



## BT Industries AB (publ) Interim report January – March 2004

- ▷ **Orders received SEK 3,242 m. (3,027), +7%**
- ▷ **Net sales SEK 2,960 m. (2,923), +1%**
- ▷ **Income after net financial items SEK 174 m. (168), +4%**
- ▷ **Market: positive signals and increased orders**

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### Financial summary

SEK m.	January - March 3 months		April - March rolling 12 months		Full-year 2003
	2004	2003	2004	2003	
Orders received	3,242	3,027	12,297	12,487	12,083
Net sales	2,960	2,923	11,915	12,316	11,877
EBITA <sup>1)</sup>	194	208	867	942	881
Operating income	122	126	565	620	569
Income after net financial items	174	168	741	790	736

### Market development

Demand for warehouse trucks rose during the first quarter of 2004. The increase was expected, since the counterbalanced truck segment, which usually targets customers and industries that are early in the business cycle, grew relatively strongly in 2003. By late 2003 higher demand was also noted in the warehouse truck segment.

Also during the first quarter the increase was most clearly evident in the counterbalanced truck segment, but the positive development in demand is now obvious in the warehouse truck segment as well. Geographically, the strongest increase in demand was in North America.

BT's global market share is unchanged. BT has historically had its main focus on warehouse trucks. In the last several years it has also been active in counterbalanced trucks – principally electric-powered. BT is estimated to have raised its market share in warehouse trucks, but has not had the opportunity to benefit from the substantial growth in counterbalanced trucks, where the IC segment is growing strongly.



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#### Orders and sales

The Group's orders received rose by 7% during the quarter to SEK 3,242 m. (3,027). The increase underscores that the market has now begun to recover and that BT has successfully been able to satisfy the higher demand. At comparable exchange rates, orders received rose by approximately 13% compared with the corresponding period of 2003.

Net sales amounted to SEK 2,960 m. (2,923), a relatively insignificant gain. At comparable exchange rates, net sales rose by approximately 7%, however.

Net sales in the first quarters of 2004 and 2003 by product area were as follows:

Amounts in SEK m.	January -March		Change in %
	2004	2003	
Warehouse trucks	<b>1,318</b>	1,337	-1%
Counterbalanced trucks	<b>408</b>	403	1%
Manual trucks	<b>102</b>	104	-1%
Total, trucks	<b>1,828</b>	1,843	-1%
- % av total	<b>62%</b>	63%	
Spare parts	<b>492</b>	482	2%
Service	<b>357</b>	320	12%
Other areas	<b>283</b>	277	2%
Total, servicemarket	<b>1,132</b>	1,079	5%
- % av total	<b>38%</b>	37%	
<b>Net sales</b>	<b>2,960</b>	2,923	1%

Service market activities developed positive and are generally stabilizing the development in net sales. The positive development in warehouse trucks orders have not yet resulted in shipments and thus also net sales.

#### Income

The Group's EBITA (Earnings Before Interest, Tax and Amortization) decreased by 7% to SEK 194 m. (208).

Gross margins on machines and services were largely maintained. A continued resource expansion, mainly in sales and services, coupled with various quality improvement measures, has temporarily led to higher costs, the positive effects of which have not yet been fully realized.

Income from long-term rentals/leasing amounted to SEK 45 m., against SEK 52 m. in the first quarter of 2003. Other net financial income and expenses amounted to SEK 8 m., against SEK -10 m. in the previous year.



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The Group's income after net financial items thus amounted to SEK 174 m. (168), up 4%. The profit margin was 5.9%, against 5.8% in the corresponding period of 2003.

#### **Capital expenditures**

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 149 m., compared with SEK 139 m. in the corresponding period of 2003. Expenditures included a new facility in Mjölby to more efficiently satisfy specific demands for customized special machines.

#### **Financing and liquidity**

The Group's total assets rose to SEK 11,416 m. from SEK 10,265 m. at the beginning of the year. Net borrowings amounted to SEK 294 m., against SEK 365 m. at the beginning of the year, at the same time that the net gearing ratio was 7% versus 10%.

