ANNUAL REPORT APRIL 1, 2002 – MARCH 31, 2003

Bergman & Beving

2002/2003

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This document is in all respects a translation
of the Swedish original Annual Report.

THE YEAR IN BRIEF

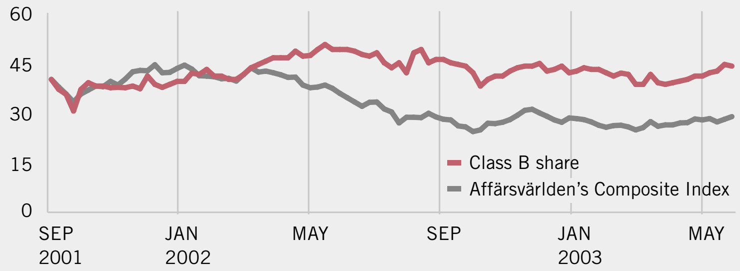
OPERATING YEAR 2002/2003 – STRENGTHENED STRATEGIC POSITION

- Operating income, not including items affecting comparability, amounted to MSEK 160 (146).
- The Group's strategic position was strengthened during the year – for exemple through the acquisition of TengTools and by the establishment of the TOOLS industrial reseller chain in the Nordic Region.
- Proposed dividend: SEK 2.00 (1.75) per share.

FOCUS AREAS 2003/2004 – CONTINUED STREAMLINING OF THE VALUE CHAIN

- Continued development of economies of scale in the Group's product companies, and in the areas of IT and logistics.
- Continued initiatives in integration backwards in the value chain through development of proprietary brands and via acquisitions in selected product areas.
- Continued development of the TOOLS concept in the Nordic Region.

THE BERGMAN & BEVING SHARE, SEK



THE GROUP IN FIGURES	2002/2003	2001/2002 [1]
Net revenues, MSEK	3 975	3 956
Operating income[2], MSEK	160	146
Income before taxes[2], MSEK	147	140
Net income for the year, MSEK	95	91
Per share in SEK		
Net income for the year	3.45	3.30
of which items affecting comparability	–0.15	–
Cash flow from current operations	7.85	7.55
Shareholders' equity	30.10	27.70
Dividend	2.00[3]	1.75
Return on equity[2], %	13	11
Equity ratio, %	40	40
Average number of employees	1 382	1 361

[1] Refers to Bergman & Beving pro forma, not including Addtech and Lagercrantz Group.
[2] Refers to income not including items affecting comparability.
[3] As proposed by the Board of Directors.

STATEMENT OF THE PRESIDENT

Stefan Wigren

WE ADVANCED OUR POSITIONS DURING THE YEAR!

ALL INDUSTRIES WILL BE CONSOLIDATED OVER TIME!

The free flow of information and the global capital market create a transformation pressure that forces companies and industries all over the world to streamline and increase the efficiency of their operations on an ongoing basis. Proximity to the customer and efficiency gains become two very important success factors. All rational players search for economies of scale in customer cultivation and other manners of operations. These are among the circumstances that generate international trends leading to a situation where all industries will consolidate over time.

Bergman & Beving is participating actively in the restructuring of our own industry. We intend to assume a position as one the leading suppliers of tools, protection equipment, fastening elements and supplies for industrial and construction customers in Northern Europe. Based on the size of the Group, the breadth and depth of its product lines, well-established relationships with end customers and cooperation partners, and efficient IT and logistics solutions, we see immense opportunities to render the entire value chain more efficient – from manufacturer to end customer.

OPERATING YEAR 2002/2003

I would like to begin my comments on the 2002/2003 operating year by offering praise to all of the Group's companies, who despite a weak economy have increased their earnings during the year!

In the Tools operations, all product companies raised their operating income. In Development, Grunda and Anders Petter (formerly Consumenta), among others, recorded strong results. In MediTech, Triolab continued to impress with a further improved result. However, business area MediTech as a whole did not reach earnings goals set for the operating year.

Measures to improve profitability in MediTech have been initiated.

The Group's total revenues for the year amounted to MSEK 3 975 and operating income was MSEK 160. Efforts to reduce funds tied up in working capital in the Group is continuing. The Group's cash flow was MSEK 215 for the year.

The operations conducted in all Group companies, with focus on the customer and a requirement for profitability, will always be the heart and soul of Bergman & Beving. It is appealing to speak of development potential, but I wish to emphasize the Group's uninterrupted tradition of always working – in a decentralized environment – with such business-related issues that create revenues and profitability.

ACCOMPLISHMENTS DURING THE YEAR

That said, I would like to single out some of Bergman & Beving's accomplishments during the year. All efforts have been in accordance with the strategy for the Group's future development laid down in May 2002, whereby, among other things, the Tools operations constitute the core of Bergman & Beving's long-term growth.

The acquisitions of TengTools and Cresto Safety gave the Group access to two strong brands. Through TengTools the Group has also gained access to many valuable relationships with suppliers in Taiwan and a well-established network of some 15 international tools distributors throughout Europe. This is an important platform for our future sales of products under proprietary brands. Both of these acquisitions have had a positive impact on earnings per share.

All product companies in the Tools operations have also continued to work on the development of proprietary brands in selected product areas in a very creditable manner.

We have further improved the efficiency of the Group's logistics function. Through a concentration of the operations and an expansion of the logistics center in Ulricehamn, both function as well as capacity have increased.

One year ago we expressed an ambition of integrating forwards in the value chain. An important step in furtherance of this ambition has now been taken. Through its subsidiary Bergman & Beving Integration, Bergman & Beving has established the largest partner chain for industrial resellers in the Nordic region. The name of the chain is TOOLS and it consists of about 115 industrial resellers in Sweden, Norway and Finland. These resellers have entered into partnership agreements with Bergman & Beving Integration. The TOOLS-resellers generate total revenues of about SEK four billion with end customers.

Business area MediTech has made some important progress in the growth area of outpatient diagnostic systems for primary and emergency care during the year. In addition, MediTech's strategic cooperations with international medical technology companies in the area of plastic consumables for health care have strengthened.

FOCUS AREAS DURING 2003/2004

A majority of the Group's companies are performing well. As I mentioned before, work is progressing in accordance with the strategic guidelines.

