

BT Industries AB (publ)

Interim report January – September 2002

- ▷ *Orders received rose 5% to SEK 9,396 m. (SEK 8,927 m.)*
- ▷ *Net sales declined 7% to SEK 8,999 m. (SEK 9,715 m.)*
- ▷ *Income after net financial items fell 16%, SEK 540 m. (SEK 643 m.)*
- ▷ *Slight rise in demand, continued great uncertainty in the market*

Financial summary

SEK m.	July – September 3 months		January – September 9 months		October – September rolling 12 months		Full-year 2001
	2002	2001	2002	2001	2002	2001	
Orders received	3,012	2,849	9,396	8,927	12,714	12,193	12,245
Net sales	2,909	3,109	8,999	9,715	12,532	13,115	13,248
EBITA 1)	223	269	672	839	956	1,193	1,122
Operating income	144	196	422	610	622	889	810
Income after net financial items	180	201	540	643	785	927	888

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

Market development

The economic outlook from the first half of the year essentially remains unchanged after three quarters. The slowdown is thought to have reached bottom. Initial signs of stronger demand that became evident after mid-year continued in the third quarter, although to a slightly lesser degree.

BT's market share as a whole is estimated to have increased slightly during the third quarter.

Orders and sales

The Group's orders received amounted to SEK 9,396 m. (SEK 8,927 m.) after nine months, an increase of 5%. Translated to comparable exchange rates, the increase is approximately 8%.

Net sales amounted to SEK 8,999 m. (SEK 9,715 m.). The decrease was 7% compared with the previous year or approximately 5% at comparable exchange rates. As previously noted, the disparity between the years on orders and sales is due to a high order backlog at the beginning of 2001. The high delivery rate this facilitated in 2001 could not be repeated this year due to a low order backlog at the start of this year.

The increase in orders received led to some build-up in the order backlog.

Net sales for the period January - September 2002 and 2001 by product area were as follows:

SEK m.	January – Sept.		Change %
	2002	2001	
Warehouse trucks	4,138	4,877	-15%
Counterbalanced trucks	1,238	1,268	-2%
Manual trucks	348	372	-6%
Total, trucks	5,724	6,517	-12%
- % of total	64%	67%	
Spare parts	1,476	1,462	1%
Service	962	922	4%
Other areas	837	814	3%
Total, service market	3,275	3,198	2%
- % of total	36%	33%	
Net sales	8,999	9,715	-7%

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Income

The Group's EBITA fell by 20% to SEK 672 m. (SEK 839 m.). The decline was mainly due to lower deliveries and significantly lower capacity utilization at production plants. Income from long-term rentals/ leasing amounted to SEK 152 m. (SEK 128 m.).

Other net financial income and expenses amounted to SEK -34 m., against SEK -95 m. in the corresponding period of 2001. The improvement is a result of generally lower interest rates and a continued strong cash flow.

The Group's income after net financial items amounted to SEK 540 m. (SEK 643 m.), down 16%.

Capital expenditures

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 294 m., compared with SEK 527 m. in the corresponding period a year earlier. The significant difference from 2001 is mainly due to investments to expand production capacity, which are now essentially complete.

Financing and liquidity

The Group's total assets declined to SEK 10,849 m. from SEK 11,851 m. at the beginning of the year.

During the year shareholders were paid a dividend of SEK 280 m.

Net borrowings amounted to SEK 1,054 m., compared with SEK 1,661 m. at year-end 2001. The net gearing ratio was 30%, a reduction from 44% at the beginning of the year.

The equity ratio at the end of the period was 33%, compared with 32% at the beginning of the year.

Cash flow from operating activities was strengthened substantially compared with the corresponding period a year earlier. Cash flow amounted to SEK 766 m. (SEK -25 m.). The improvement is mainly attributable to a decrease in tied-up working capital and significantly lower investment levels.

