qualifying factors under various standards, rules and regulations in society, within the company and under industry ethics.

The Group management of Bergman & Beving has the overall responsibility for the Group policies and guidelines for a responsible business within the Group. The responsibility for the day-to-day work

### BERGMAN & BEVING'S RESPONSIBILITY TOWARDS THE GROUP'S KEY STAKEHOLDERS





with environment, quality and social responsibility lies with each company of the Group, and the work is conducted based on each individual company's specific conditions and needs.

#### WITH RESPONSIBILITY FOR THE ENVIRONMENT

The environmental work in Bergman & Beving is conducted as an integrated part of the business operations. The Group's environmental council, which is made up of the environmentally responsible persons in the entire organization, lend the local units support and advice in the environmental work. The process of implementing environmental management systems is on going in a number of the Group's companies. During 2001/2002, two companies were certified according to ISO 14001.

Most of the Group's operations consist of dealing in and distribution of products, with a small element of light manufacturing. The Group's environmental impact is therefore mainly related to transportation, packaging material, energy use and in the form of input goods for the producing companies. Three of the Group's companies conduct operations requiring a permit or with a reporting requirement under Swedish environmental legislation. None of the Group's companies are involved in any litigation or disputes relating to environmental issues.

Luna AB, which is the parent company of Bergman & Beving's largest division, was environmentally certified according to ISO 14001 during 2001. As an element of this process, the environmental work at the company's 500 suppliers worldwide was researched.

#### WITH FOCUS ON CONSTANT IMPROVEMENT

For many years the quality work has been a self-evident element of Bergman & Beving's business operations. Constant efforts aimed at improvements are necessary to increase efficiency and at the same time to meet increasing demands for quality and security of supply. Today eleven of the Group's companies are certified according to ISO 9000.

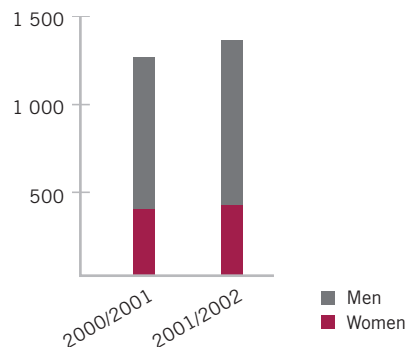
#### WITH RESPECT FOR THE SURROUNDING WORLD

All of the Group's companies, units and employees will in their actions act ethically correctly and respect human rights – which is also a condition for the Group's development. The Group's activities in the social area are primarily centered on the employees.

Equality, diversity, personal responsibility and development are priority areas. The same applies to work environment, employee health and safety.

One example of the environmental work conducted is the delegation of the work environment responsibility from the presidential level to the immediate supervisor implemented in Luna during the year. This was preceded by training of all managers and safety representatives in work environment issues, and the work environment risks will be evaluated department by department once per year in the future.

#### NUMBER OF EMPLOYEES – DISTRIBUTION OF MEN AND WOMEN



The proportion of women in the Group is about 30%.

#### BERGMAN & BEVING'S ENVIRONMENTAL POLICY

The environmental policy of the Bergman & Beving Group expresses a willingness to assume our share of the responsibility to improve the environment and contribute to a durably sustainable development. Thinking in terms of recycling and conservation of natural resources shall be an important part of the Group's business activity. The environmental work shall be conducted within the framework of our business concept and shall be well integrated in day-to-day operations. Through a high level of competence on the part of our employees, and by continuously developing the knowledge about the environmental impact of what we do, we are in a position to take an overall view of environmental issues. Environmental measures will be implemented to the greatest extent technically possible, economically reasonable and environmentally justified. The responsibility for day-to-day environmental work lies with each individual company in the Group.

## THE BERGMAN & BEVING SHARE

### MARKET LISTING

The class B share of Bergman & Beving was floated on the Stockholm Stock Exchange in 1976 and was listed on the A-list in 1984. The trading lot is 500 shares.

### DIVIDEND<sup>11</sup>

The proposed dividend is SEK 1.75 per share.

### SHARE CAPITAL

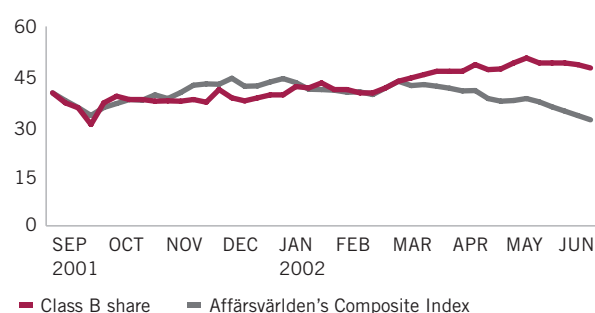
Bergman & Beving's share capital as of March 31, 2002 was MSEK 286. The total number of shares outstanding is 28 630 360, each with a par value of SEK 10. An extra General Meeting of the shareholders in Bergman & Beving AB held April 10, 2002 resolved to reduce the share capital to MSEK 57 through a reduction of the nominal value of each share to SEK 2. The reduction will be performed after resolution by the District Court, estimated to take place during the fall of 2002.

Of the total number of shares outstanding, the Company had repurchased 765 200 class B shares as of March 31, 2002, and carried out a synthetic repurchase of own shares in a number of 1 265 000 class B shares via a share swap agreement. Net, after deduction of repurchased shares and synthetically repurchased shares, the number of shares outstanding amounted to 26 600 160 shares as of March 31, 2002.

During the month of May 2002, 1 271 000 class B shares were repurchased, among them the 1 265 000 synthetically repurchased shares. In the beginning of June 2002, 1 000 000 shares were conveyed in partial payment for the acquisition of TengTools. The total number of shares repurchased by the Company as of June 20, 2002 thus amounts to 1 036 200 class B shares, equivalent to 3.6 percent of the total number of shares outstanding and 2.7 percent of the total number of votes. Of the repurchased shares, 850 000 will secure the Company's obligations under the personnel option program issued by Bergman & Beving in April 2002.

Class A shares entitle their holders to ten votes each; Class B shares carry one vote each. A conversion restriction in the Articles of Association allows for conversion of class A shares to class B shares.

### MARKET PRICE – THE BERGMAN & BEVING SHARE, SEK



The weighted number of shares outstanding, less shares held in treasury and synthetically repurchased shares, is 27 443 493 for the 2001/2002 financial year.

### CONVERTIBLES

By reason of Bergman & Beving's new group structure after the distribution of Addtech AB and Lagercrantz Group AB, Bergman & Beving AB made an offer in November 2001 to repurchase previously issued convertible debentures. Of the convertible debenture loan's original nominal value of MSEK 101, MSEK 82 remains outstanding after the repurchase made. The remaining outstanding convertible debenture loan entitles its holders to convert to 1 800 804 class B shares at a conversion price of SEK 45.70.

### PERFORMANCE OF THE SHARE DURING 2001/2002

The Bergman & Beving share enjoyed a better development during the period September 3, 2001<sup>12</sup> to March 31, 2002 than the composite index. Affärsvärlden's composite index increased by 5 percent. During the same period the Bergman & Beving share increased by 16 percent to SEK 46.50. The share price as of June 20, 2002 was SEK 47.50.

Bergman & Beving's total market capitalization was MSEK 1 331 as of March 31, 2002. Approximately 7.6 million Bergman & Beving shares changed hands during the year, equivalent to 27 percent of the total number of listed shares in the company outstanding.

The number of shareholders increased during the year from 3 385 to 3 762.

<sup>11</sup> Relevant comparative data do not exist since the dividend for the 2000/2001 financial year was based on the outcome for the entire Bergman & Beving Group at the time, including Addtech and Lagercrantz Group.

<sup>12</sup> The day when Addtech AB and Lagercrantz Group AB were listed on the O-list of the Stockholm Stock Exchange.



**HISTORY OF CAPITALIZATION**

Year	Transaction	Change	Share capital	Number of shares
1988/1989			76 356 060	7 635 606
1989/1990	Conversion	140 000	76 496 060	7 649 606
1990/1991	Conversion	86 000	76 582 060	7 658 206
1993/1994	Stock dividend against retained earnings	38 291 030	114 873 090	11 487 309
1993/1994	Non-cash issue to the shareholders of Engros AB Ferro	28 278 710	143 151 800	14 315 180
1997/1998	Stock dividend against legal reserve	143 151 800	286 303 600	28 630 360

An extra general meeting of the shareholders in Bergman & Beving AB held April 10, 2002 resolved to reduce the share capital to MSEK 57 through a reduction of the nominal value of each share to SEK 2. The reduction will be performed after resolution by the District Court.

The Board of Directors has no pending mandate to resolve to issuance of new shares.

**MAJOR SHAREHOLDERS**

ACCORDING TO VPC AS OF MARCH 31, 2002

	NUMBER OF		PERCENTAGE OF	
	A shares	B shares	Capital	Votes
Robur		4 666 957	16.7	12.3
Pär Stenberg	279 152	999 822	4.6	10.0
Anders Börjesson (family)	293 000	20 500	1.1	7.8
Tom Hedelius	278 000	5 400	1.0	7.4
Handelsbanken <sup>13</sup>		2 182 744	7.8	5.8
Handelsbankens Pensionsstiftelse		1 500 000	5.4	4.0
Alecta		1 407 440	5.1	3.7
AMF		1 360 000	4.9	3.6
Carl T Sæve	30 000	973 982	3.6	3.4
Jan Wallanders och Tom Hedelius Stiftelse	114 152		0.4	3.0
Skandia		1 103 000	4.0	2.9
Fjärde AP-Fonden		1 075 775	3.9	2.8
Andra AP-Fonden		765 542	2.7	2.0
Chase Manhattan Bank		697 637	2.5	1.8
Other shareholders	119 174	9 992 883	36.3	29.5
<b>Total</b>	<b>1 113 478</b>	<b>26 751 682</b>	<b>100.0</b>	<b>100.0</b>

<sup>13</sup> Handelsbanken held 1 271 000 class B shares as of March 31, 2002, which is equivalent to the number of shares for which Bergman & Beving AB has settled a share swap agreement with Handelsbanken. During May 2002, all shares covered by this share swap agreement have been repurchased by Bergman & Beving AB. The share swap agreement was closed concurrent herewith.

**CLASSES OF SHARES**

ACCORDING TO VPC AS OF MARCH 31, 2002

	Number of shares	Proportion of capital	Proportion of votes
Class A	1 113 478	4.0 %	29.5 %
Class B	26 751 682	96.0 %	70.5 %
	<b>27 865 160</b>	<b>100.0 %</b>	<b>100.0 %</b>
Repurchased class B shares	765 200		
<b>Total number of shares outstanding</b>	<b>28 630 360</b>		

**OWNERSHIP STRUCTURE**

SIZE CLASSES ACCORDING TO VPC AS OF MARCH 31, 2002

	OWNER		SHARES	
	Number	% of total	Number	% of total
1 – 500	2 408	64.0	435 362	1.6
501 – 1 000	627	16.7	509 276	1.8
1 001 – 5 000	510	13.6	1 124 914	4.0
5 001 – 10 000	81	2.1	635 908	2.3
10 001 – 50 000	73	1.9	1 434 090	5.2
50 001 – 100 000	19	0.5	1 399 170	5.0
100 001 –	44	1.2	22 326 440	80.1
<b>Total</b>	<b>3 762</b>	<b>100.0</b>	<b>27 865 160</b>	<b>100.0</b>

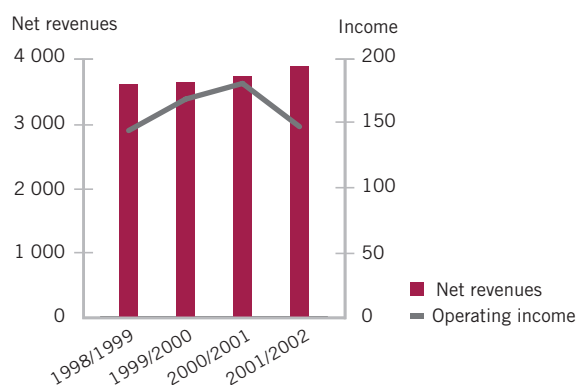
Domestic and foreign institutional ownership is about 73 percent. About 6 percent of Bergman & Beving's shares are owned by shareholders outside Sweden.

## THE BERGMAN & BEVING GROUP OVER FOUR YEARS

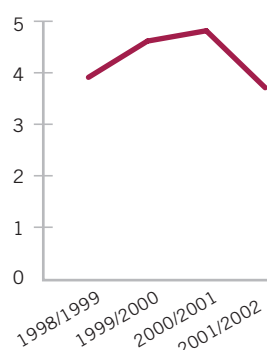
Refers to Bergman & Beving pro forma, not including Addtech and Lagercrantz Group.

MSEK	2001/2002	2000/2001	1999/2000	1998/1999
<b>Income information</b>				
Net revenues	3 902	3 748	3 658	3 621
Operating costs	-3 756	-3 569	-3 491	-3 478
of which depreciation and amortization	-68	-62	-63	-59
Operating income, not including items affecting comparability	146	179	167	143
Items affecting comparability	-	147	-	-
Operating income, including items affecting comparability	146	326	167	143
Financial income and expenses	-6	1		
Income after financial items	140	327		
Taxes	-49	-104		
Net income	91	223		
<b>Balance information</b>				
Intangible fixed assets	100	101	82	97
Tangible fixed assets	356	354	397	388
Financial fixed assets	37	56	23	21
Inventories	551	546	533	582
Short-term receivables	591	607	561	535
Liquid funds	333	387		
<b>Total assets</b>	<b>1 968</b>	<b>2 051</b>		
Shareholders' equity	790	838		
Convertible debenture loan	82	101		
Interest-bearing liabilities and provisions	329	324		
Non-interest-bearing liabilities and provisions	767	788	741	724
<b>Total shareholders' equity and liabilities</b>	<b>1 968</b>	<b>2 051</b>		
Capital employed	1 201	1 263		
Financial net assets	-41	18		

### NET REVENUES AND OPERATING INCOME<sup>14</sup>, MSEK



### PROFIT MARGIN<sup>14</sup>, %



<sup>14</sup>Income data refer to operating income not including items affecting comparability.