Based on Bergman & Beving's present market position, we continue to develop economies of scale in market cultivation, purchasing, IT and logistics. We continue to develop proprietary brands as parts of the total product line. We are expecting increases in sales of products under our proprietary brands in Europe. Our ambition to integrate forwards in the value chain stands firm. Development of the partnership concepts continue. Acquisitions will be an important ingredient in developing the Group over time.

LAST BUT NOT LEAST!

Last but not least, I wish to express my heart-felt gratitude to all employees of the Group for their fine efforts during the year.

Based on our joint starting position, a clear way of reaching the goal, and with competent and dedicated contributions, we are continually creating an ever-stronger Bergman & Beving.

It is with great confidence, I am looking forward to the development of the operating year we have now begun and the accomplishments that this year will bring about.

Stefan Wigren

IMPORTANT SUCCESS FACTORS

THIS IS BERGMAN & BEVING

Bergman & Beving is an internationally active trading group with operations in two main areas:

- >> The Tools operations provides manufacturing industry and construction in Northern Europe with tools, protection equipment, fastening elements and other supplies.

- >> The MediTech operations provides laboratories in research, health care and industry in the Nordic Region with laboratory instruments, analysis equipment and consumables.

The companies in Bergman & Beving work with high-quality products from world-leading manufacturers in Europe, Asia and North America. A growing proportion of the products is marketed under the Group's own proprietary brands. A few units conduct some of their own manufacturing. An important part of the Group companies' business is complementary services for resellers and end customers.

Bergman & Beving is permeated by its belief in a decentralized organization. The ability and desire of the employees to drive the business forward within set requirements for revenue growth, profitability and development is crucial for Bergman & Beving's success. The corporate philosophy can be summarized in five key words – simplicity, efficiency, willingness to change, accountability and freedom.

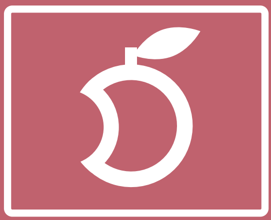
Bergman & Beving was founded in 1906 and is listed on the Stockholm Stock Exchange (the A-list) since 1976. The average aggregate return to the shareholders since the initial public offering, measured as share price performance and dividends, amounts to about 24 percent per year.

ORGANIZATION

The organizational overview on the opposite page describes the Group's reporting structure. The units marked in blue together constitute the so-called Tools operations.

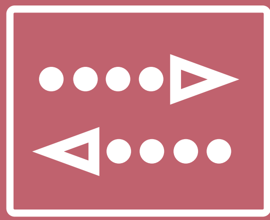
Luna, Skydda, Essve, Gigant and *Grunda* are designated product companies. Four of the five product companies are corporate groups with subsidiaries for different geographic markets and for specific market niches. Each respective product company's orientation is shown in the organizational overview. Aggregate revenues of the product companies are about MSEK 2 700.

Bergman & Beving Integration is responsible for

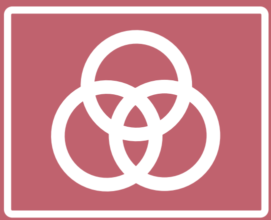


Knowledge of customer needs

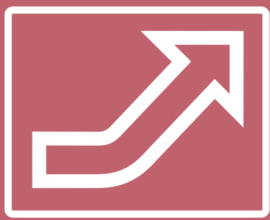
Attractive and comprehensive offers with strong brands



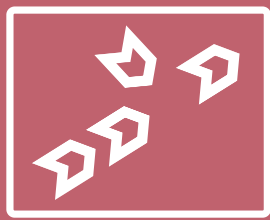
Value-adding IT and logistics solutions



In-depth relationships with customers and partners



Strength and stamina



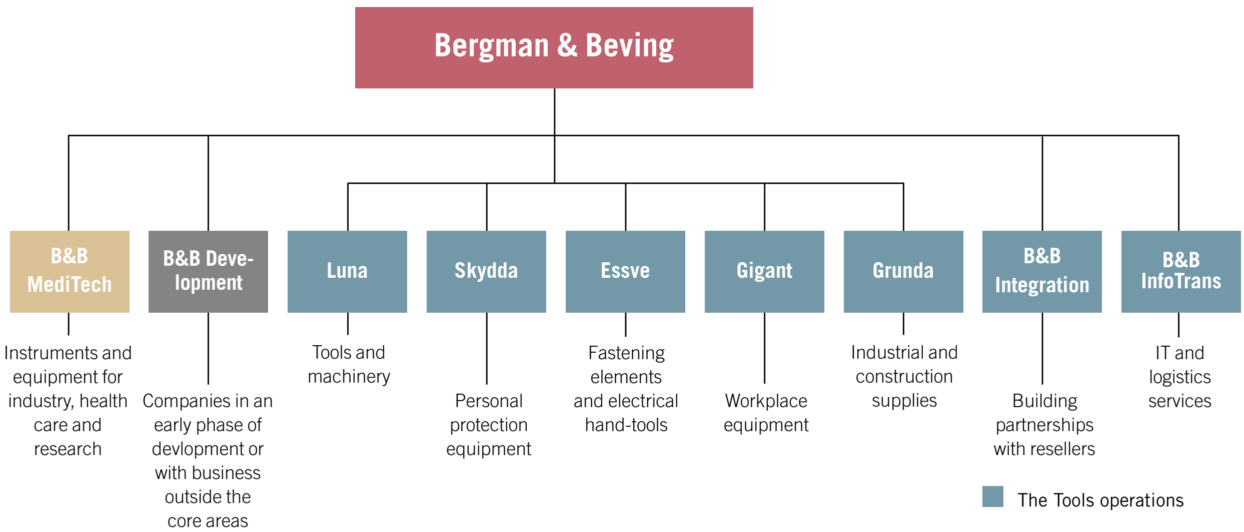
Ability to make successful acquisitions

forward integration in the value chain. Since the spring of 2003 Bergman & Beving Integration operates the largest partner chain for industrial resellers in the Nordic Region. This chain is marketed under the name of TOOLS.

Bergman & Beving InfoTrans has responsibility for development, coordination and running of IT and logistics services for the Tools operations.

