

BT Industries AB (publ)

Interim report January – March 2003

- ▷ *Orders received SEK 3,027 m. (3,096), -2%*
- ▷ *Net sales SEK 2,923 m. (2,936), unchanged*
- ▷ *Income after net financial items SEK 168 m. (174), -3%*
- ▷ *The market: slight gains in Europe, North America increased uncertainty*

Financial summary

SEK m.	January - March 3 months		April - March 12-months rolling		Full-year 2002
	2003	2002	2003	2002	
Orders received	3,027	3,096	12,487	12,233	12,556
Net sales	2,923	2,936	12,316	12,983	12,329
EBITA ¹⁾	208	229	942	1,092	963
Operating income	126	133	620	754	627
Income after net financial items	168	174	790	872	796

Market development

As a whole, the global market for industrial trucks is estimated to have increased slightly during the first quarter. Growth was primarily noted in combustion-powered counterbalanced trucks. In electric-powered trucks, where BT is mainly active, the market remains distinguished by uncertainty.

In warehouse trucks, demand in North America declined during the first quarter, negating what had previously appeared to be signs of a recovery. In Europe, a slight rise in demand can be seen in warehouse trucks, while counterbalanced trucks are showing weaker development. In the rest of the world, there has been a slight increase in overall demand.

BT's market share is estimated to have increased in North America, while remaining unchanged in other market areas as a whole.

Orders and invoiced sales

The Group's orders received amounted to SEK 3,027 m. (3,096) during the quarter, a marginal decrease compared with the previous year, entirely due to a weaker U.S. dollar.

At comparable exchange rates, orders received rose by approximately 6% compared with the first quarter of 2002.

Net sales amounted to SEK 2,923 m. (2,936). At comparable exchange rates, net sales rose by approximately 7%.

Net sales for the first quarters of 2003 and 2002 by product area were as follows:

SEK m.	January – March		Change %
	2003	2002	
Warehouse trucks	1,337	1,364	-2%
Counterbalanced trucks	403	397	2%
Manual trucks	104	113	-8%
Total, trucks	1,843	1,874	-2%
- % of total	63%	64%	
Spare parts	482	477	1%
Service	320	318	1%
Other areas	277	268	4%
Total, service market	1,079	1,062	2%
- % of total	37%	36%	
Net sales	2,923	2,936	0%

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Income

The Group's EBITA ¹⁾ decreased by 9% to SEK 208 m. (229). Last year's income included capital gains on share sales of approximately SEK 20 m. No similar gains have been posted in 2003.

Gross margins were maintained or strengthened in a number of markets despite intense price pressure.

Income from long-term rentals/leasing was SEK 52 m., against SEK 62 m. in the first quarter of 2002. Other net financial income and expenses amounted to SEK -10 million, against SEK -21 m. in the previous year.

The Group's income after net financial items thus amounted to SEK 168 m. (174), a decrease of 3%.

Capital expenditures

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 139 m., compared with SEK 102 m. during the corresponding period of 2002.

A decision has been made to invest in added capacity at the warehouse truck production plant in Mjölby. The investment, which totals SEK 70 m., is scheduled to be completed during the second half of 2004.

Financing and liquidity

The Group's total assets amounted to SEK 10,475 m., against SEK 10,610 m. at the beginning of the year. Net borrowings amounted to SEK 658 m. (784) and the net gearing ratio was 18%, against 22% at the beginning of the year.

The equity ratio amounted to slightly over 35%, against 34% at the beginning of the year.

Cash flow was positive during the quarter, amounting to SEK 99 m. (349). Compared with 2002, there was a slight increase in working capital and an increase in tied-up capital related to the North American leasing operations.

Personnel

As of March 31 the Group had 7,782 employees, compared with 7,794 at year-end 2002.

BT's business areas

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

Business area BT EUROPE

Covering primarily Western Europe.

SEK m.	January - March		Full-year
	2003	2002	2002
Orders received	1,863	1,753	7,312
Net sales	1,736	1,729	7,224
Income ²⁾	127	130	558
Operating margin, % ³⁾	7.3%	7.5%	7.7%
Operating capital ⁴⁾	1,557	1,729	1,562
Number of employees	4,753	4,720	4,736

A slight increase in demand for warehouse trucks was noted in the overall Western European market during the first quarter. The largest markets – Germany and France – are developing in opposite directions, however, with Germany growing slightly, while demand in France is declining.

During the first quarter BT maintained its market share at around 18%.

