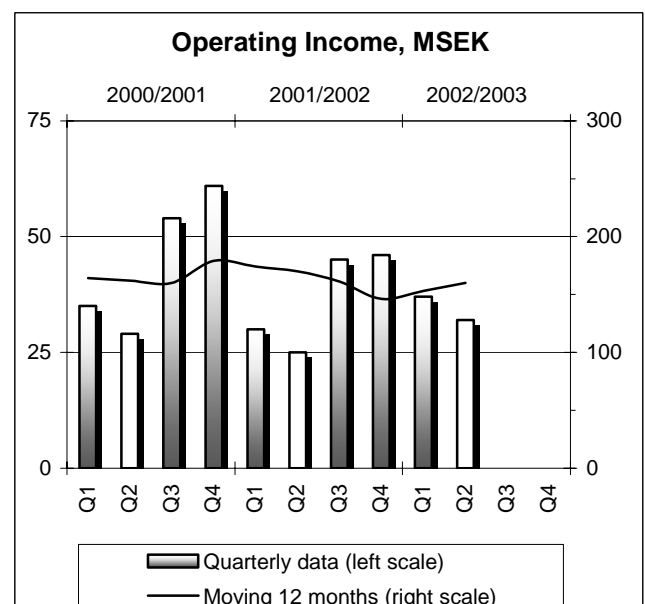
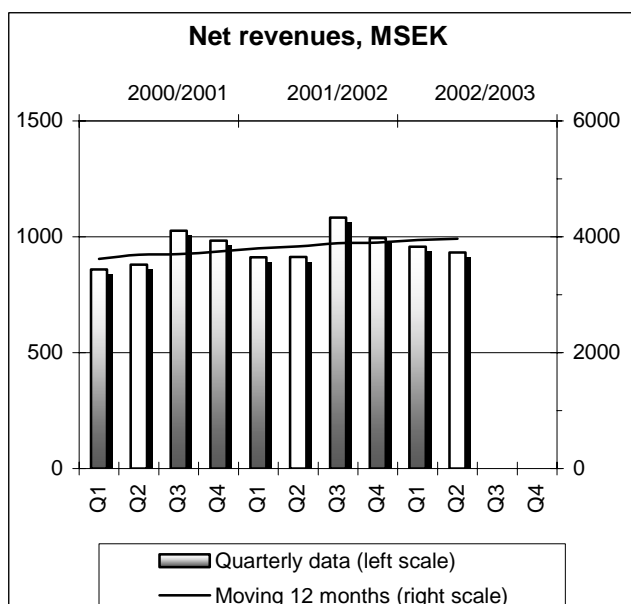


# THE BERGMAN & BEVING GROUP

## Interim report April 1 – September 30, 2002 (6 months)

- **Operating income, not including items affecting comparability, increased by 25 percent to MSEK 69 (55).**
- **Net revenues increased by 4 percent to MSEK 1 890 (1 825).**
- **Income after net financial items, not including items affecting comparability, amounted to MSEK 63 (52).**
- **Cash flow from current operations showed a positive development – amounting to MSEK 40 (10) for the period.**
- **Bergman & Beving's partner chain for resellers in Norway concluded an agreement with the Norwegian armed forces.**

*Bergman & Beving provides solutions and products in the areas of tools and consumables for industry and the construction sector, as well as in laboratory instruments, diagnostic equipment and consumable supplies for health care, industry and research.  
The Group has revenues of about SEK 4 billion and approximately 1 400 employees.*



**Note:** Net revenues and operating income in the charts refer to Bergman & Beving pro forma, not including the former subsidiaries Addtech AB and Lagercrantz Group AB. Income data refer to operating income, not including items affecting comparability.

## FIRST SIX MONTHS 2002/2003<sup>1</sup>

Operating income, not including items affecting comparability, increased by 25 percent to MSEK 69 (55). Net revenues increased by 4 percent to MSEK 1 890 (1 825).

Income after financial items, not including items affecting comparability, amounted to MSEK 63 (52). Items affecting comparability in a net amount of MSEK -6 (0) are deducted from this result.

Moving 12-month income after financial items, not including items affecting comparability, amounted to MSEK 151, as compared with MSEK 140 for the 2001/2002 financial year.

Income after taxes, not including items affecting comparability, for the most recent 12-month period is equivalent to earnings per share of SEK 3.60, as compared with SEK 3.30 for the 2001/2002 financial year.

Efforts with the Group's strategic development continued during the period pursuant to the decision of the Board of Directors of Bergman & Beving AB in May 2002.