Business area MediTech has sales of about MSEK 700 and provides laboratories in research, health care and industry in the Nordic Region with laboratory instruments, analysis equipment and consumables.

Bergman & Beving Development is comprised of companies in an early phase of development with the ambition of developing into an independent division, or have a business focus which is outside of the Group's core areas. Development currently consists of five companies with aggregate net revenues of about MSEK 500.



OPERATING YEAR 2002/2003

During the 2002/2003 operating year Bergman & Beving has worked in accordance with the strategic guidelines adopted in the spring of 2002. Important accomplishments were made in different areas.

THE TOOLS OPERATIONS

All product companies registered improved operating income during the year. The market was marked by continued economic slow down in industry and construction. The product companies have strengthened their market positions during the year.

The product companies' efforts to develop proprietary brands in certain selected market segments continued successfully. This strengthens Bergman & Beving's portfolio of brands and its position as a prioritized cooperation partner, at the same time as it allows the Group to take initiatives to increase sales in markets outside the Nordic Region. Bergman & Beving's role as a brand builder is described in greater detail on pages 18–19.

The acquisitions of TengTools and Cresto Safety have generated effects in different dimensions:

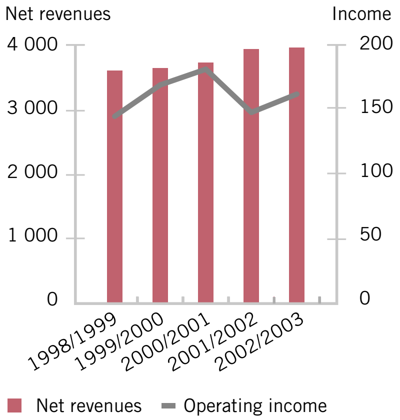
- >> Access to strong brands in well defined product areas.
- >> Increased distribution capacity in Europe through ToolStars, a network of some 15 independent tools distributors.
- >> Positive effect on earnings per share.

As an element of increased integration forwards in the value chain, Bergman & Beving established a partner chain for industrial resellers in Sweden under the name of TOOLS during the year. Together with earlier chain formations in Norway and Finland, the TOOLS chain is now the largest partner chain for industrial resellers in the Nordic Region, with a total of about 115 member resellers.

THE MEDITECH OPERATIONS

In business area MediTech, Triolab, which is specialized in the diagnostics area, showed continued good profitability and growth. The results of other units in the business area were lowered during the year. Measures to improve profitability in MediTech as a whole have been initiated.

NET REVENUES AND OPERATING INCOME[4], MSEK



[4] Income figures refer to operating income not including items affecting comparability.

THE BERGMAN & BEVING GROUP

Bergman & Beving's total net revenues amounted to MSEK 3 975 and the operating income, not including items affecting comparability, amounted to MSEK 160. Cash flow for the operating year was MSEK 215.

Capital expenditures were made during the year for, among other things, the purpose of concentrating the logistics operations to the Group's large logistics centers in Ulricehamn and Alingsås. This has involved an expansion of capacity as well as function. Business area MediTech implemented a new enterprise management system for its operations during the year.

PRESTIGIOUS AWARD TO BERGMAN & BEVING

In November 2002, in competition against prominent companies, such as Clas Ohlson and IKEA, Bergman & Beving was awarded "Postens Logistics Achievement Award 2002." According to the jury, Bergman & Beving received the prize for its ability to link the business model with efficient and innovative IT and logistics solutions, for exemple through the Toolstore e-commerce portal (www.toolstore.com). About 80 percent of the orders to the Group's product companies are today solicited electronically.

THE GROUP'S STRATEGY IN BRIEF

Bergman & Beving operates according to a simple and clear strategy that is based on a number of important cornerstones.

The overriding ambition is to concentrate the Group's resources to certain core areas offering favorable development potential. Bergman & Beving will always strive for market leadership. In a competitive market this means that the Group must continually work with issues such as market cultivation, refinement of the value chain and internal efficiency. Bergman & Beving must be at the leading edge in terms of developing and utilizing new and modern solutions in important areas such as IT and logistics.

Obvious consequences of this overriding ambition are that the Group must focus competence and capacity as well as capital on a few prioritized areas. Key words in Bergman & Beving's strategy are thus *focus, market strength, efficiency* and *refinement*.

STRATEGIC GUIDELINES FOR THE GROUP

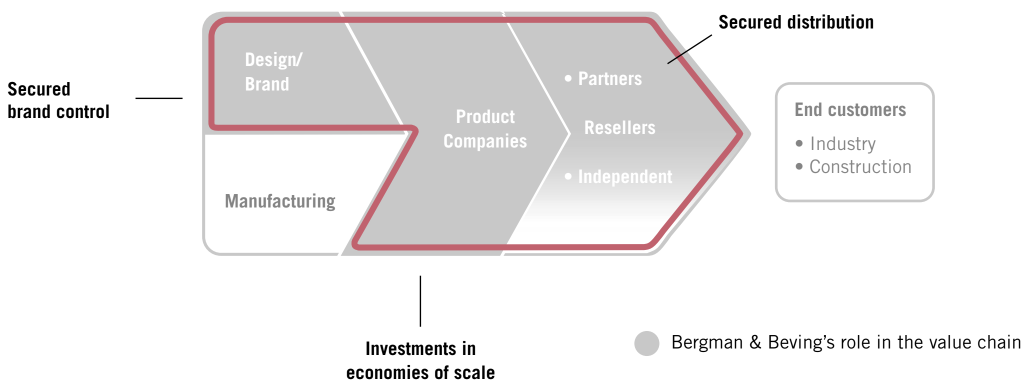
>> **The Tools operations will be the core of Bergman & Beving's long-term growth.**
Based on the Group's present position in the market for tools and supplies to industry and construction, Bergman & Beving intends to actively participate in the current consolidation of the industry. The aim is to assume a leading position in the market in Northern Europe.

>> **Business area MediTech will be developed into a strong independent group that will have its long-term growth outside the Bergman & Beving Group.**
The synergies between MediTech and the Tools operations are very limited. This, in conjunction with the overriding ambition to sharpen the focus, has led to the conclusion that MediTech will develop more favorably outside the Group on the long view.