Orders received amounted to SEK 1,863 m., an increase of 6% compared with the previous year. Net sales were SEK 1,736 m. (1,729). At comparable exchange rates, orders received rose by approximately 8%, while net sales gained about 2%.

Income and the operating margin essentially remained unchanged compared with the previous year.

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Business area BT RAYMOND

Covering primarily North America.

SEK m.	January - March 2003	2002	Full-year 2002
Orders received	993	1,223	4,746
Net sales	1,056	1,099	4,615
Income 2)	73	100	371
Operating margin, % 3)	6.9%	9.1%	8.0%
Operating capital 4)	1,073	1,290	990
Number of employees	2,341	2,449	2,401

Demand for industrial trucks in the North American market fell by around 10% compared with the corresponding quarter of 2002. The warehouse truck segment has declined even more. Previous signs of a recovery dissipated during the beginning of the year.

Orders received, expressed in USD, were maintained at an unchanged level compared with the previous year. Expressed in SEK, orders received declined by nearly 19%, however fully as a consequence of the weaker dollar.

The market share is estimated to have increased slightly during the quarter.

Net sales fell by 4%. At comparable exchange rates, net sales rose by approximately 15%.

The operating margin fell by approximately 2 percentage points, the large part of which is an effect of last year's capital gains on share sales.

Business Area BT INTERNATIONAL

Markets outside North America and Western Europe

SEK m.	January - March 2003	2002	Full-year 2002
Orders received	332	295	1,313
Net sales	336	260	1,222
Income 2)	22	12	50
Operating margin, % 3)	6.4%	4.6%	4.1%
Operating capital 4)	297	291	261
Number of employees	655	496	625

In markets outside Western Europe and North America, the trend in demand has been overall good.

Orders received amounted to SEK 332 m. (295), an increase of 13%. Significant increases have been achieved in Australia, among other markets.

The market share as a whole is expected to remain unchanged.

Net sales rose by 29% to SEK 336 m. (260).

Income and the operating margin improved significantly compared with the corresponding period of 2002. Income gains were noted in a number of markets.

Mjölby April 29, 2003

Per Zaunders
President and CEO

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- 1) EBITA = Earnings Before Interest, Tax and Amortization of goodwill. For BT, including income from long-term rentals/leasing.
 - 2) Income = operating income + income from long-term rentals/leasing. Amortization of goodwill at the Group level is not charged against the individual business areas.
 - 3) Operating income plus income from long-term rentals/leasing in relation to net sales.
 - 4) 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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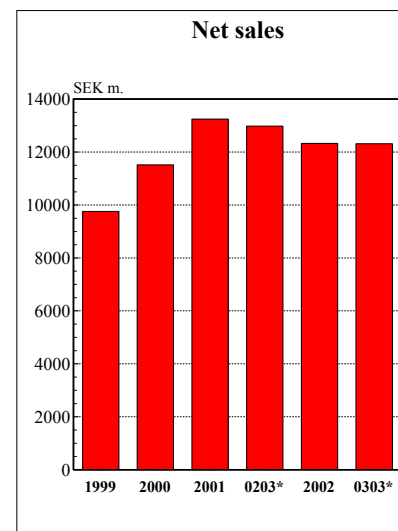
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Income statements

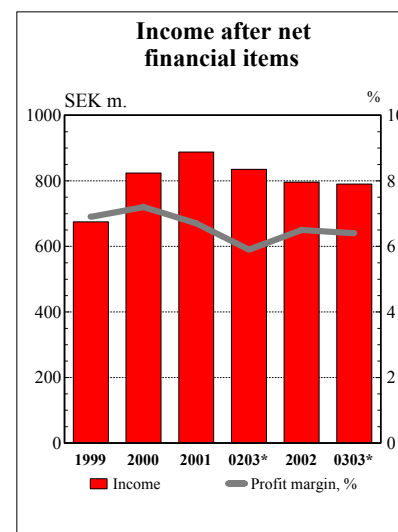
SEK m.	January - March		Full-year
	2003	2002	2002
Net sales	2,923	2,936	12,329
Cost of sales	-2,121	-2,136	-9,005
Gross income	802	800	3,324
Product development	-61	-64	-263
Marketing and sales	-340	-341	-1,360
Administration	-234	-248	-1,002
Amortization of goodwill	-29	-34	-130
Other operating income	29	56	168
Other operating expenses	-37	-31	-108
Income in associated companies	-4	-5	-2
Operating income	126	133	627
Income from financial investments			
Income from long-term rentals/leasing	52	62	206
Interest income and other financial income	21	16	90
Interest expenses and other financial expenses	-31	-37	-127
Income after net financial items	168	174	796
Income tax	-68	-72	-318
Net income	100	102	478

