

BT Industries AB (publ)

Interim report January – June 2002

- ▷ *Orders received rose 5% to SEK 6,384 m. (SEK 6,078 m.)*
- ▷ *Sales declined by 8% to SEK 6,090 m. (SEK 6,606 m.)*
- ▷ *Income after net financial items fell 19%, SEK 360 m. (SEK 442 m.)*
- ▷ *Economy and demand close to a turning point*

Financial summary

SEK m.	April – June 3 months		January – June 6 months		July – June rolling 12 months		Full-year 2001
	2002	2001	2002	2001	2002	2001	
Orders received	3,288	2,970	6,384	6,078	12,551	12,159	12,245
Net sales	3,154	3,406	6,090	6,606	12,731	12,710	13,248
EBITA 1)	221	274	450	570	1,002	1,162	1,122
Operating income	145	188	278	414	674	873	810
Income after net financial items	186	216	360	442	806	891	888

1) EBITA = Earnings Before Interest, Tax and Amortisation of goodwill. For BT, also including interest margin on long-term rentals/leasing.

Market development

The economy and demand are thought to have reached bottom and a slight improvement in demand has been noticed. Global economic conditions remain uncertain, with restrained investments in many industries and regions.

BT's market share as a whole is estimated to have increased slightly.

Orders and invoiced sales

The Group's orders received amounted to SEK 6,384 m. (SEK 6,078 m.) after six months, a clear increase during the second quarter compared with the corresponding period of the previous year.

In terms of volume, a significant increase was noted in the first half of 2002 compared with the previous year. The increase is most clearly evident in the U.S. Due to the product mix, with a larger share of walkie trucks, the volume increase in number of machines is greater than the increase in value.

Net sales amounted to SEK 6,090 m. (SEK 6,606 m.). As previously noted, the disparity between orders and sales is due to a high order backlog at the beginning of 2001, which was subsequently reduced through high deliveries from production plants. Thus the high delivery rate of 2001 has not been possible to repeat this year.

Translated to comparable exchange rates, the increase in orders received was slightly more than 6%, while the decrease in sales was just under 7%.

During the first half year a slight build-up in the order backlog has again been possible from the low level at the beginning of the year.

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Net sales for the first half of 2002 and 2001 by product area were as follows:

Amounts in SEK m.	January – June		Change %
	2002	2001	
Warehouse trucks	2,858	3,360	- 15%
Counterbalanced trucks	841	873	- 4%
Manual trucks	234	254	- 7%
Total, trucks	3,933	4,487	- 12%
- % of total	65%	68%	
Spare parts	973	973	+ 0%
Service	649	613	+ 6%
Other areas	535	533	+ 0%
Total, service market	2,157	2,119	+ 2%
- % of total	35%	32%	
Net sales	6,090	6,606	- 8%

Income

The Group's EBITA (Earnings Before Interest, Tax, and Amortisation of goodwill) fell by 21% to SEK 450 m. (SEK 570 m.). The decline was mainly due to lower deliveries and significantly lower capacity utilisation at production plants.

Income from long-term rentals/leasing amounted to SEK 106 m., against SEK 90 m. in the first half of 2001. Other net financial income and expenses amounted to SEK -24 m., against SEK -62 m. in the previous year. Generally lower global interest rates strongly contributed to the improvement, although a continued strong cash flow has also affected net financial items positively.

The Group's income after net financial items amounted to SEK 360 m. (SEK 442 m.), a decrease of 19%.

Capital expenditures

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 212 m., compared with SEK 341 m. in the corresponding period a year earlier. The higher level last year is primarily related to investments to expand production capacity, which are now essentially complete.

Financing and liquidity

The Group's total assets were reduced to SEK 10,845 m. from SEK 11,851 m. at the beginning of the year.

During the second quarter BT Industries paid a dividend to shareholders totalling SEK 280 m.

Net borrowings amounted to SEK 1,278 m., compared with SEK 1,661 m. at year-end 2001. The net gearing ratio was 37%, an improvement compared with 44% at the beginning of the year.