>> **Bergman & Beving will be very restrictive to investments in operating areas outside the Tools and MediTech operations.**

STREAMLINING THE VALUE CHAIN

In the Tools operations, the strategic ambitions are summarized by the illustration below. Reference is made to page 12 for further description of the goals and strategies for the Tools operations.



The Tools Operations

STRONGER POSITIONS IN THE MARKET

During the year Bergman & Beving continued to strengthen the integration in the value chain, for example by the establishment of the Nordic reseller chain TOOLS. The acquisitions of TengTools and Cresto Safety have contributed to the positive development of the business.

MARKET STRUCTURE AND TRENDS

The Nordic market for tools and supplies for the industrial and construction sectors is fragmented. With *integration* as a key word, the relationships between the various players in the market is currently undergoing an interesting development.

The relationship between end customer and reseller

The professional end customers make their purchases via local resellers who offer fast service and qualified advice, and who have customer proximity as their most important competitive tool. At the same time, end customers' purchases are increasingly based on comprehensive supplier agreements concluded at group level between the customers and one or more suppliers. End customers thereby increasingly become a "national account" established in a number of locations, which in turn places greater demands on the ability of the resellers to offer the agreed-upon product line on agreed-upon terms and conditions with several different geographical points of delivery. From a marketing perspective, chain membership at the reseller level therefore becomes increasingly important.

Chain membership also becomes increasingly important from an efficiency perspective. Demands by end customers as to the structure and quality of the resellers drive the demands for coordination at the reseller level and streamlining of the value chain. The trend is clear: "Big becomes bigger, small becomes fewer." Those with growth potential are the ones that meet customer demands for increased integration.

The relationship between reseller and supplier

The need of resellers to have suppliers that provide comprehensive solutions is growing by the day. This creates demand for continual development and coordination of the product line and of related services. Demands for high readiness to make deliveries also increase. High efficiency in all exchange of information is also demanded, including information about products, order flows, etc.

Coordination between resellers and suppliers with respect to product lines, working capital, market activities, etc. increases the opportunities for both parties to become profitable. Integration between resellers and suppliers (in many dimensions) is thus the driving force for profitability and competitiveness.

The relationship between supplier and manufacturer

The supplier/wholesaler level – between manufacturer and reseller – is characterized by a small number of relatively large regional players and a number of niche wholesalers. The competitive situation in the Nordic market has sharpened in recent years. More and more of the purchases are being made in Asia. This has contributed to making cost-efficient solutions for IT and logistics ever more important.

Large purchasing volumes is an important competitive factor in itself. Bergman & Beving has chosen to work with world-leading suppliers in those market niches where such suppliers exist. In other selected areas Bergman & Beving's product companies are building their own brands with the aim at establishing leadership on the markets cultivated.

Well-established relationships between manufacturers and suppliers are crucial to the ability of handling all the issues that are becoming more and more important as the value chain is consolidating. Capacity and ability to integrate with manufacturers thus become increasingly important success factors for suppliers of the type represented by Bergman & Beving.

Market potential

The fragmented market structure implies great potential for restructuring. Bergman & Beving intends to continue its active role in the consolidation of the industry in the years to come.

BUSINESS

Product companies

Bergman & Beving's companies in the supplier level are called **product companies** and provide several important functions, among others:

- **The wholesaler function with the goal of supplying the next element of the value chain – resellers – with demanded products from manufacturers in an as cost-efficient way as possible.**
- **Marketing.**
- **Complementary services and offers in the areas of IT, logistics and market cultivation.**
- **Customer training.**
- **Product line development by assembling comprehensive product lines based on products from world-leading suppliers.**
- **Product development – development of proprietary brands is pursued in selected product areas.**

The sum of all these functions are called product companies.

The product companies thus combine the cost efficiency and the economies of scale of the wholesaler with the focus on added value for the customers of the service company. The greatest possible efficiency is then sought through integration with the other elements of the value chain.

The five product companies provide solutions and products within clearly defined market niches:

- **Luna – tools and machinery**
- **Skydda – personal protection equipment**
- **Essve – fastening elements**
- **Gigant – ergonomic workplace equipment**
- **Grunda – supplies for industry and construction**

Sales are via resellers in the MRO (Maintenance, Repair and Operation) and building material trades. The product companies work with both independent resellers as well as chain members, including the TOOLS chain. End customers are primarily professional users in the industrial and construction sectors in the Nordic Region, the Baltic States and Poland.

FRAGMENTED MARKET STRUCTURE

Structural action is required to increase the efficiency of the value chain.

THE PRODUCT COMPANIES IN THE TOOLS OPERATIONS[5]

Luna is one of the Nordic Region's leading suppliers of high-quality tools and machinery for professional use in the industrial and construction sectors. The product line is broad and adapted to needs with more than 30 000 articles in areas such as hand and measuring tools, compressed air, cutting tools, metal and wood machines, and soldering and welding.

Luna markets a number of strong proprietary product brands, such as Limit, Race and TengTools, as well as well-known brands from world-leading manufacturers, among them Gedore, Hultafors and Stanley.

Sales are via 600 separate local resellers in the Nordic countries. Luna has its own operations in the Nordic Region, the Baltic States, Poland and Taiwan.

Luna recorded a positive development during the 2002/2003 operating year, despite a weak industrial economy. Sales and income performance in Norway and the acquisition of TengTools in May 2002 made a positive contribution to Luna's earnings performance.

Net revenues for the year amounted to MSEK 1 172 and operating income was MSEK 65. Luna has about 400 employees.

Skydda markets solutions and equipment for personal protection to professional users in the industrial and construction sectors in Sweden, Norway, Finland and Denmark. The product line is composed of products from leading brand suppliers and a number of proprietary brands such as Guide and Labrador. The product line consists of workshoes, work wear, gloves and technical protection.

Sales are via local resellers in the MRO (Maintenance, Repair and Operation), building material and machinery trades. Constant product and concept development is accomplished through close cooperation with end customers, resellers and manufacturers.

The positive volume and earnings trend continued in Skydda during the 2002/2003 operating year. Market positions were strengthened measured as market share, image and recognition. Cresto Safety, acquired in September 2002, contributed in a positive manner to earnings performance.