During the second quarter of 2002/2003, Bergman & Beving increased the number of proprietary brands through product company Skydda's acquisition of Cresto Safety. This is an element of the Group's strategy of backwards integration in the value chain.

The proportion of proprietary brands of total sales increased during the period through the sales efforts of the product companies, as well as through the Group's acquisition of TengTools (in the first quarter) and Cresto Safety.

At the end of August the Norwegian armed forces concluded an agreement with Bergman & Beving's partner chain for resellers in Norway, TOOLS Kjedeforum, for delivery of tools, workshop materials, work-clothes and personal protection equipment. The agreement constitutes an important element of Bergman & Beving's strategy of establishing a strong reseller chain in the areas of tools, protection equipment and consumables for the manufacturing and construction industries in the Nordic Region through partnerships with progressive resellers. Through partnership programs, the Group also bolsters the role of the resellers in the value chain.

Bergman & Beving MediTech strengthened its market position in the fields of medical and dental technology during the second quarter via acquisition of two businesses. The strategic development of the business area continues according to plan.

<sup>1</sup> Data for the 2001/2002 financial year refer to Bergman & Beving pro forma, not including the former subsidiaries Addtech AB and Lagercrantz Group AB. For accounts including distributed units through the month of distribution, August 2001, reference is made to the Annual Report and interim reports for 2001/2002.

## MARKET

Market demand was stable in most of the Group's businesses during the period, despite a continued weak industrial economy. The Group's primary geographic market is the Nordic Region.

## TOOLS AND MACHINERY

*Product company Luna markets tools and machinery for professional use to industry and the construction sector.*

Net revenues increased by 14 percent to MSEK 529 (466). Operating income amounted to MSEK 21 (21).

In a continued weak total market, with lower results in Sweden, Luna strengthened its market position further. The favorable development in Norway continued – both in terms of volume and earnings. The partner chain TOOLS Kjedeforum's end customer agreement with the Norwegian armed forces is expected to contribute to the positive development. TengTools met the expectations.

## PERSONAL PROTECTION EQUIPMENT

*Product company Skydda offers solutions for personal protection to professional users in industry and the construction sector.*

Net revenues increased by 7 percent to MSEK 277 (258). Operating income amounted to MSEK 22 (18).

Sales as well as the profit margin grew for Skydda during the period, despite the weak industrial economy. Skydda's proprietary brand names Labrador and Guide continued to show a positive development. In August 2002, Skydda acquired the company Cresto Safety which offers solutions and products for fall protection. With this acquisition Skydda strengthens its position in a strategically important area of the market. Cresto Safety has annual sales of about MSEK 10 with good profitability and growth.

## FASTENING ELEMENTS

*Product company Essve is a comprehensive supplier in fastening, sealing and electrical hand tools for industry as well as the construction and do-it-yourself sectors.*

Net revenues increased by 6 percent to MSEK 241 (228). Operating income increased to MSEK 16 (7).

Demand for Essve's solutions and products continued to be stable during the period, despite a somewhat dampened business climate in construction and manufacturing. In the various product groups, fastening elements, screws and fire proofing continued to increase. A growing share of orders via electronic media had a positive effect on earnings. Essve increased its market shares among the most important customer groups and product lines.

## WORKPLACE EQUIPMENT

*Product company Gigant markets solutions and components in the field ergonomic workplace equipment for industry.*

Net revenues amounted to MSEK 86 (87). Operating income was MSEK 0 (0).

Despite essentially unchanged net revenues compared to

the preceding year, Gigant is believed to have increased its market shares. Gigant's efforts to strengthen its position in the entire value chain have also continued, with stronger links with more specialized resellers as well as with manufacturers and suppliers in for instance China. Greater awareness among companies on work environment issues boosts the need for resellers to be able to offer Gigant's comprehensive solutions and products.

### **BERGMAN & BEVING MEDITECH<sup>2</sup>**

*Business area Bergman & Beving MediTech markets laboratory instruments, diagnostic equipment and consumables for health care, industry and research.*

Net revenues increased by 9 percent to MSEK 334 (306). Operating income increased to MSEK 14 (5).

The strong volume growth during the first quarter weakened somewhat during the second quarter. The diagnostics business in Triolab continued to display good growth and profitability, at the same time as the results of the companies in medical and dental technology weakened. Two businesses were acquired during the period to strengthen and complement the focus on the medical-technical market.