The equity ratio at the end of the period was 32%, the same level as the beginning of the year.

Cash flow from operating activities (before the dividend to shareholders, among other things) was strengthened substantially during the first six months of 2002 compared with the corresponding period a year earlier. Cash flow amounted to SEK 625 m. (SEK -172 m.). Nearly half the improvement is attributable to freed-up working capital. The large part of the remainder is attributable to the North American leasing operations.

Structural changes

No major structural changes were made during the second quarter. At the beginning of the year BT sold its 50-percent interest in Material Handling Associates in the U.S. In addition, it acquired all the shares in a small regional distributor in Germany. As a result of these changes, the Group's cash flow was credited a net of SEK 41 m. Income for the year was affected positively by approximately SEK 20 m. by the capital gain on the share sale.

Revised financial objectives

BT Industries has previously announced some financial objectives. They will be used to measure the performance of BT's operations. The new objectives should also provide an indication of ambition and expectations. The objectives are long-term, achievable, measurable and should be re-evaluated when necessary. All objectives should be regarded as yearly objectives seen as an average over a 5-year period.

The revised financial objectives are designed to reflect the structure and potentials that now are considered applicable for the BT Industries Group.

- Growth in net sales of 8%
- Profit margin of 8%
- Cash flow margin 1) of 8%
- EBITA 2) margin of 10%
- Return on capital employed of 20%

1) The cash flow margin is measured based on internal definitions, which deviate slightly from the external concept of cash flow.

2) EBITA = Earnings Before Interest, Tax and Amortisation. For BT, earnings also include the interest margin on long-term rentals/leasing.

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Personnel

On June 30 the Group had 7,733 employees, compared with 7,820 at year-end 2001. The decrease is attributable in its entirety to North America.

Other

The redemption of the remaining shares (approximately 0.7%) in BT Industries AB that Toyota and BT began after Toyota's acquisition in the summer of 2000 has now been concluded. In accordance with the June 12 ruling of the court of arbitration, Toyota redeemed the remaining shares at the same price, plus interest compensation, that was offered to other shareholders in the public offer. Toyota thus owns 100% of BT Industries AB. Payment was issued to the former shareholders on August 19, 2002.

On June 1 Per Zaunders took over as President and Chief Executive Officer, succeeding Carl-Erik Ridderstråle, who has retired. The new Chief Financial Officer replacing Per Zaunders is Håkan Dahllöf.

BT's business areas

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

Business area BT EUROPE

Covering primarily Western Europe.

SEK m.	January-June		Full-year 2001
	2002	2001	
Orders received	3,638	3,576	7,067
Net sales	3,562	3,453	7,175
Income 1)	264	296	587
Operating margin, % 2)	7.4%	8.6%	8.2
Operating capital 3)	1,623	1,802	1,966
No. of employees	4,730	4,626	4,735

The market climate in Western Europe is more positive today than it was at the beginning of the year. Demand for warehouse trucks is again rising after a decline during the first quarter. The same trend can be seen in other product areas as well.

BT's market share is essentially unchanged at around 18%.

Orders received amounted to SEK 3,638 m. – an increase of 2% against the previous year.

Income was adversely affected mainly by a low utilisation ratio at production plants and higher indirect expenses for marketing, among other things.

Business area BT RAYMOND

Covering primarily North America.

SEK m.	January-June		Full-year 2001
	2002	2001	
Orders received	2,510	2,314	4,766
Net sales	2,302	2,965	5,695
Income 1)	195	325	524
Operating margin, % 2)	8.5%	11.0%	9.2%
Operating capital 3)	1,114	1,523	1,288
No. of employees	2,438	2,830	2,518

The major economic slowdown that began in the U.S. back in late 2000 may have now reached bottom. Several signals indicate a possible, though cautious, rebound.

Compared with the previous year, orders received have risen by 9% in USD and approximately the same amount in SEK.

BT's market share in North America is estimated to have increased during the quarter.

This year began with a significantly lower order backlog than 2001. Net sales therefore declined by 22% to SEK 2,302 m. compared with the corresponding period of the previous year. The lower volumes have also had a negative effect on the utilisation ratio at the plants this year, resulting in lower income and margins.