Net revenues for the year amounted to MSEK 582 and operating income was MSEK 44. Skydda has about 80 employees.

Essve is the Nordic Region's leading comprehensive supplier in the fields of fastening, sealing and electric hand-tools for the construction, industrial and "do-it-yourself" sectors. The product line includes high-quality products in the areas of screws, adhesives and joint compounds, fittings and drills. A majority of sales is of proprietary brands, primarily the brand name ESSVE in fastening elements and Fireseal in fire protection. Essve also markets electrical hand-tools from Makita and compressed-air powered nailing tools from Paslode.

Sales are primarily via local construction and industrial resellers in the Nordic Region. Essve has its own operations in the Nordic Region, the Baltic States and Poland.

Demand in Essve's main market in the construction industry was weak during the latter part of the 2002/2003 operating year. The development of Essve's own proprietary brands continued to be positive.

Net revenues for the year amounted to MSEK 460 and operating income was MSEK 23. Essve has about 150 employees.

Gigant markets solutions and components in the field of ergonomic workplace equipment for industry. Gigant offers everything from individual products to complete solutions through local industrial resellers. Product areas include furnishings, storage, lifting and transportation. Via its subsidiary IAAB Miljöteknik, Gigant's product line is offered as ready-made solutions, as well as complete facilities for noise suppression and local exhaust ventilation devices.

A significant portion of the products are marketed under Gigant's own brand name. Gigant's suppliers are increasingly from Asia.

Despite a clear downturn in the total market for workplace equipment, Gigant recorded stable sales during the 2002/2003 operating year. The overall growing interest for work environment issues is positive for Gigant's business.

Net revenues for the year amounted to MSEK 201 and operating income was MSEK 6. Gigant has 35 employees.

Grunda is one of Sweden's leading suppliers of consumables for construction, industry and real estate. Grunda offers five separate product line areas: Building consumables, electrical and heating & plumbing, industrial rubber, locks & fittings, and cleaning supplies. Together, these product line areas form a complete offering of industrial and construction supplies for professionals and the do-it-yourself market.

Sales are through resellers in the MRO (Maintenance, Repair and Operation) and building material trades in Sweden. A growing proportion of the products are marketed under Grunda's proprietary brands, such as Fixxa, Klart and Reda.

Grunda showed a positive development during the 2002/2003 operating year, in part thanks to the launch of a new concept for electrical products.

Net revenues for the year amounted to MSEK 320. Grunda has about 40 employees.

Grunda was a part of division Bergman & Beving Development during the 2002/2003 operating year. From April 1, 2003 Grunda is a product company reporting directly to the Parent Company.

[5] Figures refer to the 2002/2003 operating year.

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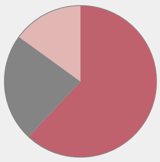
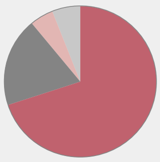
END CUSTOMERS BY SEGMENT



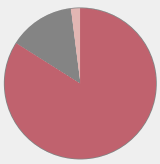
- Manufacturing industry 62%
- Construction industry (including real estate management) 23%
- Do-it-yourself/Private market 15%

SALES BY COUNTRY



- Sweden 70%
- Norway 19%
- Finland 5%
- Other 6%

PURCHASES BY PART OF WORLD



- Europe 84%
- Asia 14%
- North America 2%

Bergman & Beving Integration

Bergman & Beving Integration is responsible for the Group's ambition to integrate forwards in the value chain. Among other things, Bergman & Beving Integration established the reseller chain TOOLS – a partnership concept for industrial resellers – in Sweden during the past operating year.

Through this establishment TOOLS is the largest partner chain in the Nordic Region with about 115 member industrial resellers, with whom partnership agreements have been entered into. The TOOLS chain offers broad product lines and comprehensive solutions in a large number of areas to professional end users. The TOOLS resellers represent total sales to end customers of about SEK four billion.

Bergman & Beving InfoTrans

Efficient IT and logistics solutions are important competitive factors for the Group. Bergman & Beving InfoTrans is responsible for development and operation of solutions and systems in the fields of IT and logistics for the Tools operations.

The joint e-commerce portal Toolstore provides resellers and end customers access to the Tools operations' total product offering with more than 100 000 articles. Via the Internet, hand-held computers and EDI, the customers can place orders and obtain product and delivery information. About 80 percent of all orders to the product companies are today placed via electronic media. Efforts to further integrate the systems with partners and their customers are continually ongoing.

TWO YEARS IN FIGURES[6]

	NET REVENUES, MSEK		OPERATING INCOME, MSEK		AVERAGE NUMBER OF EMPLOYEES	
	2002/2003	2001/2002	**2002/2003**	2001/2002	**2002/2003**	2001/2002
Luna	**1 172**	1 052	**65**	58	**405**	376
Skydda	**582**	531	**44**	38	**78**	68
Essve	**460**	470	**23**	19	**147**	145
Gigant	**201**	196	**6**	3	**35**	34

[6] Income data refer to operating income, not including items affecting comparability.
Grunda was a part of Bergman & Beving Development for the 2002/2003 operating year. Since April 1, 2003 Grunda is a product company reporting directly to the Parent Company. Grunda will be reported as a separate unit starting with the first quarter of 2003/2004.

Continued

There are large logistics centers in Ulricehamn and Alingsås for the Tools operations. A newly completed expansion of the terminal building in Ulricehamn will lead to an increased number of deliveries directly to larger resellers during the 2003/2004 operating year.

Bergman & Beving was awarded a prestigious prize in the form of "Posten Logistics Achievement Award 2002" for the Group's long-term efforts to refine the value chain and combine business models with efficient IT and logistics solutions during the 2002/2003 operating year.

GOALS AND STRATEGIES

Bergman & Beving's aim is to assume a position as one of northern Europe's leading suppliers of tools, protection equipment, fastening elements and supplies to industrial and construction customers. The Group's present market positions will be strengthened and the value chain will be streamlined through development of economies of scale, as well as through integration backwards and forwards.