Average number of outstanding shares, thousands	28,000	28,000	28,000
Earnings per share after estimated tax, SEK	3.55	3.65	17.00
Earnings per share after full tax, SEK	-	-	17.05

Total depreciation and amortization	-136	-152	-581
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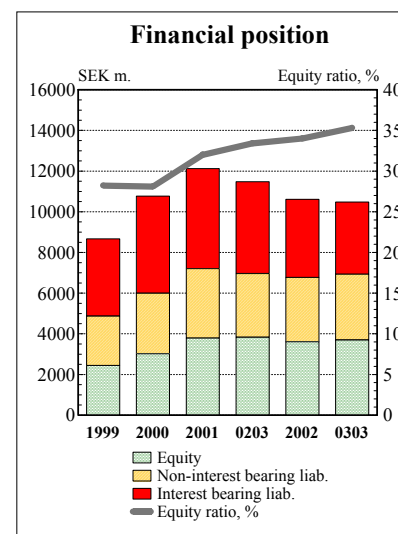
*) 12-months rolling values



*) 12-months rolling values

Balance sheets

SEK m.	31 mars		31 dec.
	2003	2002	2002
ASSETS			
Fixed assets			
Goodwill	1,465	1,877	1,543
Other intangible	57	49	58
Tangible	1,726	1,855	1,707
Financial	1,849	2,115	1,835
Total	5,097	5,896	5,143
Current assets			
Inventories	1,516	1,669	1,373
Current receivables	3,401	3,521	3,522
Cash and banks	461	392	572
Total	5,378	5,582	5,467
TOTAL ASSETS	10,475	11,478	10,610
EQUITY AND LIABILITIES			
Equity	3,698	3,830	3,608
Provisions	935	901	927
Liabilities			
Long-term liabilities	1,061	4,250	573
Current liabilities	4,781	2,497	5,502
TOTAL EQUITY AND LIABILITIES	10,475	11,478	10,610

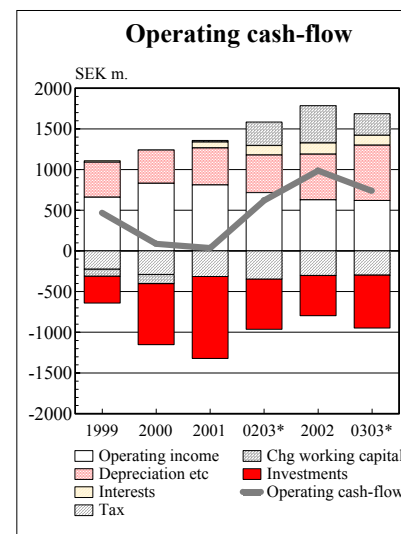


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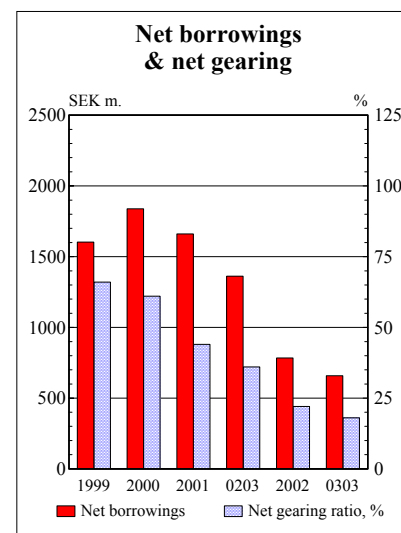
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Statements of cash flows

SEK m.	January – March		Full-year
	2003	2002	2002
Operating activities			
Operating income	126	133	627
<i>Non cash flow related items</i>			
- Depreciation and amortization acc. to plan	136	152	581
- Other	107	-27	-19
Non cash flow related items	243	125	562
Income from long-term rentals/leasing	47	62	208
Other financial items, net	1	2	-70
Tax paid	-70	-74	-302
Cash flow from operating activities before changes in working capital	347	248	1,025
Changes in working capital	-105	89	458
Cash flow from operations	242	337	1,483
Investment activities			
Investments in financial fixed assets	-4	114	-49
Investments in tangible and intangible fixed assets	-139	-102	-447
Cash flow from investment activities	-143	12	-496
OPERATING CASH FLOW	99	349	987
Acquisitions of companies, net	0	41	0
Financing activities			
Changes in loans	-210	-326	-433
Dividend paid	0	0	-280
Cash flow from financing activities	-210	-326	-713
Changes in cash and banks	-111	64	274
Cash and banks brought forward	572	335	335
Translation differences in cash and banks	0	-7	-37
Cash and banks carried forward	461	392	572