**KEY FINANCIAL RATIOS**

	2001/2002	2000/2001	1999/2000	1998/1999
Operating margin, %	3.7	4.8	4.6	3.9
Profit margin, %	3.6	4.8		
Return on total capital, %	8	11		
Return on capital employed, %	13	17		
Return on equity %	11	27		
Ditto, not including items affecting comparability, %	11	14		
Return on equity, fully diluted basis, %	11	24		
Ditto, not including items affecting comparability, %	11	12		
Equity ratio, %	40	41		
Equity ratio, fully diluted basis, %	44	46		

**Other data**

Number of employees at end of period	1 378	1 273	1 229	1 249
Average number of employees	1 361	1 262	1 226	1 210
Cash flow from the current operations, MSEK	207			

**Per-share data**

Earnings, SEK	3.30	7.90		
of which items affecting comparability	–	3.80		
Earnings, fully diluted basis, SEK	3.20	7.40		
Cash flow from the current operations, SEK	7.55			
Ditto, fully diluted basis, SEK	7.00			
Shareholders' equity, SEK	27.70	30.10		
Shareholders' equity, fully diluted basis, SEK	28.85	31.20		
Share price, March 31 <sup>15</sup> , SEK	46.50			
Dividend, SEK	1.75 <sup>16</sup>	<sup>15</sup>		

**Other share-related data<sup>15</sup>**

Share price/Shareholders' equity, %	168			
Share price/Shareholders' equity, fully diluted basis, %	161			
Price earnings ratio	14			
Price earnings ratio, fully diluted basis	14			
Dividend yield, %	3.8			

<sup>15</sup> Relevant comparative data do not exist because of the distribution of Addtech and Lagercrantz Group in August 2001.

<sup>16</sup> As proposed by the Board of Directors.

For description of the pro forma accounts, refer to Accounting Principles, pages 37–38, and for definitions, refer to Note 1, page 39.

The Statements of Income and Balance Sheets pro forma for 1998/1999 and 1999/2000 only include operating items since, by reason of the distribution of Addtech and Lagercrantz Group in August 2001, it was not deemed meaningful to take financial items and taxes into consideration in the history. Certain pro forma data and key financial ratios have therefore been omitted for these years.

## ADMINISTRATION REPORT

April 1, 2001 – March 31, 2002

### NET REVENUES AND INCOME<sup>17</sup>

Net revenues for the 2001/2002 financial year increased by 4 percent to MSEK 3 902 (3 748). Compared with the preceding financial year net revenues increased in both business areas Tools and MediTech. The increase is explained primarily by corporate acquisitions and exchange rate differences.

Income after financial items, not including items affecting comparability, amounted to MSEK 140 (180). Both business areas recorded lower earnings and have been affected negatively by the weak economic trend during the year. Income was also affected negatively by MSEK 11 relating to a non-recurring inventory charge during the fourth quarter of the financial year.

The profit margin for the 2001/2002 financial year was 3.6 percent compared to 4.8 percent for the preceding year.

Income after taxes, not including items affecting comparability, is equivalent to earnings per share of SEK 3.30<sup>18</sup>, as compared with SEK 4.10 for the 2000/2001 financial year.

Bergman & Beving's business areas were regarded as being well positioned in their respective markets during the year. Through focused efforts for increased efficiency, cost control in all units and a strengthening of the market positions, the effects of a weaker market have to some extent been counteracted. Bergman & Beving has initiated a long-term program for increased profitability and growth in its existing core businesses.

The Group's strong financial position, combined with activities for increased growth and profitability, provides Bergman & Beving with good opportunities for further development of the core operations.

### BUSINESS AREAS

#### Tools

Net revenues increased by 3 percent to MSEK 2 911 (2 838). Volume growth was negatively affected during the year by a reduction of transactions with low trading margins at the same time as exchange rate conversion effects as well as acquired businesses had a positive effect on revenues.

Income after financial items, not including items affecting comparability, amounted to MSEK 115 (122). Fourth quarter income was affected negatively by MSEK 11 relating to a non-recurring inventory charge.

The different business units in Tools recorded varying earnings performance. The business area has focused on strengthening the market positions of all niche companies, on improving utilization of capital and on increasing cost awareness. Product line streamlining and broadening of networks for distribution have had a positive effect on earnings, while the weak Swedish krona during the year had a negative effect on the earnings of several units.

The business area's largest division, tool and machinery supplier **Luna**, registered strong volume growth during the year. The Norwegian operations saw a positive development, at the same time as initiatives towards resellers in, among others, Luna Partner in Sweden and Tools Kjedeforum in Norway continue.

All companies in division **Skydda**, that markets solutions for personal protection to the industry, display positive volume and earnings performances for the year. Skydda has developed a strong concept for partners as well as end customers. Thanks to focused marketing efforts and a clear role as a supplier, the division's position has gained strength in all countries.

The **Essve** group, that markets fastening elements and fastening solutions, has implemented a number of measures during the year for increased efficiency in the form of coordination of inventories and IT support, as well as building new product concepts and product lines. Combined with a weak market, this had in part a negative effect on Essve's earnings for the financial year. The last quarter of the year showed a positive development, however, and Essve is believed to have good prospects for the future.

Division **Gigant**, which offers ergonomic work-place equipment for the industry, registered lower earnings than for the preceding year, in part due to the weak state of the market in the telecom sector. In spite hereof Gigant's market position was strengthened during the year.

**Grunda**, that sells consumables to the manufacturing and construction industries, improved its earnings performance during the financial year. The company is putting sharp focus on streamlining the product lines, on improving efficiency and on better utilization of working capital.

All businesses are continuing their initiatives for different communications solutions in order to enhance the collabor-

<sup>17</sup> Refers to Bergman & Beving pro forma, not including Addtech and Lagercrantz Group.

<sup>18</sup> The number of shares outstanding was affected by the synthetic repurchase of own shares during the third quarter of 2001/2002. The number of synthetically repurchased shares amounted to 1 265 000 class B shares as of March 31, 2002. These shares are part of the share swap agreement settled between Bergman & Beving AB and Handelsbanken.

ation with customers and suppliers. The joint industry portal, [www.toolstore.com](http://www.toolstore.com), is showing a positive development and is today one of the leading e-commerce portals in Europe.

The Group's initiatives for development of reseller concepts saw a positive development during the year. The Tools operations today have some 90 resellers in various partner programs (Luna Partner in Sweden, Tools Kjedeforum in Norway and BBTools Suomi in Finland).

Effective as of April 1, 2001 a new organization was introduced in Bergman & Beving according to which the divisions Luna, Skydda, Gigant, Essve and Bergman & Beving Integration are directly reporting units of Bergman & Beving AB. A service company in IT and logistics has also been formed.

Four companies from Tools, together with two companies from MediTech, have been assembled in a new division, Bergman & Beving Development. These companies are Grunda, Consumenta, Jaktia and Mager & Wedemeyer.

Starting in the 2002/2003 financial year, all reporting will be in accordance with the new organizational structure.

### MediTech

Net revenues increased by 9 percent to MSEK 991<sup>19</sup> (910). Income after financial items, not including items affecting comparability, amounted to MSEK 40 (56). The full-year result for the business area was negatively affected by the weak economic trend and the weak Swedish krona. Focused efforts to increase margins, combined with a strengthening of the Swedish krona have improved contribution margins during the fourth quarter. MediTech's action programs for increased efficiency gradually began to show positive effects during the year.

The business area's operations in diagnostics equipment and consumables for dental and medical applications recorded positive revenue and earnings performance compared to the preceding year. Triolab, for instance, strengthened its market position during the year as a leading, independent diagnostics supplier.

The companies that supply laboratory equipment and the subsidiary active in precious metal refining, all show lower earnings compared to the preceding year, even though some improvement was seen during the fourth

quarter. The earnings for the financial year was affected negatively by about MSEK 3 due to price losses on precious metals.

Business area MediTech's structure remains in the new organization in effect from April 1, 2002. Two businesses from MediTech are included in the division Bergman & Beving Development: ANA Ädelmetall and Specialpapper. The subsidiary AB Forssbergs Dental was sold after the end of the financial year.

The goal is to develop MediTech into a leading player in well defined growth areas in the Nordic Region. At the Board of Directors meeting held May 16, 2002 a decision-in-principle was made to develop MediTech to such a level that a separate listing or a structural transaction will be realistic alternatives for development in the long term.

### DISTRIBUTION AND SEPARATE LISTING OF ADDTECH AND LAGERCRANTZ GROUP

The Annual General Meeting in Bergman & Beving AB held August 22, 2001 resolved to distribute all shares in the former business areas Addtech AB and Lagercrantz Group AB to the shareholders. The purpose of the distribution was primarily to sharpen the focus in each respective company with more niched business concepts, thereby creating better opportunities for growth as three independent units.

Addtech AB and Lagercrantz Group AB are since September 3, 2001 listed on the O-list of the Stockholm Stock Exchange. Bergman & Beving's class B share was listed ex right to distribution of Addtech and Lagercrantz Group from August 28, 2001.

### PRO FORMA ACCOUNTING – PRINCIPLES

Because of the distribution of Addtech and Lagercrantz Group, the reporting is done on a pro forma basis. The purpose of the pro forma accounting is to show the development of the new Bergman & Beving Group, containing business areas Tools and MediTech and the Parent Company. The principles for the pro forma accounting are found in the Accounting Principles on pages 37–38.

<sup>19</sup> Changes in Value adding tax legislation for the Group's precious metals business have resulted in an increase of net revenues by MSEK 43 without generating any earnings contribution for the business. Net of this effect, revenues increased by 4 percent.

**OFFICIAL ACCOUNTS**

The official accounts (income statement, balance sheet, statement of cash flow and key financial ratios) for Bergman & Beving including Addtech and Lagercrantz Group through the month for distribution to the shareholders in August 2001 are reported as a part of the financial statements.

**PRO FORMA – PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES**

The return (income not including items affecting comparability) on capital employed for the 2001/2002 financial year was 13 percent and on equity 11 percent. The corresponding figures for the preceding financial year were 17 percent and 14 percent, respectively.

The tax rate was 35 percent. The tax burden for the financial year was increased by four percentage points due to the non-deductibility of amortization of goodwill. The normalized tax rate with the current geographic mix is about 30 percent.

The cash flow from the current operations showed a positive development during the year and amounted to MSEK 207. The Group's net financial liabilities amounted to MSEK 41 at the end of the financial year, as compared with a net loans receivable position of MSEK 18 at the beginning of the year.

The equity ratio at financial year-end was 40 percent as compared with 41 percent at the beginning of the year. The cash dividend to the shareholders of MSEK 139 had a negative effect on the equity ratio by four percentage points.

Shareholders' equity per share<sup>20</sup> amounted to SEK 27.70 at financial year-end, as compared with SEK 30.10 at the beginning of the year. Computed based on the number of shares outstanding after full conversion, shareholders' equity per share<sup>20</sup> amounts to SEK 28.85, as compared with SEK 31.20 at the beginning of the financial year.

Net investments in corporate acquisitions amounted to MSEK 43. Net investments in other fixed assets amounted to MSEK 38.

**PRO FORMA – EMPLOYEES**

At the end of the financial year the number of employees in the Group was 1 378, as compared with 1 273 at the beginning of the financial year. Acquired companies accounted for an increase of 111 persons.

**ITEMS AFFECTING COMPARABILITY**

Business area MediTech reported costs affecting comparability of about MSEK 8 during the year. A major portion of the cost is attributable to a switch of warehouses involving double rent for a period. The move will be made after summer and is prompted by business and environmental requirements for the logistic services, including handling of hazardous goods.

Business area Tools has reversed about MSEK 8 of the restructuring reserve set aside previously in connection with the closing of the financial statements in March 2001, since it is now believed that the reserved costs will not be realized.

**CORPORATE ACQUISITIONS**

The Bergman & Beving Group acquired five businesses during the 2001/2002 financial year with total annual revenues of about MSEK 155.

Three of these, with total revenues of about MSEK 115, were acquired by business area Tools. Business area MediTech acquired two businesses with total annual revenues of about MSEK 40.

**REPURCHASES OF SYNTHETIC OPTIONS AND CONVERTIBLE DEBENTURES**

By reason of Bergman & Beving's new group structure after the distribution of Addtech AB and Lagercrantz Group AB, Bergman & Beving AB aimed two offers for repurchase of previously issued convertible debentures and synthetic options in November and December 2001, respectively. Of the convertible debenture loan's original nominal value of MSEK 101, MSEK 82 remains outstanding after the repurchase made. The remaining convertible debenture loan entitles its holders to convert to 1 800 804 shares at a conversion price of SEK 45.70.

<sup>20</sup> In the calculation of shareholder's equity per share as of March 31, 2002 the cost (MSEK 53) for synthetically repurchased shares under a share swap agreement with Handelsbanken has reduced the value of shareholder's equity. Refer also to Note 18.

The offer to repurchase synthetic options was completed with virtually 100 percent acceptance. Only 3 000 synthetic options, equivalent to 7 830 underlying shares, remain after the consummated repurchase program.