Integration backwards

Bergman & Beving strives to increase the proportion of proprietary brands in selected product areas, thereby obtaining a well balanced mix of in-house and external brands from prioritized suppliers. This gives the Group a competitive product portfolio in which the different brands strengthen each other, which is beneficial to all parties.

Control over brands, product development, design and quality strengthens the Group's role as preferred supplier to resellers and end customers. Industrial manufacturing will continue to be placed outside of the Group. Proprietary brands also make it possible to increase sales in the rest of Europe, and give room for improved trading margins.

Development of economies of scale

Bergman & Beving intends to continue developing economies of scale in the areas of market cultivation, purchasing, and IT and logistics in close cooperation with partners, resellers and end customers.

Integration forwards

Bergman & Beving strives to develop strong partnership concepts for resellers that will contribute to their profitability and growth. This will create opportunities for larger volumes and increased profitability, at the same time as Bergman & Beving's product companies get access to an interesting distribution channel.

Bergman & Beving Integration's development of the TOOLS concept will continue. Examples of prioritized areas are national supplier agreements with end customers, increased product line coordination and development of common IT and logistics solutions. The goal is to create an as cost efficient value chain as possible, where all players share the same vision and create large value added for the end customer.

OPERATING YEAR 2002/2003

All product companies increased their operating income during the year. The companies have strengthened their positions with increased market shares in their respective product niches. By establishing the TOOLS chain in Sweden, the largest partner chain for industrial resellers in the Nordic Region was created. A number of important end customer agreements for the chain were concluded via TOOLS Kjedeforum in Norway during the year. New efficient IT and logistics solutions for increased integration throughout the value chain have been implemented.

The acquisitions of TengTools and Cresto Safety have given Bergman & Beving access to strong product concepts and brand names in high-quality handtools and fall protection equipment. Both units have seen a positive development and the acquired net revenues amount to about MSEK 110 per year, with good profitability.

Ulf Bergkvist and Tommy Jarl, owners of Sohlbergs.

THE TOOLS CHAIN – ONE STEP AHEAD

As TOOLS in Sweden was established on February 1, 2003 it meant that the largest partner chain for industrial resellers in the Nordic countries was formed. Together with the sister chains in Norway and Finland, there are now about 115 local TOOLS resellers who turn to professional end customers in the industrial and construction sectors.

– Our business model is to structure the market for tools and consumables for professional users, says Johan Falk, President of TOOLS in Sweden. The changes occurring in the market today have forced the resellers to cooperate more in order to increase their purchasing power and to meet customer requirements for agreements with nation-wide coverage.

A MORE STREAMLINED VALUE CHAIN

It is TOOLS' intention to streamline the value chain by strengthening the ties between product companies/ suppliers and resellers. Focus is on the total flow throughout the value chain – from manufacturer to end user – to ensure that the customer gets the goods desired, at the right time, in the right place and at the lowest possible total cost.

– The customer only wants to pay once for a service. The consequence of this is that the supplier who is able to join together the entire value chain at the lowest total cost usually is the one that wins the deal with the customer, explains Johan Falk. As already proven by so many other industries, economies of scale in purchasing and infrastructure development are a must and a matter of survival over time.

COOPERATION AND DEDICATION

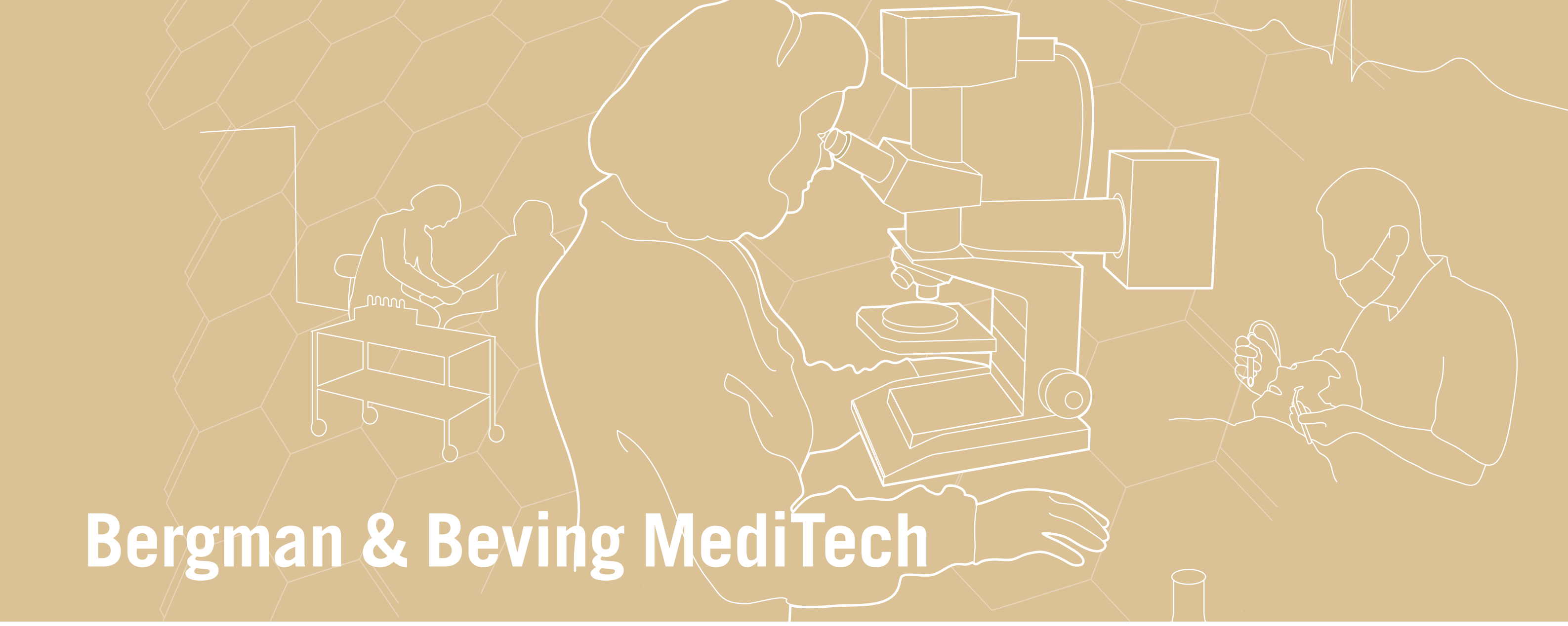
Bergman & Beving's approach and belief in how the industry will evolve is shared by many. Since inception, TOOLS has met a number of suppliers, resellers and end customers who want increased cooperation with a higher degree of integration.