*)12-months rolling values

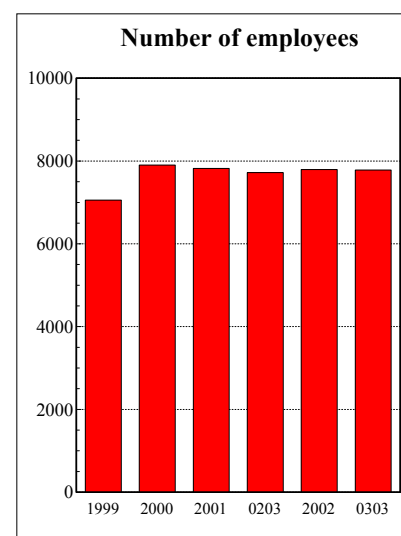


Net borrowings

SEK m.	March 31		Dec. 31
	2003	2002	2002
Interest-bearing assets	2,890	3,155	3,058
Interest-bearing liabilities	3,548	4,517	3,842
NET BORROWINGS	658	1,362	784

Change in equity

SEK m.	March 31		Dec. 31
	2003	2002	2002
Equity brought forward, January 1	3,608	3,788	3,788
Foreign currency translation effects etc	-10	-60	-378
Dividend paid	0	0	-280
Net income	100	102	478
Equity carried forward	3,698	3,830	3,608



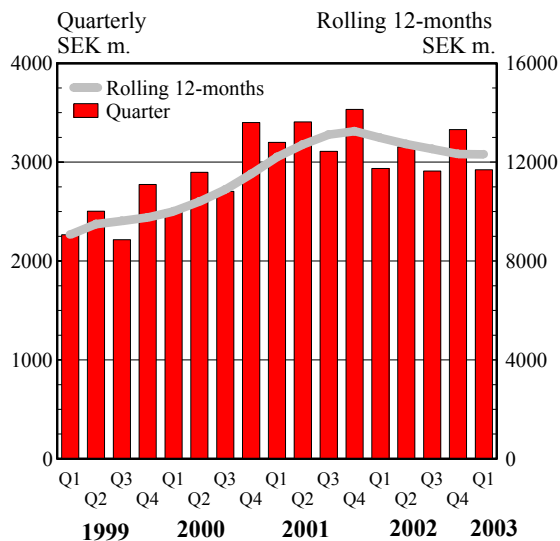
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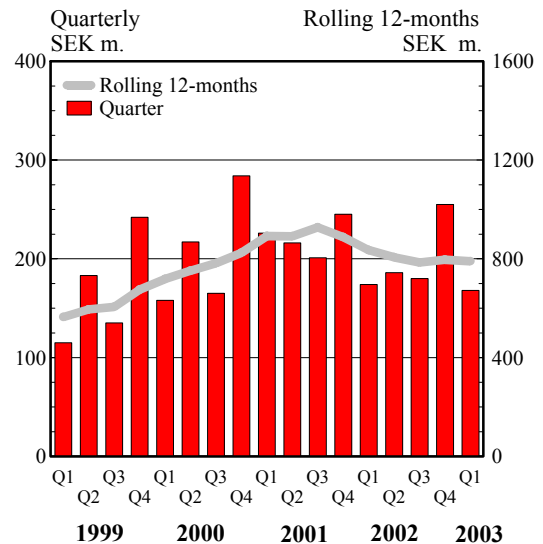
Quarterly development