The equity ratio amounted to 34.7%, against 36.5% at the beginning of the year.

Cash flow was negative during the quarter due to an increase in tied-up working capital in both operations and lease receivables. Operating cash flow amounted to SEK -77 m. (99 m.).

During the quarter the large part of the BT Industries Group's financing was shifted to Toyota Industries Finance International AB, which was established in 2003 to coordinate Toyota Industries' financing outside Japan.

#### **Personnel**

The number of employees as of March 31 was 8,102, compared with 8,026 at the beginning of the year. The increase in personnel was mainly in the sales and service organization of business area BT INTERNATIONAL.

#### **BT's business areas**

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



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### **Business area BT EUROPE**

*Covering primarily Western Europe*

SEK m.	January -March		Full-year 2003
	2004	2003	
Orders received	<b>2,001</b>	1,863	7,165
Net sales	<b>1,795</b>	1,736	7,061
Income 2)	<b>111</b>	127	525
Operating margin, % 3)	<b>6.2%</b>	7.3%	7.4%
Operating capital 4)	<b>1,594</b>	1,557	1,566
No. of employees	<b>4,859</b>	4,753	4,831

Demand for warehouse trucks increased during the quarter in BT EUROPE's markets. BT was able to slightly increase its share of the growing market.

Orders received amounted to SEK 2,001 m. (1,863), an increase of 7% from the previous year. Net sales rose by 3% to SEK 1,795 m. (1,736). Exchange rate effects were marginal during the quarter.

Income amounted to SEK 111 m. (127), a decrease of 13% attributable to a lower gross margin on machine sales caused by rising product costs in combination with intense price competition in the market. As a result, the operating margin declined to 6.2%, against 7.3% on the corresponding date a year earlier.

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#### **Definitions of expressions and key ratios used in page 1 and in the section describing BTs business areas.**

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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### **Business area BT RAYMOND**

*Covering primarily North America.*

SEK m.	January - March		Full-year
	2004	2003	2003
Orders received	<b>1,083</b>	993	4,284
Net sales	<b>1,022</b>	1,056	4,287
Income 2)	<b>74</b>	73	303
Operating margin, % 3)	<b>7.2%</b>	6.9%	7.1%
Operating capital 4)	<b>1,037</b>	1,073	956
No. of employees	<b>2,435</b>	2,341	2,426

The increase in demand noted in late 2003 continued during the first quarter of 2004, and the extended economic slowdown now appears to have ended. BT RAYMOND's expansion during the period essentially followed that of the market.

Orders received amounted to SEK 1,083 m. (993), a gain of 9%. Expressed in USD, the increase was no less than 27%. However, the current year includes the consolidation of a previously unconsolidated dealer, which accounted for approximately 5 percentage points of the increase.

Net sales amounted to SEK 1,022 m. (1,056). The lower shipments are mainly a function of the delivery times requested by customers. Relatively large deliveries, as a share of the annual total, were made during the first quarter of 2003. The positive order situation will facilitate higher deliveries later in the year, however.

Income amounted to SEK 74 m. (73), essentially unchanged from the previous year despite slightly lower deliveries. The operating margin was strengthened to 7.2% (6.9%).



## BT Industries AB (publ) Interim report January – March 2004

### **Business area BT INTERNATIONAL**

*Markets outside North America and Western Europe.*

SEK m.	January - March		Full-year
	2004	2003	2003
Orders received	353	332	1,388
Net sales	346	336	1,338
Income 2)	12	21	57
Operating margin, % 3)	3.5%	6.3%	4.3%
Operating capital 4)	383	297	319
No. of employees	761	655	714

In markets covered by the business area, growth in demand was cautiously positive. BT INTERNATIONAL has been able to retain its market share at an unchanged level.

Orders received amounted to SEK 353 m. (332), an increase of 6%. Net sales rose by 3% to SEK 346 m. (336). Exchange rate effects were marginal.