### **BERGMAN & BEVING DEVELOPMENT**

*Division Bergman & Beving Development is comprised of companies at an early stage of development, or with a business focus which lies outside the core areas in the Tools operations and business area MediTech.*

Net revenues amounted to MSEK 404 (466)<sup>3</sup>. Operating income, not including items affecting comparability, amounted to MSEK 5 (4)<sup>3</sup>.

The various businesses showed varying development of net revenues and earnings. Product company Grunda, which sells consumables for the manufacturing and construction industries, thus showed a continuous positive development despite a weak market. Continuing weakness in the industrial economy in Germany had a negative effect both on volume and earnings for the group's German operations. An increase in the proportion of products produced in-house by the Specialpaper Group contributed to an improvement in earnings.

## **PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES**

The profit margin, on a moving 12-month basis, not including items affecting comparability, was 3.8 percent, compared to 3.6 percent for the 2001/2002 financial year.

The return (income not including items affecting comparability) on capital employed for the most recent 12-month period was 14 percent and the return on equity was 13 percent. The corresponding figures for the preceding financial year were 13 percent and 11 percent, respectively.

Cash flow from current operations for the period amounted to MSEK 40 (10). The Group's net financial liabilities amounted to MSEK 151 (224) at the end of the period.

The equity ratio was 37 percent at the end of the period, compared to 40 percent at the beginning of the year. Net reporting of liquid funds and current liabilities would give a corresponding equity ratio of 42 percent at the end of the period and 48 percent at the beginning of the year.

Shareholders' equity per share amounted to SEK 28.30, as compared to SEK 27.70 at the beginning of the financial year. Computed based on the number of shares outstanding after full conversion, shareholders' equity per share amounts to SEK 29.35, as compared to SEK 28.85 at the beginning of the financial year.

Cash flow was affected by net investments in corporate acquisitions in an amount of MSEK 26, and by investments in other fixed assets in a net amount of MSEK 27.

The Group's total surplus funds with Alecta amounted to about MSEK 15 as of September 30, 2002. At the current rate of repayment, in the form of payment for pension premiums, these funds will be depleted in full during the 2003 calendar year.

### **ITEMS AFFECTING COMPARABILITY**

The Group reported an income item affecting comparability during the period in the amount of MSEK 6 in the form of a capital gain on the sale of subsidiary AB Forssbergs Dental, and cost items affecting comparability of MSEK 12. These costs relate to a provision for future rental costs for premises not expected to be utilized in current operations, and costs in conjunction with the restructuring of one of the Group's logistics businesses.

### **PARENT COMPANY**

The Parent Company's net revenues amounted to MSEK 18 (12) and income before appropriations and taxes was MSEK 128 (58). This result includes intra-group items of MSEK 130 (66).

<sup>2</sup> Comparative data for Bergman & Beving MediTech do not include those businesses which previously constituted parts of the business area and which were transferred to Bergman & Beving Development as of April 1, 2002.

<sup>3</sup> Net revenues and earnings for the preceding year for Forssbergs Dental are included in the comparative data for Bergman & Beving Development.

## CORPORATE ACQUISITIONS AND DISPOSALS

Product company Skydda acquired Cresto Safety with annual sales of MSEK 10 during the second quarter. Possession was taken September 1, 2002.

During the second quarter Bergman & Beving MediTech acquired two businesses in the fields of medical and dental technology. The total contribution to revenues from the acquisitions is expected to amount to about MSEK 15 per annum.

After the end of the reporting period Bergman & Beving MediTech has also acquired a business in process analysis in Norway. Acquired revenue amounts to about MNOK 5 per annum.

TengTools, with revenues of about MSEK 100 annually, was acquired during the first quarter. Forssbergs Dental, with annual revenues of about MSEK 100, was sold in April 2002.

## EMPLOYEES

The number of employees in the Group was 1 386 at the end of the period, which can be compared to 1 378 at the beginning of the financial year. Companies acquired and sold account for a net increase of four employees.

## REPURCHASE OF OWN SHARES

No own shares were repurchased during the second quarter of 2002/2003. All 1 036 200 shares held in treasury as of June 30, 2002 remain at the end of the reporting period. This holding represents 3.6 percent of the total number of shares outstanding.

A total of 850 000 of the repurchased shares secure the Company's obligations under the personnel option program instituted by Bergman & Beving in April 2002.

There have been no changes in the number of shares held in treasury after the end of the reporting period.