#### **REPURCHASE OF OWN SHARES AND SYNTHETICALLY REPURCHASED SHARES**

Bergman & Beving AB's Annual General Meeting held August 22, 2001 resolved to renew a previous mandate to the Board of Directors to repurchase up to 2 863 036 own shares, equivalent to 10 percent of the number of shares outstanding.

No shares were repurchased during the 2001/2002 financial year. All of the 765 200 shares held as of March 31, 2001 remain in treasury at the end of the year. The nominal value of this holding as of March 31, 2002 amounts to SEK 7 652 000. The total acquisition cost of repurchased shares amounts to MSEK 84.

As a consequence of the repurchase of synthetic options during the third quarter of 2001/2002, 1 265 000 class B shares of a total of 1 271 000 class B shares covered by the swap agreement with Handelsbanken have been converted to synthetically repurchased shares. These shares have an average acquisition price of SEK 41.35 per share.

The holding of 765 200 repurchased class B shares is equivalent to 2.7 percent of the total number of shares outstanding and the 1 265 000 synthetically repurchased class B shares are equivalent to 4.4 percent of the total number of shares outstanding.

An extra General Meeting of shareholders in Bergman & Beving AB held April 10, 2002 resolved to give the Board of Directors a renewed mandate, in effect until the following Annual General Meeting to be held August 26, 2002, to repurchase so many shares that the Company's holding of own shares in treasury never exceeds 10 percent of the total number of shares outstanding. Repurchases shall be made over the Stockholm Stock Exchange. The mandates allows the Board of Directors to use repurchased share in payment for acquisitions, or to sell repurchased shares to finance acquisitions in other ways than over the Stockholm Stock Exchange, and to fulfill the Company's obligations under the personnel option program described below.

The Board of Directors of Bergman & Beving AB has decided to propose to the Annual General Meeting to be held August 26, 2002 to renew the mandate for repurchase of own shares in accordance with the terms and conditions outlined above.

#### **PERSONNEL OPTION PROGRAM**

In February 2002 the Board of Directors of Bergman & Beving AB decided to award about 60 members of senior management of the Bergman & Beving Group a total of up to 850 000 personnel options. This decision was subject to a resolution of an extra General Meeting of shareholders in Bergman & Beving AB that repurchased own shares shall be conveyed to holders of personnel options for the purpose of fulfilling the Company's obligations under the program.

At the extra General Meeting of shareholders in Bergman & Beving AB held April 10, 2002 it was resolved to convey own shares in accordance with the proposed decision of the Board of Directors described above. A total of 850 000 personnel options were thus awarded during the month of April. The term of the options is until June 30, 2005. Each option entitles the holder to purchase one class B share in Bergman & Beving AB at a subscription price of SEK 52, as compared with the Company's average acquisition price of about SEK 41 per share.

#### **CAPITAL STRUCTURE**

At the extra General Meeting of shareholders in Bergman & Beving AB held April 10, 2002 it was resolved to lower the nominal value of the share to SEK 2 thereby lowering the share capital to MSEK 57 (286), and also to reduce the legal reserve to MSEK 11 (134). The total capital reduction of MSEK 352 will be allocated to a reserve classified as unrestricted equity to be used in accordance with resolutions of the General Meetings of shareholders. The purpose of the reduction is to improve the Company's capital structure.

#### **GROUP MANAGEMENT**

Stefan Wigren took office as President and Chief Executive Officer of Bergman & Beving AB August 22, 2001. The Group's Chief Financial Officer, Mats Björkman, was appointed to the post of Executive Vice President on the same occasion.



At the Board of Directors meeting in Bergman & Beving AB held May 16, 2002 Carl Johan Lundberg, the former business area president for Tools, was also appointed to the post of Executive Vice President.

#### **NEW ORGANIZATION FROM APRIL 1, 2002**

Bergman & Beving's new organization went into effect April 1, 2002. The intention is to sharpen the focus on existing core areas and to create opportunities for growth and profitability. Among the features of the new organization are that former business area Tools has been replaced by directly reporting divisions and a service company. In addition, six companies from Tools and MediTech, respectively, are assembled in the division Bergman & Beving Development.

Reporting in accordance with the new organizational structure will begin with the start of the 2002/2003 financial year.

#### **ENVIRONMENTAL IMPACT**

The Group conducts operations requiring a permit, or operations with a reporting requirement, in three Swedish subsidiaries. None of the Group's companies are involved in any environmentally related dispute.

#### **WORK OF THE BOARD OF DIRECTORS**

During the 2001/2002 financial year, the Board of Directors held nine regularly scheduled meetings and one statutory meeting. The statutory Board of Directors meeting held August 22, 2001 adopted the rules of procedure for the Board of Directors. These rules of procedure also contain instructions for the President and Chief Executive Officer.

#### **PARENT COMPANY**

The Parent Company's net revenues amounted to MSEK 18 (28) and income before year-end appropriations and taxes amounted to MSEK 107 (181). This result includes consolidation eliminations of MSEK 119 (97). Last year's result include items affecting comparability of MSEK 75 .

#### **DIVIDEND**

The Board of Directors proposes a dividend of SEK 1.75 per share<sup>21</sup>. The total dividend payment amounts to MSEK 48<sup>22</sup>.

#### **EVENTS AFTER THE END OF THE FINANCIAL YEAR**

At its meeting held May 16, 2002 the Board of Directors in Bergman & Beving AB decided to utilize the mandate given to the Board of Directors by the General Meeting to acquire shares in the Company. According to the decision of the Board of Directors, up to 1 271 000 shares may be acquired during the period until the following Annual General Meeting to be held August 26, 2002. On May 23, 2002 1 271 000 class B shares, including the 1 265 000 synthetically repurchased shares, were repurchased.

On May 16, 2002 Bergman & Beving concluded an agreement to acquire TengTools International Co. Ltd, an international trading business in Taiwan that sells high-quality hand tools, primarily to the manufacturing and vehicle industries in Europe. Sales in 2001 amounted to about MSEK 100 and profitability was good. Possession was taken June 3, 2002. After taking possession, the TengTools operations are conducted within the division Luna.

In the beginning of June 2002, 1 000 000 of the repurchased shares were conveyed in partial payment for trademarks and other intangible assets in connection with the acquisition of TengTools. The total number of repurchased shares as of June 20, 2002 is thus 1 036 200 class B shares, equivalent to 3.6 percent of the total number of shares outstanding and 2.7 percent of the total number of votes. 850 000 of the repurchased shares are intended to secure the Company's obligations in accordance with the personnel option program issued by Bergman & Beving in April 2002.

<sup>21</sup> Relevant comparative data do not exist since the dividend for the 2000/2001 financial year was based on the outcome for the entire Bergman & Beving Group at the time, including Addtech and Lagercrantz Group.

<sup>22</sup> With due consideration to 1 036 200 class B shares repurchased as of June 20, 2002.



## REVENUES AND INCOME BY BUSINESS AREA

MSEK	NET REVENUES 12 MONTHS		INCOME <sup>23</sup> 12 MONTHS	
	2001/2002	2000/2001	2001/2002	2000/2001
Tools	2 911	2 838	115	122
MediTech	991	910	40	56
Parent Company/consolidation eliminations	0	0	-15	2
<b>Group total – pro forma</b>	<b>3 902</b>	<b>3 748</b>	<b>140</b>	<b>180</b>
Distributed units	1 898	5 177	68	307
<b>Group total – actual</b>	<b>5 800</b>	<b>8 925</b>	<b>208</b>	<b>487</b>

### NET REVENUES – QUARTERLY DATA, MSEK

	2001/2002				2000/2001			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools	719	801	700	691	701	779	702	656
MediTech	275	282	213	221	282	247	178	203
Parent Company/consolidation eliminations	0	0	0	0	0	0	0	0
<b>Group total – pro forma</b>	<b>994</b>	<b>1 083</b>	<b>913</b>	<b>912</b>	<b>983</b>	<b>1 026</b>	<b>880</b>	<b>859</b>
Distributed units	–	–	672	1 225	1 408	1 439	1 196	1 134
<b>Group total – actual</b>	<b>994</b>	<b>1 083</b>	<b>1 585</b>	<b>2 137</b>	<b>2 391</b>	<b>2 465</b>	<b>2 076</b>	<b>1 993</b>

### INCOME<sup>23</sup> – QUARTERLY DATA, MSEK

	2001/2002				2000/2001			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools	28	32	28	27	33	40	25	24
MediTech	22	13	2	3	28	15	3	10
Parent Company/consolidation eliminations	-7	0	-7	-1	0	0	1	1
<b>Group total – pro forma</b>	<b>43</b>	<b>45</b>	<b>23</b>	<b>29</b>	<b>61</b>	<b>55</b>	<b>29</b>	<b>35</b>
Distributed units	–	–	12	56	72	93	76	66
<b>Group total – actual</b>	<b>43</b>	<b>45</b>	<b>35</b>	<b>85</b>	<b>133</b>	<b>148</b>	<b>105</b>	<b>101</b>

**NOTE:** “Group total – actual” and “Actual” includes the distributed units Addtech and Lagercrantz Group through the month of distribution to the shareholders in August 2001.

<sup>23</sup> Refers to income after financial items, not including items affecting comparability. Comparative data have been adjusted for internal transfers of companies.

# CONSOLIDATED STATEMENT OF INCOME

MSEK		PROFORMA		ACTUAL	
		2001/2002	2000/2001	2001/2002	2000/2001
Net revenues	Note 2	3 902	3 748	5 800	8 925
Cost of goods sold		-2 816	-2 719	-4 198	-6 541
<b>Gross income</b>		<b>1 086</b>	<b>1 029</b>	<b>1 602</b>	<b>2 384</b>
Selling expenses		-741	-675	-1 068	-1 448
Administrative expenses		-241	-245	-363	-524
Items affecting comparability	Note 4	0	147	5	116
Other operating income and expenses	Note 5	42	70	50	86
<b>Operating income</b>	Note 2	<b>146</b>	<b>326</b>	<b>226</b>	<b>614</b>
Financial income and expenses	Note 6	-6	1	-13	-11
<b>Income after financial items</b>		<b>140</b>	<b>327</b>	<b>213</b>	<b>603</b>
Taxes	Note 8	-49	-104	-72	-204
<b>Net income for the year</b>		<b>91</b>	<b>223</b>	<b>141</b>	<b>399</b>
Earnings per share, SEK		3.30	7.90	5.15	14.10
of which items affecting comparability		-	3.80	0.15	3.00
Earnings per share, fully diluted basis, SEK		3.20	7.40	4.90	13.20
<i>Number of shares outstanding, thousands:</i>					
Weighted number of shares outstanding after repurchase		27 443	28 240	27 443	28 240
Weighted number of shares outstanding after conversion		29 515	30 448	29 515	30 448

# CONSOLIDATED BALANCE SHEET

MSEK		MARCH 31, 2002	MARCH 31, 2001	
			Proforma	Actual
<b>Assets</b>				
<b>Fixed assets</b>				
Intangible fixed assets	Note 9	100	101	644
Tangible fixed assets	Note 10	356	354	688
Financial fixed assets	Note 11	37	56	66
Total fixed assets		493	511	1 398
<b>Current assets</b>				
Inventories	Note 15	551	546	1 305
Short-term receivables	Note 16	591	607	1 574
Short-term investments	Note 31	100	340	343
Cash and bank balances	Note 31	233	47	533
Total current assets		1 475	1 540	3 755
<b>Total assets</b>		<b>1 968</b>	<b>2 051</b>	<b>5 153</b>
<b>Shareholders' equity and liabilities</b>				
<b>Shareholders' equity</b>				
Restricted equity	Note 17			
Share capital	Note 18	286	286	286
Restricted reserves		272	286	286
Unrestricted equity				
Unrestricted reserves		91	43	1 223
Net income for the year		141	223	399
Total shareholders' equity		790	838	2 194
<b>Minority interest</b>		<b>0</b>	<b>0</b>	<b>6</b>
<b>Provisions</b>				
Interest-bearing provisions				
Pensions and similar commitments	Note 20	310	298	403
Non-interest-bearing provisions				
Deferred taxes	Note 21	103	118	191
Other provisions		5	37	78
Total provisions		418	453	672
<b>Long-term liabilities</b>				
Interest-bearing liabilities				
Convertible debenture loan	Note 22	82	101	101
Liabilities to credit institutions	Note 23	17	16	481
Other liabilities		0	1	11
Non-interest-bearing liabilities				
Other liabilities		29	29	30
Total long-term liabilities		128	147	623
<b>Current liabilities</b>				
Interest-bearing liabilities				
Liabilities to credit institutions		2	0	13
Other liabilities		0	9	4
Non-interest-bearing liabilities				
Operating liabilities	Note 24	630	604	1 641
Total current liabilities		632	613	1 658
<b>Total shareholders' equity and liabilities</b>		<b>1 968</b>	<b>2 051</b>	<b>5 153</b>
Pledged assets	Note 25	28		146
Contingent liabilities	Note 25	21		22