On April 1 BT Industries AB transferred ownership of BT LiftTrucks in Australia to the Australian sister organization Toyota Industries Corporation Australia. As a result, BT's operations in Australia will not be consolidated in the business area. However, BT LiftTrucks will remain a distributor of BT's products in the Australian market.

Income amounted to SEK 12 m. (21). The decrease is mainly due to a decline in margins on new sales of both warehouse trucks and counterbalanced trucks. The operating margin was significantly affected as a result and amounted to 3.6% (6.4%).

Mjölby, May 6, 2004

Per Zaunders  
President and CEO

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### Income statements

	January – March		Full-year
SEK m.	2004	2003	2003
<b>Net sales</b>	<b>2,960</b>	2,923	11,877
Cost of sales	<b>-2,152</b>	-2,121	-8,630
<b>Gross income</b>	<b>808</b>	802	3,247
Product development	<b>-66</b>	-61	-243
Marketing and sales	<b>-363</b>	-340	-1,419
Administration	<b>-229</b>	-234	-938
Amortization of goodwill	<b>-28</b>	-29	-118
Other operating income	<b>24</b>	29	132
Other operating expenses	<b>-26</b>	-37	-102
Income in associated companies	<b>2</b>	-4	10
<b>Operating income</b>	<b>122</b>	126	569
<b>Income from financial investments</b>			
Income from long-term rentals/leasing	<b>45</b>	52	194
Interest income and other financial income	<b>20</b>	21	69
Interest expenses and other financial expenses	<b>-13</b>	-31	-96
<b>Income after net financial items</b>	<b>174</b>	168	736
Tax	<b>-70</b>	-68	-265
<b>Net income</b>	<b>104</b>	100	471

Ave. no. of shares outstanding, thousands	<b>28,000</b>	28,000	28,000
Earnings per share, estimated tax, SEK	<b>3.70</b>	3.55	15.70
Earnings per share, full tax, SEK	<b>-</b>	-	16.80

*Total depreciation and amortization*                      **-143**      -152      -571



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### Balance sheets

SEK m.	March 31		Dec. 31
	2004	2003	2003
<b>ASSETS</b>			
<i>Fixed assets</i>			
Goodwill	1,274	1,465	1,244
Other intangible assets	64	57	67
Tangible	1,847	1,726	1,754
Financial	1,733	1,849	1,589
<b>Total</b>	<b>4,918</b>	<b>5,097</b>	<b>4,654</b>
<i>Current assets</i>			
Inventory	1,555	1,516	1,299
Current receivables	4,177	3,401	3,504
Cash and banks	766	461	808
<b>Total</b>	<b>6,498</b>	<b>5,378</b>	<b>5,611</b>
<b>TOTAL ASSETS</b>	<b>11,416</b>	<b>10,475</b>	<b>10,265</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>	3,965	3,698	3,747
<i>Provisions</i>	1,041	935	995
<i>Liabilities</i>			
Long-term liabilities	2,206	1,061	429
Current liabilities	4,204	4,781	5,094
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,416</b>	<b>10,475</b>	<b>10,265</b>





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### Statements of cash-flow

SEK m.	January – March 2004	March 2003	Full- year 2003
<b><i>Operating activities</i></b>			
Operating income	122	126	569
<i>Non cash flow related items</i>			
Depreciations acc. to plan	143	136	571
Other	-9	107	45
Non cash flow related items	134	243	616
Income from long-term rentals/leasing	45	47	205
Other financial items, net	-14	1	-63
Tax paid	-46	-70	-273
<b>Cash flow from operating activities before changes in working capital</b>	<b>241</b>	<b>347</b>	<b>1,054</b>
Changes in working capital	-73	-105	98
<b>Cash flow from operations</b>	<b>168</b>	<b>242</b>	<b>1,152</b>
<b><i>Investment activities</i></b>			
Investments in financial fixed assets	-96	-4	-86
Investments in tangible and intangible fixed assets	-149	-139	-594
<b>Cash flow from investment activities</b>	<b>-245</b>	<b>-143</b>	<b>-680</b>
<b>OPERATING CASH FLOW</b>	<b>-77</b>	<b>99</b>	<b>472</b>
Acquisitions/disposal of companies, net	0	0	-31
<b><i>Financing activities</i></b>			
Change of loans	596	-210	-58
Financial investments	-577	-	-
Dividend paid	0	0	-140
<b>Cash flow from financing activities</b>	<b>19</b>	<b>-210</b>	<b>-198</b>
<b><i>Change in cash and banks</i></b>	<b>-58</b>	<b>-111</b>	<b>243</b>
Cash and banks brought forward	808	572	572
Translation differences in cash and banks	16	0	-7
<b>Cash and banks carried forward</b>	<b>766</b>	<b>461</b>	<b>808</b>