– By being a partner in the TOOLS chain, we increased the quality towards our customers in many areas, says Tommy Jarl, President of industrial reseller Sohlbergs in Värnamo. We can now offer comprehensive product lines of goods and services, together with efficient IT and logistics solutions. This is a condition for our own growth and long-term profitability.

TOOLS in Sweden has emerged after one year of focused work within Bergman & Beving Integration, where the best from TOOLS in Norway and Finland as well as from external chains have been assembled. The starting point for the chain was the previous partner programs Proff (within the Järnia chain) and Luna Partner.

–It is we, the partner companies, and our own commitment that are crucial to the success of TOOLS. The chain is made up of strong, privately owned companies with competent and customer-oriented entrepreneurs with a focus on profitability, says Tommy Jarl. This commitment, in combination with economic strength and large purchasing volumes give us a lot of faith in TOOLS. We also have loyal cooperation partners along the entire value chain, which create opportunities for real cost efficiency improvements and increased profitability.

THE TOOLS CHAIN HAS ABOUT 115 MEMBER INDUSTRIAL RESELLERS IN SWEDEN, NORWAY AND FINLAND. THE TOTAL SALES OF THESE RESELLERS TO END CUSTOMERS AMOUNT TO ABOUT SEK FOUR BILLION. THE CHAIN HAS A TOTAL OF JUST OVER 1 600 EMPLOYEES, 600 OF WHOM ARE SALES REPRESENTATIVES.



Bergman & Beving MediTech

CUTTING EDGE COMPETENCE IN MEDICAL TECHNOLOGY

With solid industry knowledge, an advanced product line and effective services in logistics and technical service, the companies in MediTech have created strong positions in their respective markets.

MARKET STRUCTURE AND TRENDS

Business area MediTech aims primarily at end customers in health care, industry and research in the Nordic Region. Demand is greatly affected by the funds allocated to public health care and research, and for the research and development conducted by the pharmaceutical companies. At the same time, new market niches with high growth rates are constantly developing because of new findings in research and medicine, and as a consequence of the demographic development. A clear niche philosophy with focus on cutting edge competence is consequently important for creating profitable growth.

Competition has gradually mounted in medical and chemical analysis in the Nordic market in recent years. The globalization of the pharmaceutical industry is both an opportunity and a threat. Businesses are moved from the Nordic Region to other parts of the world and this acts as a deterrent to market growth in the local markets. At the same time other research units in the Nordic Region are expanding. The development of biotechnology companies in the Nordic Region brings new business opportunities for MediTech. Competition today comes primarily from international manufacturers with their own sales organizations, and from local suppliers with proprietary brands or brands owned by others in each respective geographic market.

In the health care segment strong growth is expected in the near future because demand for products and solutions that make the health care more efficient is on the rise. Increases are expected especially in outpatient health care, home health care and self care as the population in the Nordic region ages. The need for effective health care is expected to accelerate when the proportion of persons of working age declines, at the same time as the average life expectancy increases. For the same reason the market niche of home diagnostics is likely to be an interesting growth market in the coming decade.

In the area of medical and dental technology, demand is expected to increase as dental care is expanded internationally and as new products and dental filling materials are developed. More functional thinking and strategic cooperations with international medical technology companies are important ingredients in order to create future growth in this area. Products produced in-house today meet with competition both from international manufacturers and local manufacturers in the Nordic Region.

BUSINESS

Bergman & Beving MediTech is a comprehensive supplier of instruments and consumables for research and development laboratories, diagnostic equipment for health care, and consumables for health and dental care. The principal market for the business area is the Nordic Region and examples of customers are AstraZenca, Pharmacia, Novo Nordisk, the major county councils, and colleges and universities.

MediTech markets products from about one hundred world-leading suppliers. Consumables for dental care produced in-house are also an important product area. Customers are offered effective technical services, training and seminars as well as well-developed logistics solutions.

More than 80 percent of the business area's revenues is attributable to personal sales. Specialist knowledge is a key factor for the ability to deliver solutions that generate added value for the customer. In many cases the companies of the business area also develop entirely customer-specific solutions.

GOALS AND STRATEGIES

Business area MediTech is continually working to identify new businesses and market niches with good growth potential. With new agencies and/or complementary acquisitions, the offer to existing customers can be broadened and opportunities for geographically expanded sales are created. Continued increases in service content is also a way of increasing the competitiveness of the businesses.

MediTech's goal is to develop into an independent group in the Nordic Region in the following growth areas through sharper focus and complementary acquisitions:

- >> **Medical and chemical analysis**
- >> **Health care**
- >> **Medical and dental technology**

In medical and chemical analysis MediTech will strengthen its position as the Nordic Region's leading independent diagnostics supplier and continue its emphasis on consumables and instruments for chemical analysis for laboratories and the process industry. A focus area for the future is outpatient diagnostic systems and tests intended for primary and emergency care. The competence in the analytical area will be developed through continued cooperative initiatives with the pharmaceutical industry in the area of contract laboratories.

MediTech's initiatives in the health care sector will be focused on the market for consumables, equipment and aids for health care, home care and self care. At present priority is given to improving profitability in the business area, however.

DIVISIONS IN BERGMAN & BEVING MEDITECH[7]

PLD Nordic is a comprehensive supplier of equipment for the Nordic laboratory market. The business is organized in eight subsidiaries with operations in Sweden, Norway, Denmark and Finland. PLD Nordic has revenues of about MSEK 400 and 190 employees.

With extensive product knowledge and focus on selected market segments, PLD Nordic is an attractive partner for customers as well as suppliers in the Nordic laboratory market. The product range includes everything from advanced analysis instruments to basic equipment and consumables.

The customers are found in health care, industry and research.