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Business area BT INTERNATIONAL

Markets outside North America and Western Europe.

SEK m.	January-June		Full-year
	2002	2001	2001
Orders received	613	534	1,137
Net sales	564	542	1,165
Income 1)	15	33	58
Operating margin, % 2)	2.7%	6.1%	5.0%
Operating capital 3)	272	222	252
No. of employees	525	473	517

In markets outside Western Europe and North America, demand has generally been good. Orders received rose by 15% and net sales by 4%.

Income has weakened compared with the previous year, primarily as a result of lower gross margins, though also due to unfavourable exchange rates in certain countries.

BT's market share as a whole is estimated to have remained unchanged.

Mjölby, August 29, 2002

Per Zaunders
President and CEO

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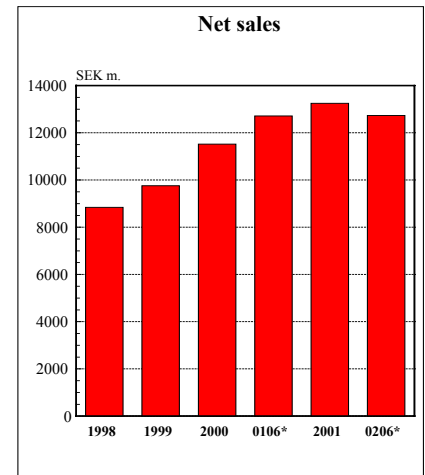
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- 1) Income = operating income + income from long-term rentals/leasing. Amortisation of goodwill at the Group level is not charged against the individual business areas.
 - 2) For definition, see Note 2 on page 7.
 - 3) Operating capital = working capital incl. the share of the equity of associated companies plus tangible and intangible fixed assets, excl. goodwill.

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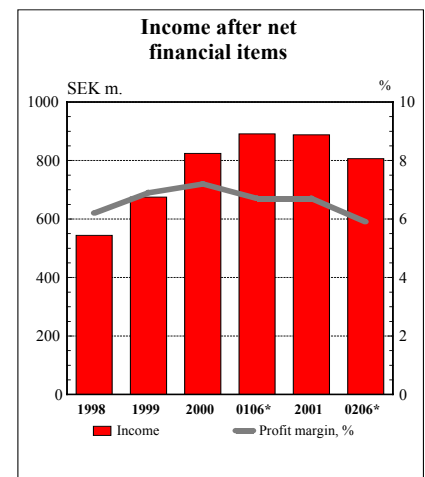
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Income statements

Amounts in SEK m.	January – June		Full-year
	2002	2001	2001
Net sales	6,090	6,606	13,248
Cost of sales	-4,440	-4,777	-9,700
Gross income	1,650	1,829	3,548
Product development	-135	-132	-258
Marketing and sales	-695	-712	-1,423
Administration	-499	-536	-1,047
Amortisation of goodwill	-66	-67	-135
Other operating income	86	67	215
Other operating expenses	-61	-49	-116
Income in associated companies	-2	14	26
Operating income	278	414	810
Income from financial investments			
Income from long-term rentals/leasing	106	90	177
Interest income and other financial income	38	33	60
Interest expenses and other financial expenses	-62	-95	-159
Income after net financial items	360	442	888
Income tax	-147	-191	-336
Minority interests	0	0	0
Net income	213	251	552
Ave. no. of outstanding shares, thousands	28,000	28,000	28,000
Earnings per share after estimated tax, SEK	7.60	8.95	18.50
Earnings per share after full tax, SEK	-	-	19.70
Total depreciation and amortisation acc. to plan	-298	-281	-575