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### Net borrowings

SEK m.	March 31		Dec. 31
	2004	2003	2003
Interest-bearing assets	3.718	2.890	2.996
Interest-bearing liabilities	4.012	3.548	3.361
<b>NET BORROWINGS</b>	<b>294</b>	658	365

### Changes in equity

SEK m.	March 31		Dec. 31
	2004	2003	2003
Equity brought forward, January 1	3,747	3,608	3,608
Foreign currency translation effects etc	114	-10	-192
Dividend paid	0	0	-140
Net income	104	100	471
<b>Equity carried forward</b>	<b>3,965</b>	3,698	3,747



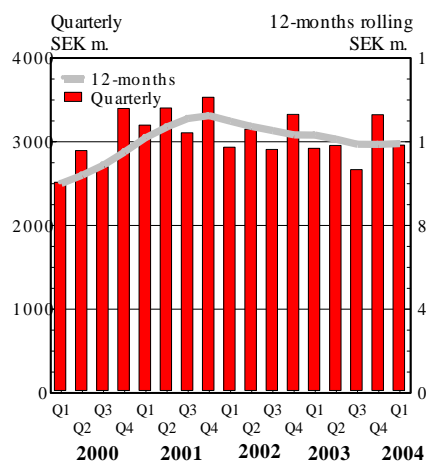
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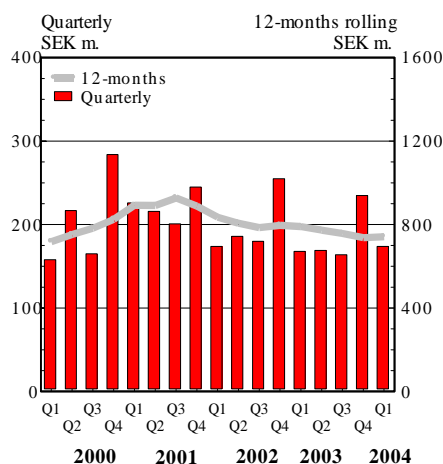
### Quarterly development

Amounts in SEK m.	Q1		Q2		Q3		Q4	
	2004	2003	2003	2002	2003	2002	2003	2002
Orders received	3,242	3,027	2,993	3,288	2,741	3,012	3,322	3,160
Net sales	2,960	2,923	2,958	3,154	2,671	2,909	3,325	3,330
Cost of sales	-2,152	-2,121	-2,166	-2,304	-1,948	-2,131	-2,395	-2,434
Gross income	808	802	792	850	723	778	930	896
Gross margin, %	27.3%	27.4%	26.8%	26.9%	27.1%	26.7%	28.0%	26.9%
Operating expenses	-686	-676	-663	-705	-606	-634	-733	-691
Operating income	122	126	129	145	117	144	197	205
Interest margin LTR/leasing	44	52	49	44	48	46	45	54
Operating margin, %	5.6%	6.1%	6.0%	6.0%	6.2%	6.5%	7.3%	7.8%
Net financial items, other	8	-10	-8	-3	-1	-10	-8	-3
Income after net financial items	174	168	170	186	164	180	234	256
Profit margin, %	5.9%	5.8%	5.7%	5.9%	6.1%	6.2%	7.0%	7.7%