Structural changes

Early in the year BT sold its 50-percent interest in Material Handling Associates in the U.S. Some other structural changes have been made, though they have not had a major impact on the Group. As a result of these changes, the Group's cash flow was credited a net of SEK 27 m. Income for the year was affected positively by approximately SEK 20 m. by capital gain on the sale of shares.

Personnel

On September 30 the Group had 7,719 employees, compared with 7,826 the corresponding period last year and 7,820 at year-end 2001.

BT's business areas

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

Business area BT EUROPE

Covering primarily Western Europe.

SEK m.	Jan.-Sept.		Full-year
	2002	2001	2001
Orders received	5,435	5,210	7,067
Net sales	5,166	5,111	7,175
Income 1)	389	427	587
Operating margin, % 2)	7.5%	8.4%	8.2
Operating capital 3)	1,610	1,938	1,966
No. of employees	4,723	4,705	4,735

The cautiously positive indications in the market after the first half-year still remain. In terms of volume, demand rose slightly during the third quarter. Uncertainty still is great in several major markets and investment levels are therefore moderate.

BT's market share remains essentially unchanged.

Orders received amounted to SEK 5,435 m., an increase of 4% against the previous year.

Income was adversely affected primarily by a low utilization ratio at production plants.

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Business area BT RAYMOND

Covering primarily North America.

	Jan.-Sept.		Full-year
SEK m.	2002	2001	2001
Orders received	3,606	3,450	4,766
Net sales	3,493	4,335	5,695
Income 1)	292	457	524
Operating margin, % 2)	8.4%	10.6%	9.2%
Operating capital 3)	1,134	1,358	1,288
No. of employees	2,423	2,581	2,518

After the first half-year there were signals that the major economic slowdown that began in the U.S. back in late 2000 may have reached bottom. Signs of a rebound could be seen. During the third quarter this growth continued.

BT's market share in North America has increased during the year.

Compared with the previous year, orders received have risen by 9% in USD and approximately 5% in SEK.

The year began with a significantly lower order backlog than 2001. Net sales have therefore declined by 19% to SEK 3,493 m. compared with the corresponding period of the previous year. Lower volumes have also had an effect on the utilization ratio at the plants this year, resulting in lower income and margins.

Business area BT INTERNATIONAL

Markets outside North America and Western Europe.

	Jan.-Sept.		Full-year
SEK m.	2002	2001	2001
Orders received	947	819	1,137
Net sales	830	798	1,165
Income 1)	20	38	58
Operating margin, % 2)	2.5%	4.8%	5.0%
Operating capital 3)	271	239	252
No. of employees	541	494	517

Outside Western Europe and North America, demand has been quite good in a number of key markets. Orders received rose by 16% and net sales by 4%.

The decrease in income compared with the previous year is due to lower gross margins, as well as unfavorable exchange rates in certain countries.

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

Mjölby October 29, 2002

Per Zaunders
President and CEO

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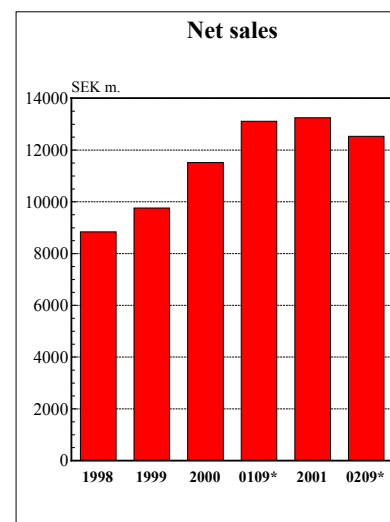
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- 1) Income = operating income + income from long-term rentals/leasing. Amortisation of goodwill at the Group level is not charged against the individual business areas.
 - 2) For definition, see Note 2 on page 7.
 - 3) Operating capital = working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