# CONSOLIDATED STATEMENT OF CASH FLOW

MSEK		PROFORMA	ACTUAL	
		2001/2002	2001/2002	2000/2001
The current operations				
Income after financial items		140	213	603
Adjustment for items not included in cash flow	Note 28	42	96	41
		182	309	644
Current taxes		-62	-87	-156
Cash flow from the current operations before changes in working capital		120	222	488
Cash flow from changes in working capital				
Change in inventories		24	24	51
Change in operating receivables		58	55	-72
Change in operating liabilities		5	8	71
Change in working capital		87	87	50
Cash flow from the current operations		207	309	538
The investment operations				
Acquisition of subsidiaries and other business units	Note 29	-43	-43	-339
Sales of subsidiaries and other business units	Note 30	-	-	45
Acquisition of intangible and tangible fixed assets		-52	-52	-119
Sales of intangible and tangible fixed assets		14	14	229
Cash flow from the investment operations		-81	-81	-184
Cash flow before financing		126	228	354
The financing operations				
Repurchase of own shares		-1	-1	-84
Change in convertible debenture loan		-19	-19	0
Change in other interest-bearing loan liabilities		-22	-359	16
Cash dividend		-139	-139	-122
Distribution of shares in subsidiaries		0	-254	
Cash flow from the financing operations		-181	-772	-190
Cash flow for the year		-55	-544	164
Liquid funds at beginning of year		387	876	683
Translation difference in liquid funds		1	1	29
Liquid funds at end of period	Note 31	333	333	876

## PARENT COMPANY STATEMENT OF INCOME

MSEK		2001/2002	2000/2001
Net revenues		18	28
Administrative expenses		-35	-41
Items affecting comparability	Note 4	-	75
Other operating income	Note 5	0	3
Other operating expenses	Note 5	-	-2
<b>Operating income</b>		-17	63
Financial income and expenses	Note 6	124	118
<b>Income after financial items</b>		107	181
Year-end appropriations	Note 7	24	-25
<b>Income before taxes</b>		131	156
Taxes	Note 8	-11	-48
<b>Net income for the year</b>		120	108

## PARENT COMPANY STATEMENT OF CASH FLOW

MSEK		2001/2002	2000/2001
<b>The current operations</b>			
Income after financial items		107	181
Adjustment for items not included in cash flow	Note 28	24	-48
		131	133
Current taxes		-31	-45
<b>Cash flow from the current operations before changes in working capital</b>		100	88
<b>Cash flow from changes in working capital</b>			
Change in short-term receivables and liabilities to Group companies		-91	40
Change in operating receivables		1	2
Change in operating liabilities		-7	1
<b>Change in working capital</b>		-97	43
<b>Cash flow from the current operations</b>		3	131
<b>The investment operations</b>			
Capitalization of subsidiaries		-187	-322
Acquisition of tangible fixed assets		-1	-1
Sales of tangible fixed assets		1	117
<b>Cash flow from the investment operations</b>		-187	-206
<b>Cash flow before financing</b>		-184	-75
<b>The financing operations</b>			
Change in convertible debenture loan		-19	0
Change in long-term receivables and liabilities to Group companies		451	312
Change in other interest-bearing loan liabilities		-347	-14
Dividends paid		-139	-121
Repurchase of own shares		-1	-84
<b>Cash flow from the financing operations</b>		-55	93
<b>Cash flow for the year</b>		-239	18
Liquid funds at beginning of year		459	441
<b>Liquid funds at end of period</b>	Note 31	220	459

# PARENT COMPANY BALANCE SHEET

MSEK

March 31, 2002 March 31, 2001

<b>Assets</b>			
<b>Fixed assets</b>			
Tangible fixed assets	Note 10	2	2
Financial fixed assets			
Shares in Group companies	Notes 12, 13	853	1 466
Due from Group companies		85	768
Other long-term receivables	Note 14	34	49
Total financial fixed assets		972	2 283
Total fixed assets		974	2 285
<b>Current assets</b>			
Due from Group companies, short-term		43	136
Other short-term receivables	Note 16	13	7
Short-term investments		100	340
Cash and bank balances		120	119
Total current assets		276	602
<b>Total assets</b>		<b>1 250</b>	<b>2 887</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Restricted equity	Note 17		
Share capital	Note 18	286	286
Legal reserve		134	134
Unrestricted equity			
Retained earnings		88	920
Net income for the year		120	108
Total shareholders' equity		628	1 448
<b>Untaxed reserves</b>	Note 19	<b>187</b>	<b>211</b>
<b>Provisions</b>			
Interest-bearing provisions			
Pensions and similar commitments	Note 20	60	60
Non-interest-bearing provisions			
Other provisions		–	19
Total provisions		60	79
<b>Long-term liabilities</b>			
Interest-bearing liabilities			
Convertible debenture loan	Note 22	82	101
Liabilities to credit institutions	Note 23	–	347
Due to Group companies		91	322
Non-interest-bearing liabilities			
Other liabilities		24	25
Total long-term liabilities		197	795
<b>Current liabilities</b>			
Interest-bearing liabilities			
Liabilities to credit institutions		–	0
Due to Group companies		164	310
Non-interest-bearing liabilities			
Operating liabilities	Note 24	14	44
Total current liabilities		178	354
<b>Total shareholders' equity and liabilities</b>		<b>1 250</b>	<b>2 887</b>
Pledged assets	Note 25	None	None
Contingent liabilities	Note 25	245	336

## ACCOUNTING PRINCIPLES

The financial statements of the Bergman & Beving Group have been compiled in accordance with the Swedish Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council.

### CHANGE IN ACCOUNTING PRINCIPLES

Recommendation No. 9 Income taxes, of the Swedish Financial Accounting Standards Council is applied effective as of April 1, 2001. RR9 has had no effect on the Group's reported earnings or its financial position.

### CONSOLIDATED ACCOUNTING

The consolidated financial statements include the Parent Company and all companies in which the Parent Company, directly or indirectly, owns more than 50 percent of the voting rights.

The consolidated financial statements have been prepared in accordance with the recommendation of the Swedish Financial Accounting Standards Council on consolidated accounting (RR1:96), and with application of the purchase method of accounting. The use of this method means that the assets and liabilities of acquired subsidiaries are reported at market value in accordance with a concurrent acquisition analysis. If the acquisition cost of the shares in the subsidiary exceeds the estimated market value of the company's net assets according to the acquisition analysis, the difference is carried as goodwill in the consolidated balance sheet. When acquiring profitable companies, the acquisition price often exceeds visible net asset value. This means that goodwill arises. Goodwill is capitalized and then amortized over its estimated economic life. In the normal case, goodwill is amortized over 5 or 10 years. In the case of particularly significant acquisitions, an economic life of 20 years may be warranted. If deemed required, a provision will be set aside in the acquisition analysis for future costs for personnel reductions and reorganization (so-called restructuring reserve).

Consolidated equity includes the Parent Company's equity and the portion of equity in subsidiaries earned after the time of acquisition.

Companies acquired during the year are included in the consolidated income statement with value from the time after the acquisition.

Companies sold during the year are included in the consolidated income statement for the period they have been part of the Group.

### YEAR-END APPROPRIATIONS AND UNTAXED RESERVES

The consolidated income statement and the consolidated balance sheet are reported without year-end appropriations and untaxed reserves.

The year-end appropriations in the individual companies have been allocated in such a way that the tax portion is included in the Group's tax expense, whereas the remaining portion is included in the consolidated net income.

Untaxed reserves have been allocated in such a way that the deferred tax liability is reported as a part of provisions, whereas the remaining portion is reported among restricted reserves.

The deferred tax liability has been estimated individually for each company, as a rule using the applicable local tax rate for the following year. If the rate of tax is changed, the difference in tax liability is reported as a part of the year's tax expense.

### TRANSLATION OF FOREIGN SUBSIDIARIES

In preparing the consolidated financial statements, foreign subsidiaries are converted according to the current rate method. This means that assets and liabilities are converted using the year-end rate of exchange, and all items in the income statement are converted using the average rate of exchange for the year. Translation differences are carried directly to shareholders' equity without affecting the year's result.

### RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are valued at the year-end rate of exchange. Translation differences on operating receivables and operating liabilities are included in the operating result, while differences relating to financial receivables and liabilities are reported among financial items.

To the extent receivables and liabilities in foreign currencies have been hedged, they are translated at the forward rate.

### FOREIGN EXCHANGE RATE DIFFERENCES

Foreign exchange rate differences attributable to loans in foreign currencies allocated as a hedge for the net assets of subsidiaries are reported, after deduction of taxes, directly against shareholders' equity, where the corresponding translation difference is also reported.

Foreign exchange rate differences on long-term loans to foreign companies, which are regarded as an additional investment in the subsidiaries, are accounted for in a similar manner.

### REVENUE RECOGNITION

Sales revenue is accounted for upon delivery of products and services according to the terms of each respective customer contract and is equal to the sales amount less V.A.T., returns, discounts and price reductions.

Revenue from projects in progress is accounted for gradually concurrently with the rate of completion. If the costs to complete such projects are believed to exceed the remaining revenue, a provision is set aside for estimated losses.

### DEPRECIATION AND AMORTIZATION

Depreciation of tangible assets and amortization of intangible assets are based on the acquisition costs of the relative assets and their estimated economic life. The following economic life spans are applied:

Machinery and equipment	3–5 years
Buildings	15–100 years
Land improvements	20 years
Agency rights and goodwill	5–20 years

### INVENTORIES

Inventories are valued at the lower of acquisition cost according to the first-in-first-out principle and market value. The risk of obsolescence has been taken into account. The cost of semi-manufactured goods and finished goods manufactured in-house consists of direct manufacturing costs, plus a reasonable mark-up for indirect manufacturing costs.

### TAXES

For purposes of consolidated accounting, taxes consist of current taxes as well as deferred taxes. Current taxes are calculated based on the taxable income for the period in question. Deferred taxes are calculated based on differences between values reported in the Group and residual values for tax purposes. Deferred taxes are taxes calculated based on temporary differences that will be paid in the future. The calculation is performed without discounting, and the current tax rate in each respective country is applied. The value of tax loss carry forwards is taken into account to the extent it is deemed more than likely that they will result in lower tax payments in the future.

### LEASING

Significant financial leasing contracts are reported in the consolidated balance sheet as fixed assets and liabilities, respectively, and in the income statement the leasing cost is split into operating cost (depreciation) and interest. Other leasing commitments are reported in accordance with the rules for operating leases, which means no reporting in the balance sheet and the entire cost being treated as operating expense. At present there are no substantial financial leasing contracts.

### COSTS FOR RESEARCH AND DEVELOPMENT

Expenditure for own research and development is expensed as it is incurred.

### ITEMS AFFECTING COMPARABILITY

Recommendation No. 4 of the Swedish Financial Accounting Standards Council is applied, which means that income effects of special events and transactions of significant importance are specified within each level of income. Examples of such events and transactions are capital gains and losses on the sale of operating segments and significant fixed assets, write-downs and restructuring costs.

### COMPARATIVE DATA – PRO FORMA ACCOUNTING

In August 2001 Bergman & Beving AB distributed two previous business areas, Addtech AB and Lagercrantz Group AB, to its shareholders. For this reason reporting is done on a pro forma basis. The purpose of the pro forma accounting is to show the

performance of the new Bergman & Beving Group, containing business areas Tools and MediTech, and the Parent Company. The official accounts (“actual”) for Bergman & Beving, containing Addtech and Lagercrantz Group through the month of distribution to the shareholders in August 2001, are presented with the addition of “Distributed units”, alternatively as a separate actual reporting in the Annual Report.

The basis for Bergman & Beving’s pro forma accounting and pro forma adjustments are:

#### >> The organizational structure of the business areas as of April 1, 2001

Internal transfers of companies before April 1, 2001 are reported as if the transfers took place as of April 1, 1998.

#### >> Bergman & Beving’s financial position as of March 31, 2001, not including Addtech and Lagercrantz Group

Bergman & Beving’s financial net has been pro forma adjusted by MSEK 11 for the 2000/2001 financial year. The adjustment is equivalent to the interest rate effect of the capitalization of Addtech and Lagercrantz Group that took place in March 2001. The calculation is based on an interest rate of 4 percent.

#### >> Need for external borrowing in current operations

Bergman & Beving had external borrowing to finance a corporate acquisition that was a part of Lagercrantz Group. The pro forma accounts have been adjusted for this borrowing.

Against the background that the capital structure of Bergman & Beving changed on a pro forma basis as of March 31, 2001, it has not been deemed meaningful to take financial items and taxes into account in the historic income statements for periods before March 31, 2000. Pro forma adjustments for these items have only been made for the 2000/2001 financial year. The pro forma income statements for the years 1998/1999 and 1999/2000 thus include only income statements down to the level of operating income before financial items. The same applies for the balance sheets. A complete pro forma balance sheet as of March 31, 2001 is reported. For prior financial years the balance sheets only contain operating capital, without consideration given to financing.

Against this background a complete pro forma statement of cash flow is reported only for the 2001/2002 financial year.

Pro forma measures of return for the 2000/2001 financial year have been computed based on closing capital balances as of March 31, 2001. Pro forma measures of return for the 2001/2002 financial year have been computed based on average capital values during the year.



# NOTES, DEFINITIONS

## NOTE 1 DEFINITIONS

**Net revenues:** Own invoicing and commission income from commission sales.

**Financial net assets:** Liquid funds and financial fixed assets, less interest-bearing liabilities and provisions.

**Operating margin:** Operating income, not including items affecting comparability, relative to net revenues.

**Profit margin:** Income after financial items, not including items affecting comparability, relative to net revenues.

**Return on total capital:** Income after financial items, not including items affecting comparability, plus reversed financial expenses, relative to average total capital (balance sheet total).

**Return on capital employed:** Income after financial items, not including items affecting comparability and reversed financial expenses, relative to average capital employed. Capital employed is defined as the balance sheet total, less non-interest-bearing provisions and liabilities, including deferred tax liabilities.

**Return on equity:** Net income for the year relative to average shareholders' equity.

**Equity ratio:** Shareholders' equity as a percentage of balance sheet total.

**Earnings per share:** Net income for the year divided by the weighted number of shares outstanding.

**Equity per share:** Visible shareholders' equity, less liability for synthetically repurchased shares, divided by the number of shares outstanding, less repurchased and synthetically repurchased shares at the end of the financial year.