### Net sales



### Income after financial net





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#### Key ratios

		January – March 2004	March 2003	Full-year 2003
EBITA margin, %	1)	<b>6.6%</b>	7.1%	7.4%
Operating margin, %	2)	<b>5.6%</b>	6.1%	6.4%
Profit margin, %	3)	<b>5.9%</b>	5.8%	6.2%
Interest coverage, multiple	4)	<b>17.3</b>	16.6	23.9
Capital turnover rate, multiple	5)	<b>2.0</b>	2.1	2.1
Return on capital employed, %	6)	-	-	14.1%
Return on equity, %	7)	-	-	12.8%
Net gearing ratio, %	8)	<b>7%</b>	18%	10%
Equity ratio, %	9)	<b>34.7%</b>	35.3%	36.5%

#### Share data

		January – March 2004	March 2003	Full-year 2003
Earnings per share after full tax, SEK	10)	-	-	16.80
Earnings per share after standard tax, SEK	11)	<b>3.70</b>	3.55	15.70
EBITA per share, SEK	12)	<b>6.90</b>	7.40	31.45
Cash flow per share, SEK	13)	<b>-2.75</b>	3.55	16.85
Dividend per share, SEK		-	-	5.00
Equity per share, SEK	14)	<b>141.60</b>	132.05	133.80
No. of shares, thousands		<b>28,000</b>	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) Net sales divided by average capital employed at the opening and close of each period.
- 6) 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.
- 7) Net income for the period in relation to the average of equity at the opening and close of each period.
- 8) Net borrowings in relation to equity and the minority share at the close of each period.
- 9) Equity including the minority share in relation to total assets at the close of each period.
- 10) Net income for the period divided by the average number of shares.
- 11) 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.
- 12) Operating income before amortization of goodwill plus result from long-term rentals/leasing in relation to average number of shares outstanding.
- 13) Operating cash flow according to the statement of cash flows divided by the average number of shares.
- 14) Equity divided by the number of shares on the closing day.



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### Five-year summary

SEK m.	2003	2002	2001	2000	1999
<b>Income statements</b>					
Net sales	11,877	12,329	13,248	11,518	9,759
Gross income	3,247	3,324	3,548	3,247	2,847
EBITA	881	963	1,122	1,094	899
Operating income	569	627	810	831	660
Income after net financial items	736	796	888	824	675
Net income	471	478	552	552	431
<b>Balance sheets</b>					
Fixed assets	4,654	5,143	6,048	5,345	4,531
Current assets	5,611	5,467	5,803	5,554	4,136
<b>Total assets</b>	<b>10,265</b>	<b>10,610</b>	<b>11,851</b>	<b>10,899</b>	<b>8,667</b>
Equity	3,747	3,608	3,788	3,070	2,442
Minority share	-	-	3	3	2
Liabilities and provisions	6,518	7,002	8,060	7,826	6,223
<b>Total liabilities and equity</b>	<b>10,265</b>	<b>10,610</b>	<b>11,851</b>	<b>10,899</b>	<b>8,667</b>
<b>Net borrowings</b>					
Interest-bearing assets	2,996	3,058	3,259	2,932	2,193
Interest-bearing liabilities	3,361	3,842	4,920	4,770	3,796
<b>Net borrowings</b>	<b>365</b>	<b>784</b>	<b>1,661</b>	<b>1,838</b>	<b>1,603</b>
<b>Cash flow</b>					
Cash flow from operations	1,152	1,483	1,042	838	797
Cash flow from investments 1)	-680	-496	-1,007	-751	-330
Operating cash flow	472	987	35	87	467
<b>Key ratios</b>					
EBITA margin, %	7.4%	7.8%	8.5%	9.5%	9.2%
Operating margin, %	6.4%	6.8%	7.5%	8.5%	8.2%
Profit margin, %	6.2%	6.5%	6.7%	7.2%	6.9%
Return on capital employed, %	14.1%	14.3%	16.5%	18.5%	16.8%
Return on equity, %	12.8%	12.9%	16.1%	20.0%	19.3%
Capital turnover rate, multiple	2.1	2.1	2.1	2.1	2.0
Interest coverage, multiple	23.9	13.7	6.9	5.8	5.2
Net gearing ratio, %	10%	22%	44%	60%	66%
Equity ratio, %	36.5%	34.0%	32.0%	28.2%	28.2%
<b>Personnel</b>					
Number of employees at year-end	8 026	7 794	7 820	7 899	7 054