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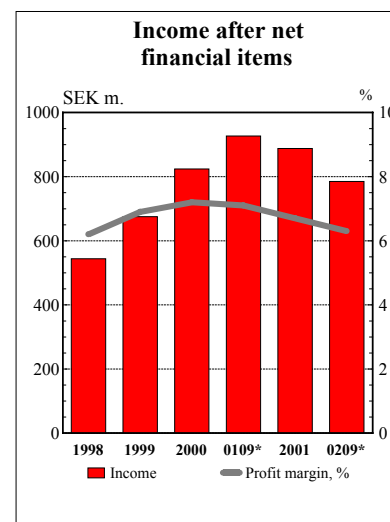
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Income statements

Amounts in SEK m.	Jan.–Sept. 2002	2001	Full-year 2001
Net sales	8,999	9,715	13,248
Cost of sales	-6,571	-7,059	-9,700
Gross income	2,428	2,656	3,548
Product development	-197	-189	-258
Marketing and sales	-1,011	-1,047	-1,423
Administration	-740	-783	-1,047
Amortisation of goodwill	-99	-101	-135
Other operating income	111	127	215
Other operating expenses	-70	-72	-116
Income in associated companies	-2	19	26
Operating income	422	610	810
Income from financial investments			
Income from long-term rentals/leasing	152	128	177
Interest income and other financial income	64	36	60
Interest expenses and other financial expenses	-98	-131	-159
Income after net financial items	540	643	888
Income tax	-220	-276	-336
Minority interests	0	-1	0
Net income	320	366	552
Ave. no. of outstanding shares, thousands	28,000	28,000	28,000
Earnings per share after estimated tax, SEK	11.40	13.10	18.50
Earnings per share after full tax, SEK	-	-	19.70
<i>Total depreciation and amortisation</i>	<i>-438</i>	<i>-427</i>	<i>-575</i>



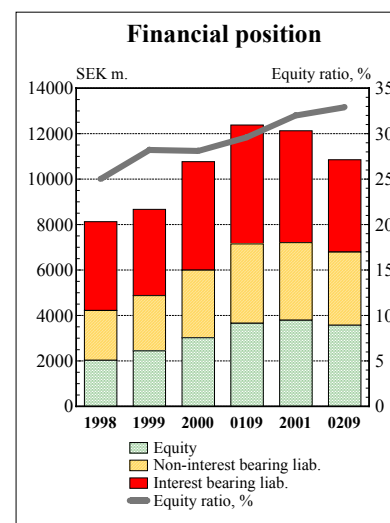
*) Rolling 12 months values



*) Rolling 12 months values

Balance sheets

Amounts in SEK m.	September 30 2002	2001	Dec. 31 2001
ASSETS			
Fixed assets			
Goodwill	1,653	2,004	1,945
Other intangible	43	31	44
Tangible	1,733	1,909	1,906
Financial	1,969	2,360	2,153
Total	5,398	6,304	6,048
Current assets			
Inventories	1,565	1,830	1,601
Current receivables	3,448	3,720	3,867
Cash and banks	438	521	335
Total	5,451	6,071	5,803
TOTAL ASSETS	10,849	12,375	11,851
EQUITY AND LIABILITIES			
Equity	3,566	3,654	3,788
Minority share	0	4	3
Provisions	889	840	907
Liabilities			
Long-term liabilities	1,962	4,748	4,413
Current liabilities	4,432	3,129	2,740
TOTAL EQUITY AND LIABILITIES	10,849	12,375	11,851