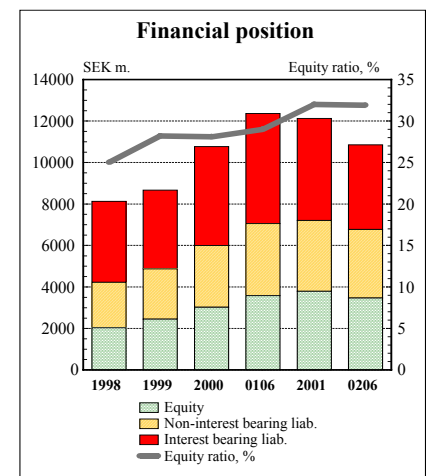
*) Rolling 12 months values



*) Rolling 12 months values

Balance sheets

Amounts in SEK m.	June 30		Dec. 31
	2002	2001	2001
ASSETS			
Fixed assets			
Goodwill	1,656	2,060	1,945
Other intangible	38	34	44
Tangible	1,755	1,859	1,906
Financial	1,913	2,397	2,153
Total	5,362	6,350	6,048
Current assets			
Inventories	1,591	1,752	1,601
Current receivables	3,567	3,847	3,867
Cash and banks	325	414	335
Total	5,483	6,013	5,803
TOTAL ASSETS	10,845	12,363	11,851
EQUITY AND LIABILITIES			
Equity	3,462	3,578	3,788
Minority share	0	3	3
Provisions	878	848	907
Liabilities			
Long-term liabilities	695	4,683	4,413
Current liabilities	5,810	3,251	2,740
TOTAL EQUITY AND LIABILITIES	10,845	12,363	11,851

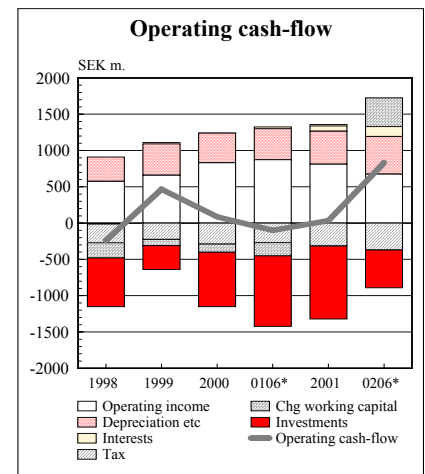


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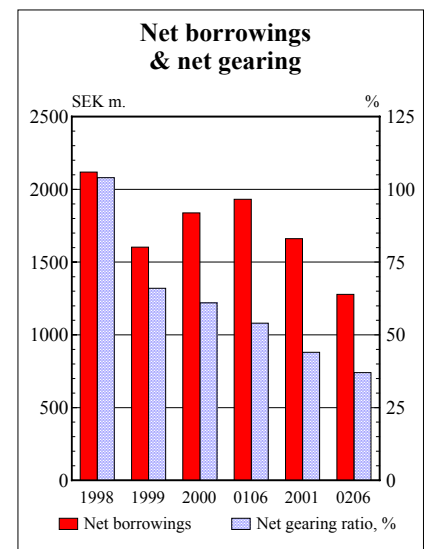
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Statements of cash flows

	January – June		Full-year
Amounts in SEK m.	2002	2001	2001
Operating activities			
Operating income	278	414	811
<i>Non cash flow related items</i>			
- Depreciation and amortisation acc. to plan	298	281	575
- Other	-1	-47	-120
Non cash flow related items	297	234	455
Income from long-term rentals/leasing	106	90	177
Other financial items, net	-35	-82	-104
Tax paid	-170	-115	-315
Cash flow from operating activities before changes in working capital	476	541	1,024
Changes in working capital	266	-111	18
Cash flow from operations	742	430	1,042
Investment activities			
Investments in financial fixed assets	95	-261	-319
Investments in tangible and intangible fixed assets	-212	-341	-688
Cash flow from investment activities	-117	-602	-1,007
OPERATING CASH FLOW	625	-172	35
Acquisitions/disposals of companies, net	37	-4	-2
Financing activities			
Change in loans	-369	0	-277
Dividend paid	-280	-	-
Cash flow from financing activities	-649	0	-277
Changes in cash and banks	13	-176	-244
Cash and banks brought forward	335	564	564
Translation differences in cash and banks	-23	26	15
Cash and banks carried forward	325	414	335