**Market price of share/shareholders' equity:** The market price of the share relative to shareholders' equity per share at the end of the financial year.

**Price earnings ratio:** The market price of the share as of March 31, divided by earnings per share.

**Dividend yield:** Annual dividend per share relative to the market price of the share as of March 31.

**Number of shares outstanding at the end of the financial year:** Number of shares outstanding as of March 31, net after deduction for shares repurchased by the company. In computing key financial ratios, the number of shares outstanding have also been affected by the synthetically repurchased 1 265 000 class B shares covered by the share swap agreement between Bergman & Beving AB and Handelsbanken as of March 31, 2002.

**Weighted number of shares outstanding:** Average number of shares outstanding during the financial year, adjusted for repurchased shares.

For key ratios computed after full conversion of convertible debenture loan outstanding, an adjustment has been made for reported interest expense on the convertible loan. The number of shares after full conversion has been computed as the weighted average during the financial year for the income and cash flow-based ratios.

**Amounts** in MSEK (SEK million) unless otherwise stated.

## NOTE 2 NET REVENUES AND OPERATING INCOME BY BUSINESS SEGMENT AND COUNTRY OF OPERATION

	NET REVENUES		OPERATING INCOME	
	2001/2002	2000/2001	2001/2002	2000/2001
<b>By operating segment</b>				
Tools	2 911.4	2 838.6	132.8	133.7
MediTech	990.9	909.9	32.3	124.8
Parent Company/consolidation eliminations	0.0	-0.3	-19.1	67.5
<b>Group total – pro forma</b>	<b>3 902.3</b>	<b>3 748.2</b>	<b>146.0</b>	<b>326.0</b>
Distributed units	1 897.6	5 176.4	79.5	288.2
<b>Group total – actual</b>	<b>5 799.9</b>	<b>8 924.6</b>	<b>225.5</b>	<b>614.2</b>
<b>By country of operation</b>				
Sweden	2 589.9	2 618.5	67.8	256.1
Denmark	125.0	114.2	4.2	4.2
Finland	244.6	203.3	17.8	16.8
Norway	695.6	574.7	44.6	38.2
Other countries	247.2	237.5	11.6	10.7
<b>Group total – pro forma</b>	<b>3 902.3</b>	<b>3 748.2</b>	<b>146.0</b>	<b>326.0</b>
Distributed units	1 897.6	5 176.4	79.5	288.2
<b>Group total – actual</b>	<b>5 799.9</b>	<b>8 924.6</b>	<b>225.5</b>	<b>614.2</b>

## NOTE 3 AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF TANGIBLE ASSETS BY FUNCTION

	GROUP				PARENT COMPANY	
	PROFORMA		ACTUAL		2001/2002	2000/2001
	2001/2002	2000/2001	2001/2002	2000/2001		
Cost of goods sold	-11.1	-9.2	-18.9	-24.7	-	-
Selling expenses	-35.6	-32.4	-72.6	-112.2	-	-
Administrative expenses	-10.8	-12.9	-18.6	-33.2	-0.5	-0.6
Other operating expenses	-10.6	-7.9	-12.0	-10.5	-	-0.2
	-68.1	-62.4	-122.1	-180.6	-0.5	-0.8

**NOTE 4****ITEMS AFFECTING COMPARABILITY**

	GROUP				PARENT COMPANY	
	PRO FORMA		ACTUAL		2001/2002	2000/2001
	2001/2002	2000/2001	2001/2002	2000/2001		
Allocated SPP funds	–	50.0	–	80.7	–	10.0
Sale of real estate	–	137.9	–	137.4	–	86.9
Restructuring reserve	–0.4	–40.7	4.6	–138.1	–	–21.9
Sale of agency rights upon restructuring	–	–	–	35.6	–	–
	–0.4	147.2	4.6	115.6	–	75.0

**NOTE 5****OTHER OPERATING INCOME AND EXPENSES**

	GROUP				PARENT COMPANY	
	PRO FORMA		ACTUAL		2001/2002	2000/2001
	2001/2002	2000/2001	2001/2002	2000/2001		
Other operating income	56.9	84.3	66.3	102.5	0.5	3.5
Other operating expenses	–14.8	–14.5	–16.2	–16.3	–	–1.8
	42.1	69.8	50.1	86.2	0.5	1.7

**NOTE 6****FINANCIAL INCOME AND EXPENSES**

	GROUP				PARENT COMPANY	
	PRO FORMA		ACTUAL		2001/2002	2000/2001
	2001/2002	2000/2001	2001/2002	2000/2001		
<b>Result from shares in Group companies</b>						
Group contributions					42.1	79.5
Dividend income					377.4	17.0
Capital gain on restructuring of the Group					–299.9	–
					119.6	96.5
<b>Result from financial fixed assets</b>						
Dividend income			0.1			
Interest income						
Group companies					18.5	39.3
Other	7.2	2.0	4.4	2.8	2.5	–
Capital gain/loss	–	–	–	–	–	–
Translation differences	–	–0.3	–	–0.3	–	–
	7.2	1.7	4.5	2.5	21.0	39.3
<b>Other interest income</b>						
Interest income						
Group companies					0.5	2.1
Other	10.9	18.7	23.0	32.9	8.9	14.7
Translation differences	0.9	–	1.3	5.3	–	–
	11.8	18.7	24.3	38.2	9.4	16.8
<b>Interest expense and similar profit/loss items</b>						
Group companies					–10.6	–8.9
Other	–23.4	–18.6	–37.2	–50.3	–13.7	–24.5
Translation differences	–1.6	–1.2	–4.4	–1.8	–1.6	–1.1
	–25.0	–19.8	–41.6	–52.1	–25.9	–34.5
<b>Financial income and expenses</b>	–6.0	0.6	–12.8	–11.4	124.1	118.1

**NOTE 7****YEAR-END APPROPRIATIONS**

	PARENT COMPANY	
	2001/2002	2000/2001
Difference between depreciation for tax purposes and regular depreciation		
Buildings and land		12.8
Equipment	–0.1	0.1
Change in timing difference reserve	23.9	–38.1
	23.8	–25.2

## NOTE 8

### TAXES

	GROUP				PARENT COMPANY	
	PRO FORMA		ACTUAL			
	2001/2002	2000/2001	2001/2002	2000/2001	2001/2002	2000/2001
Current taxes	-53.7	-113.5	-78.4	-215.1	-12.2	-49.1
Deferred tax revenue from change in temporary differences	4.9	9.4	6.5	11.0	1.1	1.0
	-48.8	-104.1	-71.9	-204.1	-11.1	-48.1

The Group's average tax rate is estimated to be 30 percent. The relationship between average tax rate and reported taxes for the Group is illustrated in the table below.

	GROUP			
	PRO FORMA		ACTUAL	
	2001/2002	2000/2001	2001/2002	2000/2001
Income before taxes	140.0	326.7	212.7	602.7
Tax according to average tax rate, 30 percent	-42.0	-98.0	-63.8	-180.8
Tax effect of:				
Amortization/write-down of goodwill	-4.8	-4.4	-12.7	-20.1
Capitalized tax loss carryforwards and other	-2.0	-1.7	4.6	-3.2
<b>Reported tax expense</b>	<b>-48.8</b>	<b>-104.1</b>	<b>-71.9</b>	<b>-204.1</b>

The relationship between the Swedish tax rate of 28 percent and reported taxes for the Parent Company is illustrated in the table below.

	PARENT COMPANY	
	2001/2002	2000/2001
Income after financial items	106.7	181.6
Tax according to tax rate 28 percent	-29.9	-50.8
Tax effect of:		
Year-end appropriations	-6.6	7.1
Dividends from subsidiaries	105.7	4.7
Intra-Group share transfers	-84.0	
Additional tax for prior years	-0.8	-0.3
Other non-taxable income/expenses	4.5	-8.8
<b>Reported tax expense</b>	<b>-11.1</b>	<b>-48.1</b>

## NOTE 9

### INTANGIBLE FIXED ASSETS

GROUP	GOODWILL
<b>Accumulated acquisition cost</b>	
At beginning of year	899.8
Capital expenditures	16.6
Acquisition of subsidiaries	2.4
Distributed subsidiaries	-750.6
Sales and disposals	-3.3
Translation differences for the year	0.9
At year-end	165.8
<b>Accumulated amortization</b>	
At beginning of year	-255.8
Acquisition of subsidiaries	-0.2
Amortization for the year	-45.3
Distributed subsidiaries	234.3
Sales and disposals	1.6
Translation differences for the year	-0.1
At year-end	-65.5
<b>Residual value at year-end</b>	<b>100.3</b>

## NOTE 10

### TANGIBLE FIXED ASSETS

GROUP	BUILDINGS AND LAND	LEASEHOLD IMPROVEMENTS	MACHINERY	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
<b>Accumulated acquisition cost</b>						
At beginning of year	535.6	15.2	200.8	647.9	1.9	1 401.4
Capital expenditures	1.8	–	4.1	53.1	0.4	59.4
Acquisition of subsidiaries	–	–	–	7.8	–	7.8
Distributed units	–232.9	–12.9	–143.6	–328.7	–0.3	–718.4
Sales and disposals	–1.0	–0.6	–2.0	–38.8	–	–42.4
Reclassifications	–	–	0.3	0.5	–0.7	0.1
Translation differences for the year	2.7	0.0	0.0	1.0	0.0	3.7
At year-end	306.2	1.7	59.6	342.8	1.3	711.6
<b>Accumulated depreciation</b>						
At beginning of year	–139.6	–9.8	–129.7	–438.7	–	–717.8
Acquisition of subsidiaries	–	–	–	–2.7	–	–2.7
Depreciation for the year	–7.0	–1.0	–11.0	–57.8	–	–76.8
Distributed units	50.1	8.5	100.6	251.3	–	410.5
Sales and disposals	0.3	0.6	2.0	26.4	–	29.3
Translation differences for the year	–2.0	0.1	0.0	–0.4	–	–2.3
At year-end	–98.2	–1.6	–38.1	–221.9	–	–359.8
<b>Accumulated write-ups</b>						
At beginning of year	5.8	–	–	–	–	5.8
Distributed units	–1.0	–	–	–	–	–1.0
At year-end	4.8	–	–	–	–	4.8
<b>Accumulated depreciation of write-ups</b>						
At beginning of year	–1.3	–	–	–	–	–1.3
Distributed units	0.6	–	–	–	–	0.6
At year-end	–0.7	–	–	–	–	–0.7
<b>Residual value at year-end</b>	<b>212.1</b>	<b>0.1</b>	<b>21.5</b>	<b>120.9</b>	<b>1.3</b>	<b>355.9</b>
<b>Tax assessment values, Swedish properties</b>						
Buildings	130.0	–	–	–	–	–
Land	13.2	–	–	–	–	–
<b>Leasing fees</b>						
Leasing fees paid during the financial year	–	–	–	–	–	5.4
Future annual leasing payments fall due as follows:						–
1 year after current financial year	–	–	–	–	–	4.4
2 years after current financial year	–	–	–	–	–	2.9
3 years after current financial year	–	–	–	–	–	1.2
4 years after current financial year	–	–	–	–	–	0.1
Total	–	–	–	–	–	8.6

PARENT COMPANY	EQUIPMENT
<b>Accumulated acquisition cost</b>	
At beginning of year	4.3
Capital expenditures	0.7
Sales and disposals	–1.0
At year-end	4.0
<b>Accumulated depreciation</b>	
At beginning of year	–2.5
Depreciation for the year	–0.5
Sales and disposals	0.6
At year-end	–2.4
<b>Residual value at year-end</b>	<b>1.6</b>
<b>Accumulated accelerated depreciation</b>	
At beginning of year	–0.2
Accelerated depreciation for the year	–0.1
At year-end	–0.3
<b>Net book value</b>	<b>1.3</b>

## NOTE 11

### FINANCIAL FIXED ASSETS

	GROUP		
	MARCH 31, 2002	MARCH 31, 2001	
		PRO FORMA	ACTUAL
Other shares	0.9	0.7	6.8
Other long-term receivables	36.0	55.5	58.9
	36.9	56.2	65.7

MSEK 2.9 (28.7) of other long-term receivables are allocated company-specific SPP funds.

## NOTE 12

### SHARES IN GROUP COMPANIES

	PARENT COMPANY
<b>Accumulated acquisition cost</b>	
At beginning of year	1 516.1
Capital expenditures	676.9
Sales	-539.8
Distributed units	-800.0
	853.2
<b>Accumulated depreciation</b>	
At beginning of year	-50.0
Sales	50.0
At year-end	0.0
<b>Book value at year-end</b>	<b>853.2</b>

## NOTE 13

### SHARES IN GROUP COMPANIES

	NUMBER	PERCENTAGE HOLDING	BOOK VALUE
Bergman & Beving MediTech AB, 556546-6785, Stockholm	200 000	100	176.3
Bergman & Beving Development AB, 556092-2410, Sollentuna	1 500	100	114.2
ESSVE Produkter AB, 556252-1525, Sollentuna	708 810	100	83.6
Gigant Arbetsplats AB, 556588-2916, Alingsås	1 000	100	0.1
Bergman & Beving Tools Holding AB, 556050-8151, Sollentuna	1 000	100	190.1
Bergman & Beving Integration AB, 556088-8264, Sollentuna	1 000	100	0.1
Skydda i Sverige AB, 556046-4959, Ulricehamn	3 000	100	45.2
Luna AB, 556109-4821, Alingsås	200 000	100	210.8
Bergman & Beving InfoTrans AB, 556582-1757, Sollentuna	1 000	100	32.8
			<b>853.2</b>

A complete specification as prescribed by law is enclosed with the Annual Report submitted to the Swedish Patent and Registration Office. This specification is available upon request from Bergman & Beving AB, P.O. Box 10024, SE-100 55 Stockholm, Sweden.