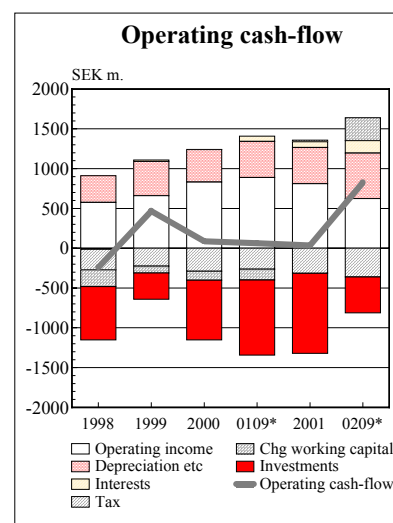


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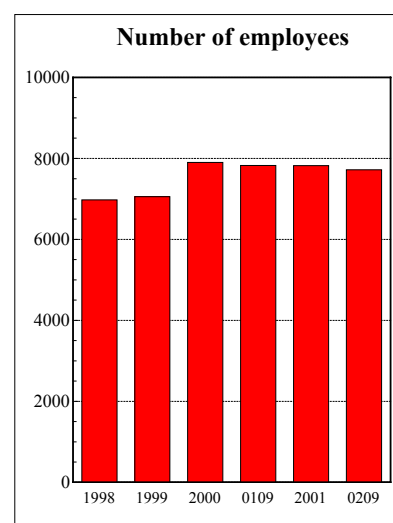
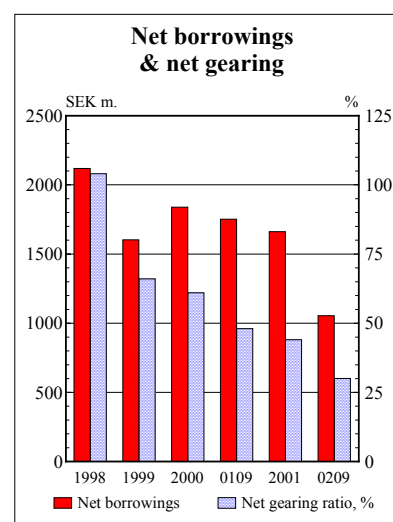
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Statements of cash flows

Amounts in SEK m.	Jan. – Sept. 2002	2001	Full- year 2001
Operating activities			
Operating income	422	610	811
<i>Non cash flow related items</i>			
- Depreciation and amortisation acc. to plan	438	427	575
- Other	14	-93	-120
Non cash flow related items	452	334	455
Income from long-term rentals/leasing	149	128	177
Other financial items, net	-20	-82	-104
Tax paid	-237	-190	-315
Cash flow from operating activities before changes in working capital	766	800	1,024
Changes in working capital	286	16	18
Cash flow from operations	1,052	816	1,042
Investment activities			
Investments in financial fixed assets	8	-314	-319
Investments in tangible and intangible fixed assets	-294	-527	-688
Cash flow from investment activities	-286	-841	-1,007
OPERATING CASH FLOW	766	-25	35
Acquisitions/disposals of companies, net	27	-4	-2
Financing activities			
Change in loans	-386	-38	-277
Dividend paid	-280	-	-
Cash flow from financing activities	-666	-38	-277
Changes in cash and banks	127	-67	-244
Cash and banks brought forward	335	564	564
Translation differences in cash and banks	-24	24	15
Cash and banks carried forward	438	521	335



*) Rolling 12 months values



Net borrowings

Amounts in SEK m.	September 30 2002	2001	Dec. 31 2001
Interest-bearing assets	3,008	3,476	3,259
Interest-bearing liabilities	4,062	5,227	4,920
NET BORROWINGS	1,054	1,751	1,661

Change in equity

Amounts in SEK m.	September 30 2002	2001	Dec. 31 2001
Equity brought forward, January 1	3,788	3,070	3,070
Foreign currency translation effects etc	-262	218	166
Dividend paid	-280	-	-
Net income	320	366	552
Equity carried forward	3,566	3,654	3,788