Amounts in SEK m.	Q1		Q2		Q3		Q4	
	2003	2002	2002	2001	2002	2001	2002	2001
Orders received	3,027	3,096	3,288	2,970	3,012	2,849	3,229	3,318
Net sales	2,923	2,936	3,154	3,406	2,909	3,109	3,343	3,533
Cost of sales	-2,121	-2,136	-2,304	-2,467	-2,131	-2,282	-2,449	-2,641
Gross income	802	800	850	939	778	827	894	892
Gross margin, %	27.4%	27.2%	26.9%	27.6%	26.7%	26.6%	26.7%	25.2%
Operating expenses	-676	-667	-705	-751	-634	-631	-682	-691
Operating income	126	133	145	188	144	196	212	201
Interest margin LTR/leasing	52	62	44	52	46	38	64	48
Operating margin, %	6.1%	6.6%	6.0%	7.0%	6.5%	7.5%	8.3%	7.0%
Net financial items, other	-10	-21	-3	-24	-10	-33	-14	-4
Income after net financial items	168	174	186	216	180	201	262	245
Profit margin, %	5.8%	5.9%	5.9%	6.3%	6.2%	6.5%	7.8%	6.9%

Net sales



Income after financial net



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Key ratios

		January – March 2003	March 2002	Full-year 2002
EBITA margin, %	1)	7.1%	7.8%	7.8%
Operating margin, %	2)	6.1%	6.6%	6.8%
Profit margin, %	3)	5.8%	5.9%	6.5%
Interest coverage, multiple	4)	16.6	12.6	13.7
Return on capital employed, %	5)	-	-	14.3%
Return on equity, %	6)	-	-	12.9%
Net gearing ratio, %	7)	18%	36%	22%
Equity ratio, %	8)	35.3%	33.4%	34.0%

Share data

		January – March 2003	March 2002	Full-year 2002
Earnings per share after full tax, SEK	9)	-	-	17.05
Earnings per share after standard tax, SEK	10)	3.55	3.65	17.00
EBITA per share, SEK	11)	7.40	8.20	34.40
Cash flow per share, SEK	12)	3.55	12.45	35.25
Equity per share, SEK	13)	132.05	136.80	128.85
No. of shares, thousands		28,000	28,000	28,000

DEFINITIONS

- 1) Operating income plus amortization 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 amortization divided by the average number of shares.
- 11) Operating profit before amortization of goodwill, plus interest income including income from long-term rentals/leasing divided by the average number of shares.
- 12) Operating cash flow according to the statement of cash flows divided by the average number of shares.
- 13) Equity divided by the number of shares on the closing day.

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Five-year summary

SEK m.	2002	2001	2000	1999	1998
Income statements					
Net sales	12,329	13,248	11,518	9,759	8,838
Gross income	3,324	3,548	3,247	2,847	2,568
EBITA	963	1,122	1,094	899	783
Operating income	627	810	831	660	576
Income after net financial items	796	888	824	675	544
Net income	478	552	552	431	310
<i>Total depreciation according to plan</i>	<i>-581</i>	<i>-575</i>	<i>-482</i>	<i>-417</i>	<i>-380</i>
Balance sheets					
Fixed assets	5,143	6,048	5,345	4,531	4,435
Current assets	5,467	5,803	5,554	4,136	3,693
Total assets	10,610	11,851	10,899	8,667	8,128
Equity	3,608	3,788	3,070	2,442	2,027
Minority share	-	3	3	2	2
Liabilities and provisions	7,002	8,060	7,826	6,223	6,099
Total liabilities and equity	10,610	11,851	10,899	8,667	8,128
Net borrowings					
Interest-bearing assets	3,058	3,259	2,932	2,193	1,789
Interest-bearing liabilities	3,842	4,920	4,770	3,796	3,908
Net borrowings	784	1,661	1,838	1,603	2,119
Cash flow					
Cash flow from operations	1,483	1,042	838	797	429
Cash flow from investments 1)	-496	-1,007	-751	-330	-670
Operating cash flow	987	35	87	467	-241
Key ratios					
EBITA margin, %	7.8%	8.5%	9.5%	9.2%	8.9%
Operating margin, %	6.8%	7.5%	8.5%	8.2%	7.8%
Profit margin, %	6.5%	6.7%	7.2%	6.9%	6.2%
Return on capital employed, %	14.3%	16.5%	18.5%	16.8%	15.3%
Return on equity, %	12.9%	16.1%	20.0%	19.3%	16.3%
Capital turnover rate, multiple	2.1	2.1	2.1	2.0	1.9
Interest coverage, multiple	13.7	6.9	5.8	5.2	4.2
Net gearing ratio, %	22%	44%	60%	66%	104%
Equity ratio, %	34.0%	32.0%	28.2%	28.2%	25.0%
Personnel					
Number of employees at year-end	7 794	7 820	7 899	7 054	6 975

1) Excluding acquisitions of companies

For definitions, see page 7.