## NOTE 14

### OTHER LONG-TERM RECEIVABLES

	PARENT COMPANY	
	MARCH 31, 2002	MARCH 31, 2001
Deferred tax claims	6.9	
Allocated SPP funds	2.9	28.7
Other long-term receivables	23.6	19.8
	33.4	48.5

## NOTE 15

### INVENTORIES

	GROUP		
	MARCH 31, 2002	MARCH 31, 2001	
		PRO FORMA	ACTUAL
Raw materials and consumables	14.6	14.4	63.8
Goods in production	29.0	31.7	50.4
Finished goods and goods for resale	506.0	496.4	1 177.5
Advance payments to suppliers	1.8	3.8	13.6
	551.4	546.3	1 305.3

## NOTE 16

### SHORT-TERM RECEIVABLES

	GROUP			PARENT COMPANY	
	MARCH 31, 2002	MARCH 31, 2001		MARCH 31, 2002	MARCH 31, 2001
		PRO FORMA	ACTUAL		
Accounts receivable	521.3	535.3	1 423.3	0.0	0.2
Due from Group companies				43.1	135.7
Other receivables	34.5	38.4	73.5	9.9	2.1
Prepaid expenses and accrued income	34.9	32.8	77.0	3.2	5.4
	590.7	606.5	1 573.8	56.2	143.4

Prepaid expenses and accrued income contain the usual items, such as rents, insurance premiums and commissions.

## NOTE 17

### SHAREHOLDERS' EQUITY

GROUP	SHARE CAPITAL	RESTRICTED RESERVES	UNRESTRICTED EQUITY	TOTAL
Opening balance	286.4	285.5	1 622.5	2 194.4
Repurchase of own shares			-1.0	-1.0
Cash dividend			-139.3	-139.3
Distribution of shares in subsidiaries			-1 443.3	-1 443.3
Transfer between restricted and unrestricted equity		-21.0	21.0	
Translation differences		7.0	31.2	38.2
Net income for the year			140.8	140.8
<b>Amount at year-end</b>	<b>286.4</b>	<b>271.5</b>	<b>231.9</b>	<b>789.8</b>

PARENT COMPANY	SHARE CAPITAL	RESTRICTED RESERVES	UNRESTRICTED EQUITY	TOTAL
Opening balance	286.4	134.3	1 027.7	1 448.4
Repurchase of own shares			-1.0	-1.0
Cash dividend			-139.3	-139.3
Distribution of shares in subsidiaries			-800.0	-800.0
Net income for the year			120.0	120.0
<b>Amount at year-end</b>	<b>286.4</b>	<b>134.3</b>	<b>207.4</b>	<b>628.1</b>

Repurchase of own shares during the financial year refers to an accounting effect of synthetically repurchased shares.

Translation differences of MSEK +38 were carried directly to shareholders' equity during the financial year. The amount consists mainly of positive translation differences in currencies EUR, DKK and NOK. Translation differences attributable to distributed subsidiaries amount to MSEK 65. Accumulated translation differences included in shareholder's equity amount to MSEK +54 (+81).

## NOTE 18

### SHARE CAPITAL

The share capital is comprised of 1 113 478 class A shares, each with a par value of SEK 10 and entitling its holders to 10 votes each, and 27 516 882 class B shares, each with a par value of SEK 10 and entitling its holders to 1 vote each. As of March 31, 2002, 765 200 class B shares have been repurchased under the Company's current repurchase program as of March 31, 2002. Net, after deduction for repurchased shares, the number of class B shares outstanding is 26 751 682.

## NOTE 19

### UNTAXED RESERVES

Untaxed reserves are reported as an aggregated item in the balance sheet of the Parent Company. The allocation to different items is shown below. These items are eliminated in their entirety in the consolidated accounts. Refer to Accounting principles on pages 37-38. MSEK 52.4 of the Parent Company's total untaxed reserves of MSEK 187.0 consist of deferred taxes, which are included in the Group's reported deferred tax liability.

	PARENT COMPANY	
	2001/2002	2000/2001
<b>Accumulated accelerated depreciation</b>		
Equipment	0.3	0.2
<b>Timing difference reserves</b>		
Allocation to tax 1997	–	37.4
Allocation to tax 1998	24.2	24.2
Allocation to tax 1999	25.9	25.9
Allocation to tax 2000	38.7	38.7
Allocation to tax 2001	25.6	25.6
Allocation to tax 2002	58.7	58.7
Allocation to tax 2003	13.6	
	<b>187.0</b>	<b>210.7</b>

## NOTE 20

### PENSIONS AND SIMILAR COMMITMENTS

	MARCH 31, 2002	GROUP		PARENT COMPANY	
		MARCH 31, 2001		MARCH 31, 2002	MARCH 31, 2001
		PRO FORMA	ACTUAL		
Provision for pensions, PRI	299.0	286.1	387.1	56.2	55.9
Provision for pensions, other	11.4	11.9	15.8	4.1	4.2
	<b>310.4</b>	<b>298.0</b>	<b>402.9</b>	<b>60.3</b>	<b>60.1</b>

## NOTE 21

### DEFERRED TAXES

	MARCH 31, 2002	GROUP	
		MARCH 31, 2001	
		PRO FORMA	ACTUAL
Deferred tax liability from untaxed reserves	112.9	128.1	206.9
Other deferred tax liabilities	0.7	-8.7	5.2
Deferred tax claims from other temporary differences	-11.1	-1.1	-20.7
<b>Total deferred tax liabilities</b>	<b>102.5</b>	<b>118.3</b>	<b>191.4</b>

## NOTE 22

### CONVERTIBLE DEBENTURE LOAN

In 1999 all employees in Sweden, Denmark, Finland and Norway were offered to subscribe for convertible debentures. The convertible debenture program was subscribed by more than 900 employees. The convertible debenture loan was in the amount of MSEK 101.

The Annual General Meeting held August 22, 2001 resolved to offer redemption of convertible debentures outstanding in the Company. A total of 181 holders of convertible debentures in Bergman & Beving chose to accept the offer and have sold convertible debentures corresponding to a nominal amount of MSEK 18.5. The total purchase-money was MSEK 18.8. After the repurchase, convertible debentures in a nominal amount of MSEK 82 remain outstanding. Conversion may take place during the period July 1, 2002 – September 15, 2004 at a conversion price of SEK 45.70 per share. The convertible debenture loan carries interest at a rate of STIBOR 180 days less 1.15 percentage points for the period until June 30, 2000, STIBOR 360 days less 1.15 percentage points for the period July 1, 2000 until June 30, 2004 and STIBOR 180 days less 1.15 percentage points for the period July 1, 2004 until October 30, 2004. Upon full conversion the number of shares outstanding increases by 1 800 804 class B shares, which is equivalent to dilution of 6.1 percent of the capital and 4.5 percent of the votes.

## NOTE 23

### LONG-TERM LIABILITIES TO CREDIT INSTITUTIONS

	MARCH 31, 2002	GROUP		PARENT COMPANY	
		MARCH 31, 2001		MARCH 31, 2002	MARCH 31, 2001
		PRO FORMA	ACTUAL		
Committed credit facility					
Approved credit limit	159.6	199.5	342.8	145.6	183.9
Unutilized portion	-147.1	-188.0	-242.8	-145.6	-183.9
Credit facility utilized	12.5	11.5	100.0	-	-
Liabilities to credit institutions					
Due within 2 years	3.3	2.6	356.5	-	347.0
Due within 3 years	0.3	0.7	3.8	-	-
Due within 4 years	0.2	0.3	3.7	-	-
Due within 5 years	0.2	0.2	2.3	-	-
Due within 6 years	0.8	0.9	14.8	-	-
Total	4.8	4.7	381.1	-	347.0
Long-term liabilities to credit institutions, total	17.3	16.2	481.1	-	347.0

Other long-term liabilities fall due for repayment 1–5 years from financial year-end.

Loans from credit institutions to the Bergman & Beving Group as of March 31, 2002 are divided among the following currencies:

	GROUP	
	LOCAL CURRENCY	MSEK
NOK	3.5	4.1
SEK		0.7
Total		4.8

## NOTE 24

### OPERATING LIABILITIES

	GROUP		PARENT COMPANY		
	MARCH 31, 2002	MARCH 31, 2001		MARCH 31, 2002	MARCH 31, 2001
		PRO FORMA	ACTUAL		
Advance payments from customers	1.2	2.5	11.1	—	—
Accounts payable	347.5	306.0	806.8	1.3	2.3
Notes payable	13.7	18.7	18.7	—	—
Tax liabilities	35.1	43.9	116.5	4.2	28.8
Other liabilities	64.3	67.9	307.1	3.1	4.6
Accrued expenses and prepaid income	168.0	164.5	381.0	5.8	8.0
	629.8	603.5	1 641.2	14.4	43.7

Accrued expenses and prepaid income contain the usual items, such as social benefits, vacation pay liabilities, bonuses, rents and interest.

## NOTE 25

### PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	MARCH 31, 2002	MARCH 31, 2001	MARCH 31, 2002	MARCH 31, 2001
<b>Pledged assets for liabilities to credit institutions</b>			–	–
Real estate mortgages	11.4	31.1	–	–
Pledged site leasehold	0.0	1.5	–	–
Corporate mortgages	16.6	113.5	–	–
	28.0	146.1	–	–
<b>Contingent liabilities</b>				
Guaranties and other contingent liabilities	20.7	21.6	1.1	1.1
Guaranties for subsidiaries			244.2	335.1
	20.7	21.6	245.3	336.2

## NOTE 26

### EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF EMPLOYEES BY COUNTRY	2001/2002			2000/2001		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Sweden, Parent Company	8	3	11	9	4	13
Sweden, Other Swedish companies	632	286	918	619	288	907
Denmark	21	29	50	31	16	47
Finland	80	20	100	65	15	80
Norway	120	39	159	103	33	136
Estonia	19	6	25	13	6	19
Poland	51	13	64	15	6	21
Germany	23	8	31	29	10	39
Other countries	3	0	3	0	0	0
<b>Group total – pro forma</b>	957	404	1 361	884	378	1 262
Distributed units	549	284	833	1 087	579	1 666
<b>Group total – actual</b>	1 506	688	2 194	1 971	957	2 928

COMPENSATION BY COUNTRY	2001/2002			2000/2001		
	BOARD OF DIRECTORS AND PRESIDENT	OF WHICH BONUS	OTHER	BOARD OF DIRECTORS AND PRESIDENT	OF WHICH BONUS	OTHER
Sweden, Parent Company	6.7	0.0	8.3	6.7	0.5	9.4
Sweden, Other Swedish companies	26.9	2.2	252.4	26.7	3.8	245.8
Denmark	2.6	0.1	21.6	2.3	0.3	17.9
Finland	3.8	0.0	26.0	3.1	0.7	22.8
Norway	5.9	0.2	70.3	4.2	0.1	49.4
Estonia	0.8	0.0	1.9	0.7	0.0	1.4
Poland	0.8	0.0	7.0	0.5	0.0	2.0
Germany	1.7	0.3	11.7	2.1	0.3	12.8
Other countries	0.2	0.0	0.2	0.0	0.0	0.0
<b>Group total – pro forma</b>	49.4	2.8	399.4	46.3	5.7	361.5
Distributed units	28.9	3.9	233.9	67.9	11.7	517.1
<b>Group total – actual</b>	78.3	6.7	633.3	114.2	17.4	878.6

SALARIES, OTHER COMPENSATION AND SOCIAL BENEFITS	2001/2002			2000/2001		
	SALARIES AND OTHER COMPENSATION	SOCIAL BENEFITS	OF WHICH PENSION COSTS	SALARIES AND OTHER COMPENSATION	SOCIAL BENEFITS	OF WHICH PENSION COSTS
Parent Company	15.0	14.1	9.1	16.1	13.2	8.6
Subsidiaries	433.8	171.6	53.2	391.7	144.3	40.7
<b>Group total – pro forma</b>	448.8	185.7	62.3	407.8	157.5	49.3
Distributed units	262.8	75.7	22.9	585.0	165.6	49.2
<b>Group total – actual</b>	711.6	261.4	85.2	992.8	323.1	98.5



**NOTE 26****EMPLOYEES AND PERSONNEL COSTS – continued**

The group “Board of Directors and President” includes Directors, President and Executive Vice Presidents in the Parent Company. SEK 5 144 thousand (5 256) of the Parent Company's pension costs refers to the group “Board of Directors and President.” The Company's outstanding pension commitments to this group amounts to SEK 50 256 thousand (46 949).

**Option programs***Option program 1999*

On November 18, 1999, Bergman & Beving AB's Board of Directors decided to offer members of senior management of the Group the opportunity to acquire synthetic options.

In December 2001 the Board of Directors decided to offer redemption of synthetic options. The redemption offer was accepted by all except one option holder. Bergman & Beving AB has repurchased a total of 661 500 synthetic options equivalent to 1 726 515 underlying shares in Bergman & Beving AB. At the time of repurchase, Bergman & Beving paid a premium of SEK 10.00 per option, a total of MSEK 6.6. After completion of the repurchase offer, 3 000 synthetic options remain outstanding equivalent to 7 830 underlying class B shares in Bergman & Beving AB. Each synthetic option entitles its holder to purchase 2.61 underlying class B shares with a redemption price of SEK 45.80 per share. The outstanding options expire January 13, 2003.