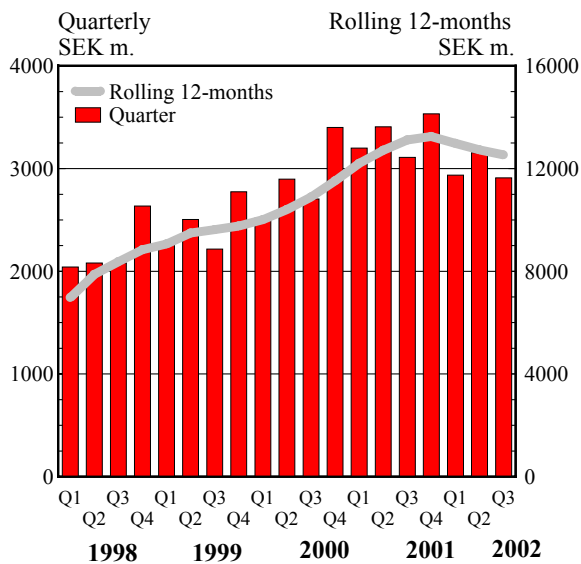
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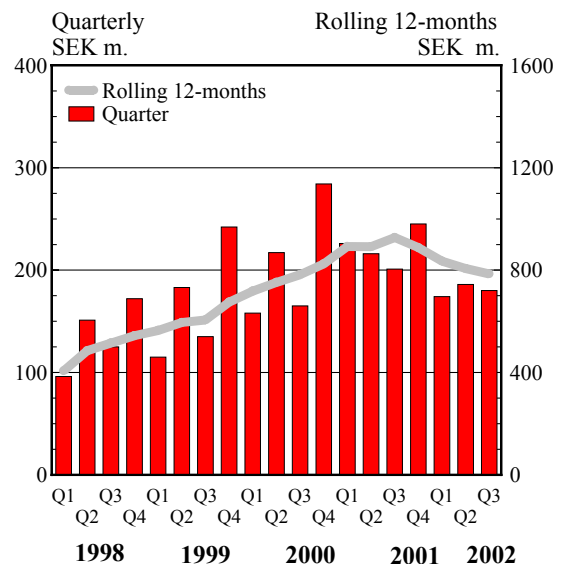
Quarterly development

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Amounts in SEK m.	2002	2001	2002	2001	2002	2001	2001	2000
Orders received	3,096	3,108	3,288	2,970	3,012	2,849	3,318	3,267
Net sales	2,936	3,200	3,154	3,406	2,909	3,109	3,533	3,400
Cost of sales	-2,136	-2,310	-2,304	-2,467	-2,131	-2,282	-2,641	-2,447
Gross income	800	890	850	939	778	827	892	953
Gross margin, %	27.2%	27.8%	26.9%	27.6%	26.7%	26.6%	25.2%	28.0%
Operating expenses	-667	-664	-705	-751	-634	-631	-691	-674
Operating income	133	226	145	188	144	196	201	279
Interest margin LTR/leasing	62	38	44	52	46	38	48	42
Operating margin, %	6.6%	8.3%	6.0%	7.0%	6.5%	7.5%	7.0%	9.4%
Net financial items, other	-21	-38	-3	-24	-10	-33	-4	-37
Income after net financial items	174	226	186	216	180	201	245	284
Profit margin, %	5.9%	7.1%	5.9%	6.3%	6.2%	6.5%	6.9%	8.4%

Net sales



Income after financial net



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Key ratios

		Jan. – Sept. 2002	Sept. 2001	Full-year 2001
EBITA margin, %	1)	7.5%	8.6%	8.5%
Operating margin, %	2)	6.4%	7.6%	7.5%
Profit margin, %	3)	6.0%	6.6%	6.7%
Interest coverage, multiple	4)	12.9	6.4	6.9 ggr
Return on capital employed, %	5)	-	-	16.5%
Return on equity, %	6)	-	-	16.1%
Net gearing ratio, %	7)	30%	48%	44%
Equity ratio, %	8)	32.9%	29.6%	32.0%

Share data

		Jan. – Sept. 2002	Sept. 2001	Full-year 2001
Earnings per share after full tax, SEK	9)	-	-	19.70
Earnings per share after standard tax, SEK	10)	11.40	13.10	18.50
Cash flow per share, SEK	11)	27.35	-0.90	1.25
Dividend paid per share, SEK		10.00	-	-
Equity per share, SEK	12)	127.35	130.50	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.

1) Excluding acquisitions of companies.

2) 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 7.