## ACCOUNTING PRINCIPLES

This Interim Report has been prepared in accordance with Recommendation No. 20 (Interim Reporting), of the Swedish Financial Accounting Standards Council which applies to the company from the beginning of the 2001/2002 financial year. New recommendations of the Swedish Financial Accounting Standards Council have had no effect on the reported income and financial position of the Bergman & Beving Group. In all other respects the same accounting principles and methods of computation have been applied in this Interim Report as in the most recently published Annual Report.

Stockholm, November 20, 2002

Stefan Wigren  
President & CEO

### The Interim Report also includes:

- Reporting by operating area
- Consolidated Statement of Income
- Consolidated Balance Sheet
- Consolidated Statement of Cash Flow
- Changes in shareholders' equity
- Key per-share data

This report has not been subject to special review by the Company's auditors.

An Interim Report for the period April 1 – December 31, 2002 will be presented February 17, 2003.

Visit [www.bb.se](http://www.bb.se) to order reports and press releases.

### Bergman & Beving AB (publ)

P.O. Box 10024 • SE-100 55 Stockholm, Sweden  
Telephone +46-8-660 10 30 • Fax +46-8-660 58 70 • info@bb.se • www.bb.se  
SE556034859001

## THE BERGMAN & BEVING GROUP<sup>4</sup>

### REPORTING BY OPERATING AREA

NET REVENUES	3 months		6 months		Full year	
	Jul.–Sep. 2002	Jul.–Sep. 2001	Apr.–Sep. 2002	Apr.–Sep. 2001	Moving 12 months	2001/ 2002
MSEK						
Tools and machinery (Luna)	278	250	529	466	1 069	1 006
Personal protection equipment (Skydda)	134	125	277	258	550	531
Fastening elements (Essve)	112	111	241	228	474	461
Workplace equipment (Gigant)	41	40	86	87	187	188
Bergman & Beving MediTech	153	152	334	306	734	706
Bergman & Beving Development	205	226	404	466	923	985
Parent Company/Group functions/ consolidation eliminations <sup>5</sup>	10	9	19	14	30	25
<b>GROUP TOTAL</b>	<b>933</b>	<b>913</b>	<b>1 890</b>	<b>1 825</b>	<b>3 967</b>	<b>3 902</b>

NET REVENUES BY QUARTER	2002/2003				2001/2002	
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
MSEK						
Tools and machinery (Luna)	278	251	264	276	250	216
Personal protection equipment (Skydda)	134	143	130	143	125	133
Fastening elements (Essve)	112	129	120	113	111	117
Workplace equipment (Gigant)	41	45	51	50	40	47
Bergman & Beving MediTech	153	181	196	204	152	154
Bergman & Beving Development	205	199	229	290	226	240
Parent Company/Group functions/ consolidation eliminations <sup>5</sup>	10	9	4	7	9	5
<b>GROUP TOTAL</b>	<b>933</b>	<b>957</b>	<b>994</b>	<b>1 083</b>	<b>913</b>	<b>912</b>

OPERATING INCOME	3 months		6 months		Full year	
	Jul. – Sep. 2002	Jul. – Sep. 2001	Apr. – Sep. 2002	Apr. – Sep. 2001	Moving 12 months	2001/ 2002
MSEK						
Tools and machinery (Luna)	12	12	21	21	58	58
Personal protection equipment (Skydda)	10	7	22	18	42	38
Fastening elements (Essve)	6	3	16	7	28	19
Workplace equipment (Gigant)	-1	0	0	0	3	3
Bergman & Beving MediTech	1	4	14	5	47	38
Bergman & Beving Development	4	1	5	4	24	23
Parent Company/Group functions/ consolidation eliminations <sup>5</sup>	0	-2	-9	0	-42	-33
<b>GROUP TOTAL</b>	<b>32</b>	<b>25</b>	<b>69</b>	<b>55</b>	<b>160</b>	<b>146</b>

OPERATING INCOME BY QUARTER	2002/2003				2001/2002	
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
MSEK						
Tools and machinery (Luna)	12	9	18	19	12	9
Personal protection equipment (Skydda)	10	12	9	11	7	11
Fastening elements (Essve)	6	10	10	2	3	4
Workplace equipment (Gigant)	-1	1	2	1	0	0
Bergman & Beving MediTech	1	13	21	12	4	1
Bergman & Beving Development	4	1	5	14	1	3
Parent Company/Group functions/ consolidation eliminations <sup>5</sup>	0	-9	-19	-14	-2	2
<b>GROUP TOTAL</b>	<b>32</b>	<b>37</b>	<b>46</b>	<b>45</b>	<b>25</b>	<b>30</b>

<sup>4</sup> All data for the 2001/2002 financial year refers to Bergman & Beving pro forma, not including the former subsidiaries Addtech AB and Lagercrantz Group AB, which were distributed to the shareholders in Bergman & Beving AB in August 2001.