*Personnel option program 2002*

In February 2002 the Board of Directors of Bergman & Beving AB decided to award about 60 members of senior management of the Bergman & Beving Group a total of up to 850 000 personnel options. This decision was subject to a resolution of an extra General Meeting of shareholders in Bergman & Beving AB that repurchased own shares shall be conveyed to holders of personnel options for the purpose of fulfilling the Company's obligations under the program.

At an extra General Meeting of shareholders in Bergman & Beving AB held April 10, 2002 it was resolved to convey own shares in accordance with the proposed decision of the Board of Directors described above. A total of 850 000 personnel options were thus awarded during the month of April 2002. The term of the options is until June 30, 2005. Each option entitles the holder to purchase one class B share in Bergman & Beving AB at a subscription price of SEK 52, as compared with the Company's average acquisition price of about SEK 41 per share.

**Information about compensation and benefits of senior management***Board of Directors*

The Board of Directors has allocated the amount of fees adopted by the Annual General Meeting, SEK 800 thousand (800), among the Directors who are not employees of the Parent Company. The Chairman of the Board has received SEK 250 thousand.

Aside from the President, the Vice Chairman is an employee of the Parent Company according to a prior chief executive contract.

Stefan Wigren took office as President and Chief Executive Officer August 22, 2001 at the same time as Anders Börjesson was appointed to the post of Executive Vice Chairman.

*Chief Executive Officer and President of the Parent Company*

The Company's President as of August 22, 2001 Stefan Wigren, was paid a fixed salary of SEK 160 thousand per month. Additional taxable benefits were paid in an amount of SEK 94 thousand during the year. Pension premiums are paid for the President in an amount of 25 percent of the salary. A bonus, based on the Group's income, is payable up to 30 percent of one year's fixed salary. Severance pay equals a maximum of one year's salary. The President received 100 000 options in the personnel option program for 2002. No bonus was paid to the President for the 2001/2002 operating year.

The former President, Anders Börjesson, is Executive Vice Chairman since August 22, 2001. In accordance with his chief executive contract, SEK 3 311 thousand (3 311) was paid in salary for the 2001/2002 operating year. Additional taxable benefits were paid in an amount of SEK 101 thousand (103). The contractual retirement age is 55 years, which takes effect in May 2003. The level of pension between ages of 55 and 60 is 65 percent of the salary paid at the time of retirement, and 70 percent thereafter.

*Other members of senior management*

For other members of senior management the retirement age varies between 60 and 65 years. Pensions are paid in accordance with the ITP plan.

Bonuses are paid based on earnings performance achieved in a maximum amount of 30 percent of fixed salaries. In addition, a bonus premium may be paid in a maximum amount of 20 percent of the bonus received used to purchase shares in Bergman & Beving AB.

Severance pay equals one year's salary. No severance pay is paid if the employee terminates employment at his or her own request.

**NOTE 27****FEES TO THE COMPANY'S AUDITORS**

	GROUP		PARENT COMPANY
	PRO FORMA 2001/2002	ACTUAL 2001/2002	2001/2002
<b>Audit assignment</b>			
KPMG	2.4	2.4	0.2
Other auditors	0.3	0.3	–
Total audit fees	2.7	2.7	0.2
<b>Other assignments</b>			
KPMG, Audit in connection with distribution of subsidiaries	2.7	2.7	2.7
KPMG, Other	1.1	1.1	0.2
Other auditors	0.2	0.2	–
Total fees for consultations	4.0	4.0	2.9
<b>Total fees to auditors</b>	6.7	6.7	3.1

By audit assignment is meant examination of the Annual Accounts and the administration by the Board of Directors and the President, other tasks the Company's auditors are obligated to perform, and advice or other assistance prompted by such examination or the performance of such tasks. Everything else is other assignments.

**NOTE 28****ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW**

	GROUP			PARENT COMPANY	
	PRO FORMA	ACTUAL			
	2001/2002	2001/2002	2000/2001	2001/2002	2000/2001
Amortization of goodwill	17.0	45.3	71.8		
Other depreciation and amortization	51.1	76.7	108.8	0.5	0.7
Result of sales of companies and facilities	-2.7	-2.7	-186.8	-0.3	-87.0
Restructuring reserve	-32.2	-32.2	76.6	-18.5	18.5
Allocated but unpaid SPP funds	-	-	-53.8	-	-7.5
Change in pension commitments	12.4	12.4	22.2	0.3	0.8
Adjustment for dividends/group contributions paid				37.4	28.5
Adjustment for interest paid/received	-	-	-1.9	4.7	-1.8
Other	-3.5	-3.5	3.8	0.2	-
	42.1	96.0	40.7	24.3	-47.8

**NOTE 29****ACQUISITION OF SUBSIDIARIES AND OTHER BUSINESS UNITS**

	GROUP	
	PRO FORMA/ACTUAL	ACTUAL
	2001/2002	2000/2001
<b>Assets and liabilities acquired</b>		
Intangible fixed assets	19.1	210.1
Tangible fixed assets	6.0	93.5
Financial fixed assets	3.5	4.0
Inventories	29.5	110.5
Short-term receivables	18.4	117.2
Liquid funds	2.4	104.1
<b>Total assets</b>	<b>78.9</b>	<b>639.4</b>
Minority interest	0.0	-5.0
Provisions	0.2	-13.1
Long-term liabilities	-16.3	-49.0
Current liabilities	-17.6	-129.3
<b>Total liabilities and provisions</b>	<b>-33.7</b>	<b>-196.4</b>
Purchase-money paid	-45.2	-443.0
Less: Liquid funds in the acquired business	2.4	104.1
<b>Effect on liquid funds</b>	<b>-42.8</b>	<b>-338.9</b>

**NOTE 30****SALES OF SUBSIDIARIES AND OTHER BUSINESS UNITS**

	GROUP	
	PRO FORMA/ACTUAL	ACTUAL
	2001/2002	2000/2001
<b>Assets and liabilities sold:</b>		
Tangible fixed assets	-	-0.6
Inventories	-	-4.7
Short-term receivables	-	-12.6
<b>Total assets</b>	<b>-</b>	<b>-17.9</b>
Current liabilities	-	8.6
<b>Total liabilities and provisions</b>	<b>-</b>	<b>8.6</b>
Purchase-money received	-	44.9
<b>Effect on liquid funds</b>	<b>-</b>	<b>44.9</b>

**NOTE 31**  
**LIQUID FUNDS**

	GROUP		PARENT COMPANY	
	MARCH 31, 2002	MARCH 31, 2001	MARCH 31, 2002	MARCH 31, 2001
Liquid funds consist of the following components:				
Cash and bank balances	233.2	533.2	120.3	118.7
Short-term investments, equivalent to liquid funds	100.2	343.2	100.0	340.0
	333.4	876.4	220.3	458.7

The above items have been classified as liquid funds based on the premise that:

- There is little risk of fluctuation in value.
- They are easily convertible into cash.
- They have a maximum term of 3 months from the time of acquisition.

**NOTE 32**  
**INTEREST PAID AND DIVIDENDS RECEIVED**

	GROUP		PARENT COMPANY	
	2001/2002	2000/2001	2001/2002	2000/2001
Dividends/group contributions received	–	–	456.9	125.0
Interest income	29.2	34.8	33.1	55.5
Interest expense	–37.6	–51.4	–20.9	–34.5
	–8.4	–16.6	469.1	146.0

## PROPOSED ALLOCATION OF EARNINGS

### ALLOCATION OF EARNINGS

The Group's unrestricted equity amounted to MSEK 232 as of March 31, 2002. No allocation to restricted reserves is required.

The following amounts are at the disposal of the General Meeting of Shareholders of the Parent Company Bergman & Beving AB:

Retained earnings	SEK 88 116 thousand
Net income for the year	SEK 119 305 thousand
	<u>SEK 207 421 thousand</u>

The Board of Directors and the President propose that the funds available be allocated as follows:

Dividend to the shareholders of	
SEK 1.75 per share	SEK 48 290 thousand <sup>24</sup>
To be transferred to retained earnings	<u>SEK 159 131 thousand</u>
	SEK 207 421 thousand

Stockholm, June 20, 2002

Tom Hedelius  
*Chairman*

Anders Börjesson  
*Vice Chairman*

Per Axelsson

Berit Axell Fredriksson

Conny Kjellberg

Per-Olof Söderberg

Stefan Wigren  
*President and Chief Executive Officer*

Our Audit Report was submitted June 20, 2002

Thomas Thiel  
*Authorized Public Accountant*

George Pettersson  
*Authorized Public Accountant*

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<sup>24</sup>With due consideration to 1 036 200 class B shares repurchased as of June 20, 2002.

## AUDIT REPORT

To the Annual General Meeting in Bergman & Beving AB (publ)  
Registration number 556034-8590

We have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President of Bergman & Beving AB for the financial year April 1, 2001 – March 31, 2002. Responsibility for the accounting records and management rests with the Board of Directors and the President. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to obtain reasonable assurance that the Annual Accounts and the consolidated financial statements are free of material errors. The audit includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the President's application thereof, and an evaluation of the aggregate information contained in the Annual Accounts and the consolidated financial statements. As a basis for our opinion concerning discharge from liability, we have examined significant decisions, actions taken and circumstances in the Company to allow us to form an opinion as to whether any Director or the President is liable for damages to the Company. We have also examined whether any member of the Board of Directors in any other way has acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association. We are of the opinion that our audit gives us a reasonable ground for our statements below.

The Annual Accounts and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and therefore provide a true and fair representation of the Company's and the Group's results and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, that the profit of the Parent Company be allocated in accordance with the proposal contained in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Stockholm, June 20, 2002

Thomas Thiel  
*Authorized Public Accountant*

George Pettersson  
*Authorized Public Accountant*

## BOARD OF DIRECTORS



**TOM HEDELIUS**



**ANDERS BÖRJESSON**



**BERIT AXELL FREDRIKSSON**



**PER AXELSSON**



**CONNY KJELLBERG**



**PER-OLOF SÖDERBERG**



**STEFAN WIGREN**

### **TOM HEDELIUS**

Born 1939.  
Chairman.  
Director since 1982.  
Doctor of Economics h.t.  
Honorary Chairman of Handelsbanken. Chairman of AB Industrivärden, Anders Sandrews stiftelse and Svenska le Carbone. Vice Chairman of Addtech AB, Lagercrantz Group AB, Telefonaktiebolaget LM Ericsson and Jan Wallanders och Tom Hedelius stiftelse.  
Director of SCA AB and AB Volvo.  
Shares owned: 278 000 class A shares  
5 400 class B shares

### **ANDERS BÖRJESSON**

Born 1948.  
Vice Chairman.  
Director since 1990.  
Chairman of Addtech AB, Boomerang AB, Cibenon AB and Lagercrantz Group AB.  
Shares owned (family):  
293 000 class A shares  
20 500 class B shares  
Convertibles: SEK 50 000

### **BERIT AXELL FREDRIKSSON**

Born 1949.  
Director since 2000.  
Employee representative.  
Shares owned: 168 class B shares  
Convertibles: SEK 70 000

### **PER AXELSSON**

Born 1950.  
Director since 2001.  
President of AB Julius Ekbon.  
Director of AB Julius Ekbon and AB Interpares.  
Shares owned: 3 000 class B shares  
2 688 class A shares (company)

### **CONNY KJELLBERG**

Born 1945.  
Director since 1996.  
Employee representative.  
Shares owned: 168 class B shares  
Convertibles: SEK 150 000

### **PER-OLOF SÖDERBERG**

Born 1955.  
Director since 1996.  
President and Chief Executive Officer of Dahl International AB.  
Director of Martin Olsson HAB, Oxigene Inc., Ratos AB and Skandia Investment AB.  
Shares owned (family): 28 400 class B shares

### **STEFAN WIGREN**

Born 1957.  
President and Chief Executive Officer.  
Director since 2000.  
Director of Teligent AB.  
Shares owned: 15 000 class B shares  
Personnel options: 100 000

### **HONORARY MEMBERS**



### **CARL T. SÄVE**

Born 1919.  
Former President and Chairman.  
Shares owned:  
30 000 class A shares  
973 982 class B shares



### **PÄR STENBERG**

Born 1931.  
Former President and Vice Chairman.  
Shares owned:  
279 152 class A shares  
999 822 class B shares

The nomination committee for election of Directors consists of Anders Börjesson and Tom Hedelius.

## MANAGEMENT



**STEFAN WIGREN**



**MATS BJÖRKMAN**



**ANDERS ENGSTRÖM**



**JOHAN FALK**



**MATS KARLQVIST**



**CARL JOHAN LUNDBERG**

**STEFAN WIGREN**

Born 1957.  
President and Chief Executive Officer.  
Shares owned: 15 000 class B shares  
Personnel options: 100 000

**MATS BJÖRKMAN**

Born 1958.  
Executive Vice President and Chief Financial Officer.  
Secretary to the Board of Directors.  
Shares owned (family): 7 600 class B shares  
Personnel options: 70 000

**ANDERS ENGSTRÖM**

Born 1941.  
Vice President.  
Shares owned: 680 class B shares  
Personnel options: 32 000  
Convertibles: SEK 50 000

**JOHAN FALK**

Born 1971.  
Vice President of Group Management and President of Bergman & Beving Integration AB from April 1, 2002.  
Personnel options: 40 000

**MATS KARLQVIST**

Born 1966.  
Vice President – Investor Relations.  
Shares owned: 200 class B shares  
Personnel options: 24 000

**CARL JOHAN LUNDBERG**

Born 1951.  
Executive Vice President.  
Shares owned: 120 class B shares  
Personnel options: 70 000  
Convertibles: SEK 150 000

**Auditors**

*Authorized Public Accountant*

**THOMAS THIEL**

Born 1947.  
KPMG.  
The Company's Auditor since 1997.