*) Rolling 12 months values

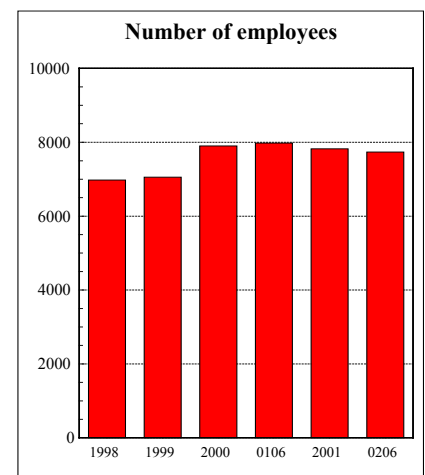


Net borrowings

	June 30		Dec. 31
Amounts in SEK m.	2002	2001	2001
Interest-bearing assets	2,799	3,381	3,259
Interest-bearing liabilities	4,077	5,312	4,920
NET BORROWINGS	1,278	1,931	1,661

Change in equity

	June 30		Dec. 31
Amounts in SEK m.	2002	2001	2001
Equity brought forward, January 1	3,788	3,070	3,070
Foreign currency translation effects etc	-259	257	166
Dividend paid	-280	-	-
Net income	213	251	552
Equity carried forward	3,462	3,578	3,788



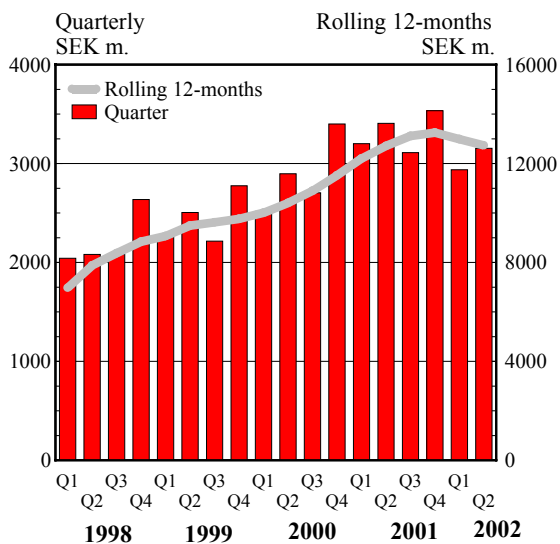
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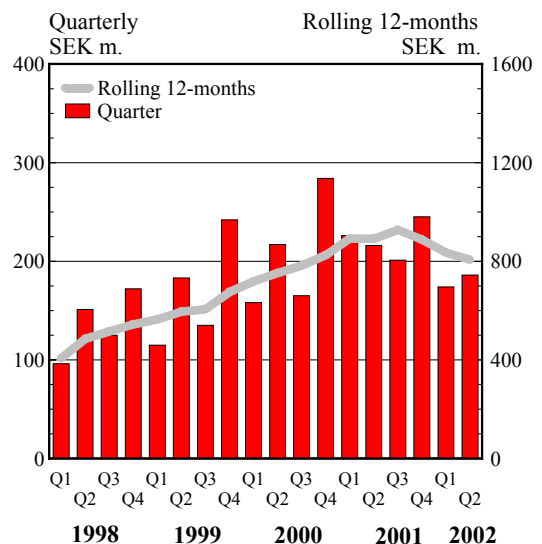
Quarterly development

Amounts in SEK m.	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	2002	2001	2002	2001	2001	2000	2001	2000
Orders received	3,096	3,108	3,288	2,970	2,849	2,815	3,012	3,267
Net sales	2,936	3,200	3,154	3,406	3,109	2,704	4,049	3,400
Cost of sales	-2,136	-2,310	-2,304	-2,467	-2,282	-1,935	-2,979	-2,447
Gross income	800	890	850	939	827	769	1,070	953
Gross margin, %	27.2%	27.8%	26.9%	27.6%	26.6%	28.4%	26.4%	28.0%
Operating expenses	-667	-664	-705	-751	-631	-590	-734	-674
Operating income	133	226	145	188	196	179	336	279
Interest margin LTR/leasing	62	38	44	52	38	28	33	42
Operating margin, %	6.6%	8.3%	6.0%	7.0%	7.5%	7.7%	9.1%	9.4%
Net financial items, other	-21	-38	-3	-24	-33	-42	-42	-37
Income after net financial items	174	226	186	216	201	165	327	284
Profit margin, %	5.9%	7.1%	5.9%	6.3%	6.5%	6.1%	8.1%	8.4%