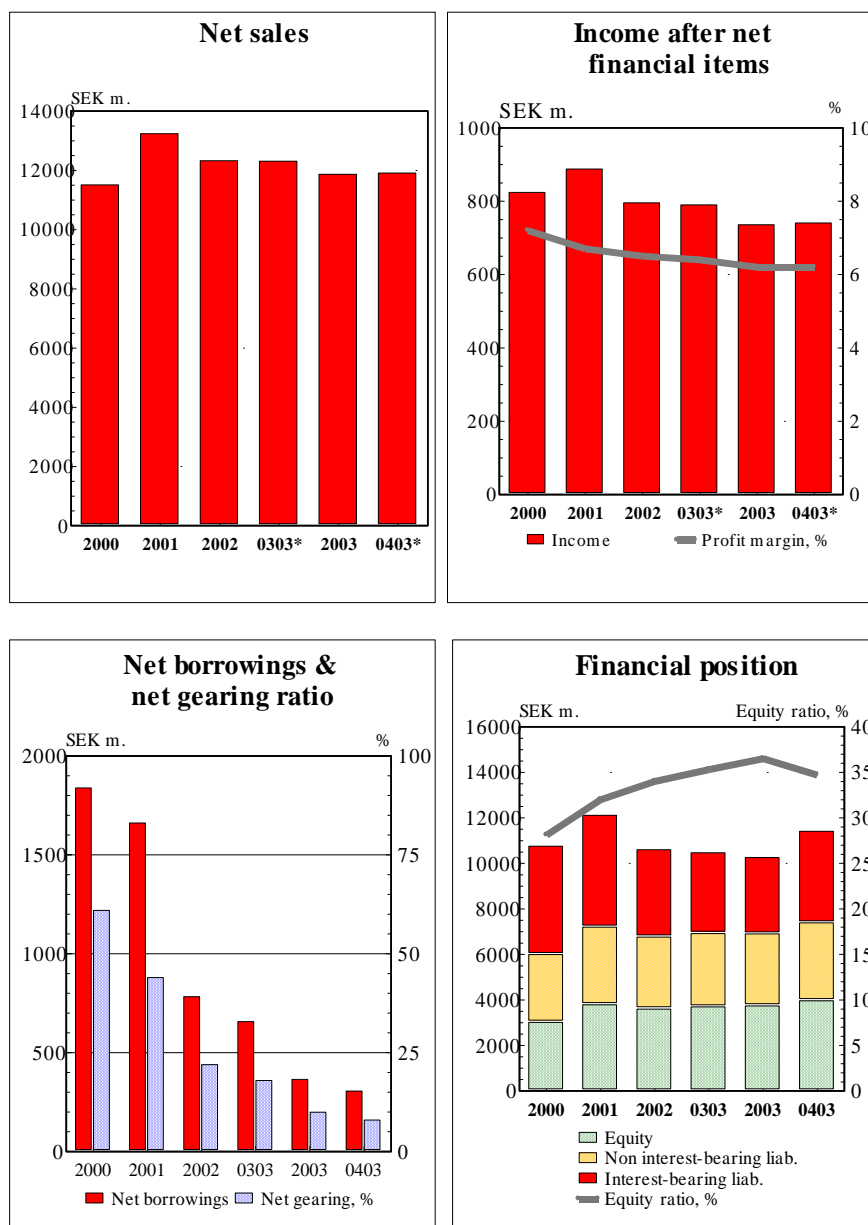
1) Excluding acquisitions of companies  
For definitions, see page 12.



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### Graphic summary



\*) 12-months rolling values