*Authorized Public Accountant*

**GEORGE PETTERSSON**

Born 1964.  
KPMG.  
The Company's Auditor since 1997.

**Deputy Auditors**

*Authorized Public Accountant*

**ANDERS IVDAL**

Born 1951.  
KPMG.  
The Company's Auditor since 1997.

*Authorized Public Accountant*

**MAGNUS JACOBSSON**

Born 1958.  
KPMG.  
The Company's Auditor since 1997.

## THE COMPANIES IN THE BERGMAN & BEVING GROUP

### Companies in the Tools operations

#### LUNA AB

[www.luna.se](http://www.luna.se)

**Division management** Ulf Carlsson,  
President

**Operating area** Comprehensive supplier  
in machinery and tools for professional  
use in the industrial and construction  
sectors.

**Country** Sweden

#### LUNA EESTI AS

**President** Päär Altroff

**Product area** Machinery and tools.

**Country** Estonia

#### LUNA LATVIJA SIA

**President** Mikus Lacis

**Product area** Machinery and tools.

**Country** Latvia

#### LUNA NORGE AS

**President** Kåre M. Johansen

**Product area** Machinery and tools.

**Country** Norway

#### LUNA PARTNER AB

**President** Joakim Lundgren

**Operations** Partner program for resellers  
in tools, machinery and consumables.

**Country** Sweden

#### LUNA POLSKA SP. Z O.O.

**President** Stanislaw Szczurek

**Product area** Machinery and tools.

**Country** Poland

#### TENGTOOLS INTERNATIONAL SWEDEN AB

**President** Claes Nilsson

**Operations** Development and sales of  
handtools under the TengTools brand  
name for the mechanical industry in  
Europe.

**Countries** Sweden, Taiwan, and others

#### TOOLS KJEDEFORUM AS

**President** Bjørn Oddvar Andersen

**Operations** Partner program for resellers  
in tools, machinery and consumables.

**Country** Norway

#### UAB LUNA TOOLS

**President** Gintaras Neviera

**Product area** Machinery and tools.

**Country** Lithuania

#### SKYDDA PROTECTING PEOPLE EUROPE AB

[www.skydda.se](http://www.skydda.se)

**Division management** Leif Reinholdsson,  
President

**Operating area** Comprehensive supplier  
in equipment for personal protection for  
the industry.

**Country** Sweden

#### SKYDDA I NORGE AS

**President** Tormod L. Johansen

**Product area** Equipment for  
personal protection.

**Country** Norway

#### SKYDDA I SVERIGE AB

**President** Lennart Holm

**Product area** Equipment for  
personal protection.

**Country** Sweden

#### SUOJAINKESKUS OY

**President** Heikki Heinonen

**Product area** Equipment for  
personal protection.

**Country** Finland

#### ESSVE PRODUKTER AB

[www.essve.se](http://www.essve.se)

**Division management** Bengt Margård,  
President

**Operating area** Comprehensive supplier  
in fastening, sealing and electrical hand-  
tools for the industrial and construction  
sectors.

**Country** Sweden

#### ASSAR HULTÉN AB

**President** Per Stenholtz

**Product area** Industrial fastening  
elements.

**Country** Sweden

#### ESSVE BALTIC AS

**President** Uno Maitus

**Product area** Fastening elements,  
sealings and electrical handtools.

**Country** Estonia

#### ESSVE NORGE AS

**Acting President** Anders Ohlsson

**Product area** Fastening elements,  
sealings and electrical handtools.

**Country** Norway

#### ESSVE POLAND SP. Z O.O.

**President** Bogdan Rogowski

**Product area** Fastening elements.

**Country** Poland

#### ESSVE SVERIGE AB

**President** Bengt Margård

**Product area** Fastening elements,  
sealings and electrical handtools.

**Country** Sweden

#### FAST-IT HELSINKI OY

**President** Timo Palmroth

**Product area** Industrial fastening  
elements.

**Country** Finland

#### GIGANT ARBETSPLATS AB

[www.gigant.se](http://www.gigant.se)

**Division management** Leif Törnqvist,  
President

**Operating area** Comprehensive supplier  
in ergonomic workplace equipment  
for the industry.

**Country** Sweden

#### IAAB MILJÖTEKNIK AB

**President** Bernt-Eric Grönlund

**Operations** Production of screening  
systems and drapery, and sales of  
excavation and vacuum systems, etc.

**Country** Sweden

#### BERGMAN & BEVING INTEGRATION AB

**Division management** Johan Falk,  
President

**Operating area** Responsibility for inte-  
gration and partnerships with resellers.

**Country** Sweden

#### BBTOOLS SUOMI OY

**President** Jukka Ojamo

**Operations** Coordination of resellers in  
tools, machinery and consumables for  
the industrial and construction sectors.

**Country** Finland

#### OULUN PULTTI OY

**President** Markku Kilponen

**Operations** Local reseller.

**Country** Finland

#### POHJANMAAN PULTTI KONE JA RUUVI OY

**President** Markku Kumpeli

**Operations** Local reseller.

**Country** Finland

#### PULTTI-NURKKA OY

**President** Rejma Palmu

**Operations** Local reseller.

**Country** Finland

#### BERGMAN & BEVING INFOTRANS AB

**President** Anders Möller

**Operations** Responsibility for develop-  
ment, coordination and operation of IT  
and logistics services in the Tools  
operations.

**Country** Sweden

#### LOGISTIKPARTNER I ULRICEHAMN AB

**President** Jan Holmberg

**Operations** IT and logistics services.

**Country** Sweden



## Companies in Bergman & Beving MediTech

### BERGMAN & BEVING MEDITECH AB

**Business area management**  
P-O Thorstensson, President  
Göran Hagsten, Executive Vice  
President  
Anders Holmström

### PLACO MEDICAL AB

**Division management** Jan-Olof  
Fransson, President  
**Operating area** Production and sales  
of medical and dental consumables.  
**Country** Sweden

### AB KALTOPLAST

**www.kaltoplast.se**  
**President** Ulf Wendel  
**Product area** Medical and dental  
consumables in plastics.  
**Country** Sweden

### NORDISKA DENTAL AB

**www.nordiskadental.se**  
**President** Lars Bengtsson  
**Product area** Dental filling materials.  
**Country** Sweden

### PLD NORDIC AB

**www.pldnordic.com**  
**Division management** Jan Söderman,  
President  
**Operating area** Wholesaling in instru-  
ments and equipment for laboratories.  
**Country** Sweden

### BERGMAN AS

**President** Jan Söderman  
**Product area** Instruments and  
equipment for laboratories.  
**Country** Norway

### BERGMAN & BEVING INSTRUMENT AB

**President** Stefan Holm  
**Product area** Instruments and  
equipment for laboratories.  
**Country** Sweden

### HOLM & HALBY A/S

**President** Morten Dyrner  
**Product area** Instruments and  
equipment for laboratories.  
**Country** Denmark

### KONTRAM AB

**President** Roland Levin  
**Product area** Process equipment  
for the industry.  
**Country** Sweden

### LABORA AB

**President** Jonas Borgardt  
**Product area** Consumables in  
chemicals, apparatuses, and glass  
and plastics products.  
**Country** Sweden

### MIKRO KEMI AB

**President** Kent Ersson  
**Operations** Contract laboratory in,  
among other things, elemental  
analysis, pharmaceutical analysis  
and organic synthesis.  
**Country** Sweden

### PLD FINLAND OY

**President** Jan Söderman  
**Product area** Instruments and  
equipment for laboratories.  
**Country** Finland

### TRIOLAB HOLDING AB

**www.triolab.se**

**Division management** Göran Brandt,  
President  
**Operating area** Wholesaling in  
instruments and equipment for  
medical diagnostics.  
**Country** Sweden

### BERGMAN DIAGNOSTIKA AS

**President** Tove Nyhus  
**Product area** Instruments and  
equipment for medical diagnostics.  
**Country** Norway

### TRIOLAB AB

**President** Göran Brandt  
**Product area** Instruments and  
equipment for medical diagnostics.  
**Country** Sweden

### TRIOLAB A/S

**President** Finn Andersen  
**Product area** Instruments and  
equipment for medical diagnostics.  
**Country** Denmark

### TRIOLAB OY

**President** Kai Rantanen  
**Product area** Instruments and  
equipment for medical diagnostics.  
**Country** Finland

## Companies in Bergman & Beving Development

### BERGMAN & BEVING DEVELOPMENT AB

**Division management** Gert Karlsson,  
President

### CONSUMENTA AB

**www.consumenta.se**  
**President** Margareta Wälinder-Jarl  
**Operating area** Wholesaling in home  
and household products.  
**Country** Sweden

### GRUNDA I ULRICEHAMN AB

**www.grunda.se**  
**President** Sture Hellstrand  
**Operating area** Wholesaling in  
consumables for the manufacturing  
and construction industry.  
**Country** Sweden

### JAKTIA AB

**www.jaktia.se**  
**President** Anders Andersson  
**Operating area** Wholesaling in hunting  
equipment, accessories and apparel.  
**Country** Sweden

### MAGER & WEDEMEYER GMBH & CO KG

**www.mager-wedemeyer.de**  
**President** Hans Mühlenfeld  
**Operating area** Wholesaling in  
process machinery.  
**Country** Germany

### ANA ÄDELMETALL AB

**www.ana-adelmetall.se**  
**President** Björn Grufman  
**Operating area** Processing of  
precious metals.  
**Country** Sweden

### SPECIALPAPPER DEVELOPMENT AB

**www.specialpapper.se**  
**President** Rolf Jansson  
**Operating area** Production of and  
trading in paper products.  
**Countries** Sweden, Denmark and Norway

## WELCOME TO THE ANNUAL GENERAL MEETING!

The Annual General Meeting will be held Monday, August 26, 2002, 4:30 p.m. at Näringslivets Hus (the former Industrihuset), Storgatan 19, Stockholm.

### NOTICE OF PARTICIPATION

Shareholders who wish to participate in the proceedings of the Annual General Meeting must file notice of their desire to attend not later than 3:00 p.m., Thursday, August 22, 2002 to Bergman & Beving AB, P.O. Box 10024, SE-100 15 Stockholm, Sweden, telephone +46-8-660 10 30, fax +46-8-660 58 70, [info@bb.se](mailto:info@bb.se). Shareholders who wish to attend must also be recorded in their own name in the share register maintained by the Securities Register Centre (VPC AB) not later than by August 16, 2002.

In order to exercise their voting rights, shareholders whose shares are registered in the name of a bank's trust department, or in the name of a stockbroker as nominee, must temporarily register their shares in their own name. Such registration must be completed not later than by August 16, 2002.

### PAYMENT OF DIVIDEND

The resolutions of the Annual General Meeting will include the date by which shareholders must be registered in the share register maintained by VPC AB in order to be entitled to receive dividend. The Board of Directors has proposed Thursday, August 29, 2002 as record date.

On the condition that the Annual General Meeting adopts this proposal, dividends will be disbursed by VPC AB Tuesday, September 3, 2002 to shareholders of record as of August 29, 2002.

### CHANGE OF ADDRESS AND BANK ACCOUNT

Shareholders who have changed their name, address or account number should immediately report such change to their custodian or to their institution of account (bank). A special form for this purpose is available at all Swedish bank branch offices.

## FINANCIAL INFORMATION 2002/2003

The Group's financial year is April 1 – March 31. For the 2002/2003 financial year, reports will be published as follows:

**Interim Report April 1 – June 30, 2002**

August 26, 2002

**Interim Report April 1 – September 30, 2002**

November 20, 2002

**Interim Report April 1 – December 31, 2002**

February 17, 2003

**Financial Report 2002/2003**

May 15, 2003

**Annual Report 2002/2003**

July 2003

All reports are distributed to shareholders of record, except those who have requested not to receive mailings. Reports are published in Swedish and English.

The Group's home page is found at [www.bb.se](http://www.bb.se). It contains company presentations, financial reports and news from the Bergman & Beving Group.

## ADDRESSES

### **BERGMAN & BEVING AB (publ)**

P.O. Box 10024, Karlavägen 76  
SE-100 55 Stockholm, Sweden  
Telephone +46-8-660 10 30  
Fax +46-8-660 58 70  
info@bb.se

### **LUNA AB**

Sandbergsvägen 3  
SE-441 80 Alingsås, Sweden  
Telephone +46-322-60 60 00  
Fax +46-322-60 62 03  
luna@luna.se

### **ESSVE PRODUKTER AB**

P.O. Box 770, Sidensvansvägen 10  
SE-191 27 Sollentuna, Sweden  
Telephone +46-8-623 61 00  
Fax +46-8-92 68 65  
info@essve.se

### **BERGMAN & BEVING INTEGRATION AB**

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Fax +46-8-660 58 70  
info@bb.se

### **BERGMAN & BEVING MEDITECH AB**

P.O. Box 633, Anton Tamms väg 3  
SE-194 26 Upplands Väsby, Sweden  
Telephone +46-8-594 11 350  
Fax +46-8-594 11 359  
info@bbmeditech.com

### **SKYDDA PROTECTING PEOPLE EUROPE AB**

Karlsnäs Industriområde  
SE-523 85 Ulricehamn, Sweden  
Telephone +46-321-67 73 00  
Fax +46-321-67 72 96  
skydda@skydda.se

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Fax +46-322-60 68 40  
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