Income data refers to operating income, not including items affecting comparability.

All comparative data have been adjusted for internal transfers of corporate entities.

<sup>5</sup> Aside from the Parent Company and consolidation eliminations, the Finnish reseller operation in Bergman & Beving Integration as well as Bergman & Beving InfoTrans are included.

CONSOLIDATED STATEMENT OF INCOME	3 months		6 months		Full year	
	Jul. – Sep. 2002	Jul. – Sep. 2001	Apr. – Sep. 2002	Apr. – Sep. 2001	Moving 12 months	2001/ 2002
MSEK						
Net revenues	933	913	1 890	1 825	3 967	3 902
Operating expenses	-901	-888	-1 821	-1 770	-3 807	-3 756
– of which depreciation and amortization	-20	-17	-37	-33	-72	-68
Items affecting comparability	-7		-6		-6	
OPERATING INCOME	25	25	63	55	154	146
Financial income and expense	-3	-2	-6	-3	-9	-6
INCOME AFTER FINANCIAL ITEMS	22	23	57	52	145	140
Taxes	-7	-8	-21	-19	-51	-49
NET INCOME FOR THE PERIOD	15	15	36	33	94	91
SEK						
Earnings per share	0.50	0.55	1.30	1.20	3.45	3.30
– of which items affecting comparability	-0.20		-0.15		-0.15	
Earnings per share after full conversion	0.50	0.50	1.25	1.15	3.40	3.20

#### CONSOLIDATED BALANCE SHEET

MSEK	Sep. 30, 2002	Sep. 30, 2001	Mar. 31, 2002
ASSETS			
Intangible fixed assets <sup>6</sup>	184	114	100
Other fixed assets	407	415	393
Inventories	556	596	551
Short-term receivables	712	642	591
Liquid funds	241	175	333
TOTAL ASSETS	2 100	1 942	1 968
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	781	748	790
Interest-bearing liabilities and provisions	406	430	411
Non-interest-bearing liabilities and provisions	913	764	767
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2 100	1 942	1 968

#### CONSOLIDATED STATEMENT OF CASH FLOW

MSEK	6 months		Full year
	2002/ 2003	2001/ 2002	2001/ 2002
Current operations before changes in working capital	72	26	120
Changes in working capital	-32	-16	87
CASH FLOW FROM CURRENT OPERATIONS	40	10	207
Investments in subsidiaries and other business units	-26	-43	-43
Sales of subsidiaries and other business units	22	0	0
Investments in other fixed assets	-28	-31	-52
Sales of other fixed assets	1	7	14
CASH FLOW BEFORE FINANCING	9	-57	126
Financing operations	-103	-159	-181
CASH FLOW FOR THE PERIOD	-94	-216	-55
Liquid funds at the beginning of the year	333	387	387
Exchange rate difference in liquid funds	2	4	1
Liquid funds at the end of the period	241	175	333

<sup>6</sup> Trademark rights at a value equivalent to MSEK 84 were purchased during the first quarter of 2002/2003.

**CHANGES IN SHAREHOLDERS' EQUITY**

MSEK	Sep. 30, 2002	Sep. 30, 2001	Mar. 31, 2002
Opening balance	790	838	838
Repurchase of own shares	-53		-1
Own shares used in payment for acquisitions	50		
Cash dividend	-48	-139	-139
Exchange rate differences, etc.	6	16	1
Net income for the period	36	33	91
Closing balance	781	748	790

**KEY PER-SHARE DATA**

SEK	6 months		Full year	
	2002/ 2003	2001/ 2002	Moving 12 months	2001/ 2002
Earnings	1.30	1.20	3.45	3.30
- of which items affecting comparability	-0.15		-0.15	
Earnings after full conversion	1.25	1.15	3.40	3.20
Shareholders' equity	28.30	26.85		27.70
Shareholders' equity after full conversion	29.35	28.25		28.85

**NUMBER OF SHARES OUTSTANDING IN THOUSANDS**

Number of shares outstanding after the period's repurchases	27 600	27 865		26 600
Number of shares outstanding after full conversion	29 395	30 072		28 401
Weighted number of shares outstanding after repurchases	27 263	27 865	27 142	27 443
Weighted number of shares outstanding after conversion	29 064	30 072	29 011	29 515