Net sales



Income after financial net



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Key ratios

		January – June 2002	June 2001	Full-year 2001
EBITA margin, %	1)	7.4%	8.6%	8.5%
Operating margin, %	2)	6.3%	7.6%	7.5%
Profit margin, %	3)	5.9%	6.7%	6.7%
Interest coverage, multiple	4)	14.7	6.5	6.9
Return on capital employed, %	5)	-	-	16.5%
Return on equity, %	6)	-	-	16.1%
Net gearing ratio, %	7)	37%	54%	44%
Equity ratio, %	8)	31.9%	29.0%	32.0%

Share data

		January – June 2002	June 2001	Full-year 2001
Earnings per share after full tax, SEK	9)	-	-	19.70
Earnings per share after standard tax, SEK	10)	7.60	8.95	18.50
Cash flow per share, SEK	11)	22.30	-6.15	1.25
Dividend paid per share, SEK		10.00	-	-
Equity per share, SEK	12)	123.65	127.80	135.30
No. of shares, thousands		28,000	28,000	28,000

DEFINITIONS

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

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Five-year summary

Amounts in SEK m.	2001	2000	1999	1998	1997
Income statements					
Net sales	13,248	11,518	9,759	8,838	5,956
Gross income	3,548	3,247	2,847	2,568	1,754
EBITA 1)	1,122	1,094	899	783	500
Operating income	810	831	660	576	389
Income after net financial items	888	824	675	544	370
Net income	552	552	431	310	168
<i>Total depreciation according to plan</i>	<i>-575</i>	<i>-482</i>	<i>-417</i>	<i>-380</i>	<i>-267</i>
Balance sheets					
Fixed assets	6,048	5,345	4,531	4,435	3,906
Current assets	5,803	5,554	4,136	3,693	3,155
Total assets	11,851	10,899	8,667	8,128	7,061
Equity	3,788	3,070	2,442	2,027	1,774
Minority share	3	3	2	2	34
Liabilities and provisions	8,060	7,826	6,223	6,099	5,253
Total liabilities and equity	11,851	10,899	8,667	8,128	7,061
Net borrowings					
Interest-bearing assets	3,259	2,932	2,193	1,789	1,578
Interest-bearing liabilities	4,920	4,770	3,796	3,908	3,361
Net borrowings	1,661	1,838	1,603	2,119	1,783
Cash flow					
Cash flow from operations	1,042	838	797	429	352
Cash flow from investments 2)	-1,007	-751	-330	-670	-390
Operating cash flow	35	87	467	-241	-38
Key ratios					
EBITA margin, % 3)	8.5%	9.5%	9.2%	8.9%	8.4%
Operating margin, %	7.5%	8.5%	8.2%	7.8%	7.7%
Profit margin, %	6.7%	7.2%	6.9%	6.2%	6.2%
Return on capital employed, %	16.5%	18.5%	16.8%	15.3%	16.7%
Return on equity, %	16.1%	20.0%	19.3%	16.3%	12.8%
Capital turnover rate, multiple	2.1	2.1	2.0	1.9	2.1
Interest coverage, multiple	6.9	5.8	5.2	4.2	4.9
Net gearing ratio, %	44%	60%	66%	104%	99%
Equity ratio, %	32.0%	28.2%	28.2%	25.0%	25.6%
Personnel					
Number of employees at year-end	7 820	7 899	7 054	6 975	6 444

1) Operating income before amortisation of goodwill, increased by interest margin on long-term rentals/leasing.

2) Excluding acquisitions of companies.

3) Operating income before amortisation of goodwill, increased by interest margin on long-term rentals/leasing in relation to net sales. For other definitions, see page 8.