Triolab is one of the Nordic Region's leading diagnostics companies. Among other things, the company works with methods and intelligent application solutions in blood gas, coagulation, hematology and clinical chemistry. Triolab, with revenues of about MSEK 220 and 65 employees, is active in Sweden, Norway, Denmark, Finland and Estonia.

Triolab represents world-leading manufacturers in each respective application area. The product range includes diagnostic reagents, analysis equipment and instruments.

Triolab's customers are found primarily among hospital laboratories, but also in primary care and among pharmaceutical and biotech companies.

Placo Medical consists of two subsidiaries with a focus on development, manufacturing and marketing of medical and dental plastic products and dental filling materials, respectively.

Placo Medical is the world-leading manufacturer of flexible saliva suction devices for dental care, but is also active as a subcontractor and supplier of extruded and injection-molded plastic components for the medical-technical industry.

In the dental area Placo Medical also produces and markets different types of dental filling materials. Cerana and Calasept are among the brands in this area.

Placo Medical has revenues of about MSEK 90 and 85 employees.

[7] All data refer to the 2002/2003 operating year.

Continued

In medical and dental technology MediTech will concentrate on products of a disposable character for medical and dental use. The product range of proprietary dental products will be broadened in cooperation with large international customers. The position as manufacturer of customer-specific medical-technical plastic products will be strengthened in selected market niches.

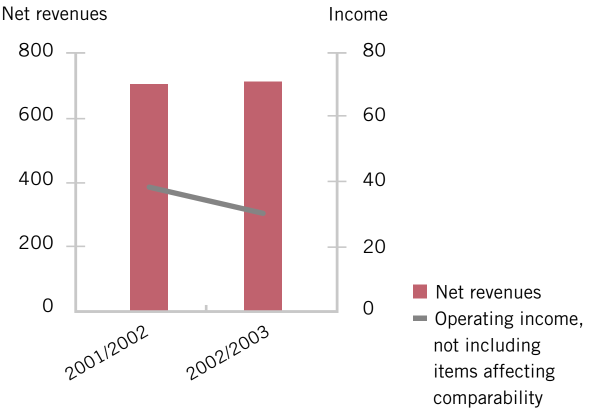
OPERATING YEAR 2002/2003

Net revenues for Bergman & Beving MediTech amounted to MSEK 715 (707). Operating income declined to MSEK 30 (38).

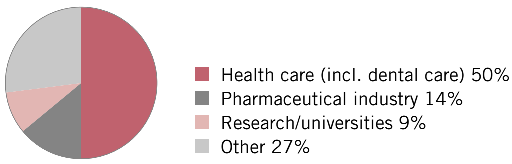
The development of both net revenues and operating income varied for the three divisions in MediTech during the year. The diagnostics business in Triolab registered continued growth and good profitability, while the businesses in medical and dental technology (Placo Medical) and laboratory equipment (PLD Nordic) had a negative development due to a weak market and a low propensity to invest on the part of the customers. At the same time the price development on raw materials and currencies had a negative effect on the products manufactured in-house. An action program aimed at improving profitability was initiated within the business area during the year. A new business area president took over in April 2003.

MediTech made three smaller acquisitions during the year with aggregate incremental revenue of about MSEK 20.

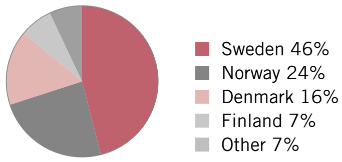
NET REVENUES AND OPERATING INCOME, MSEK



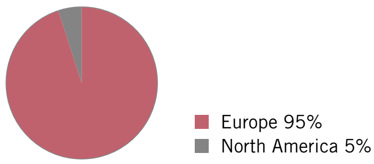
CUSTOMER STRUCTURE



SALES BY COUNTRY



PURCHASES BY PART OF WORLD



TWO YEARS IN FIGURES[8]

	2002/2003	2001/2002
Net revenues, MSEK	**715**	707
Operating income, MSEK	**30**	38
Average number of employees	**335**	344

[8] Income data refer to operating income, not including items affecting comparability.

Bergman & Beving Development

CREATING OPPORTUNITIES FOR A POSITIVE DEVELOPMENT

Bergman & Beving Development consisted of six companies with varying business focuses during the year. Subsidiary Grunda reports directly to the Parent Company of the Group as of April 2003 and is thus no longer a part of Development.

Bergman & Beving Development is comprised of companies that are either in an early phase of development with the ambition of developing into an independent division, or have a business focus which is outside of the Group's core areas. Development's role is to create the best possible prerequisites for a positive development for each company's business, taking each company's specific situation into account.

During the 2002/2003 operating year Grunda, the largest company in Development, showed a favorable development in many respects. Grunda has achieved an increasingly distinct profile in the market, at the same time as the company gradually has increased its profitability. From April 1, 2003 Grunda is therefore an independent product company reporting directly to the Parent Company Bergman & Beving AB. (For a more detailed presentation of Grunda, reference is made to page 10.)

Since April 1, 2003 Bergman & Beving Development consists of a total of five companies as presented below.

OPERATING YEAR 2002/2003[9]

Net revenues for Development amounted to MSEK 830 (992)[10]. Operating income, not including items affecting comparability, amounted to MSEK 13 (23)[10].

The different businesses in Development displayed varying performance during the operating year, both in terms of net revenues and operating income. Subsidiaries Anders Petter (formerly Consumenta), Jaktia and Grunda showed a positive development. Mager & Wedemeyer was negatively affected by the weak economy in Germany during the year. The Specialpapper group recorded earnings at the same level as last year. ANA Ädelmetall's income continued to be unsatisfactory.

AB Forssbergs Dental, with net revenues of about MSEK 100 annually, was sold in April 2002.

[9] All data includes subsidiary Grunda AB, which from April 1, 2003 is an independent product company reporting directly to the Parent Company Bergman & Beving AB.

[10] Net revenues and operating income for the preceding financial year for the former subsidiary AB Forssbergs Dental are included in the comparative data for Bergman & Beving Development in the amounts of MSEK 100 and MSEK 6, respectively. Forssbergs Dental was sold in April 2002.

COMPANIES IN BERGMAN & BEVING DEVELOPMENT

Anders Petter offers a wide range of products for home and household under its proprietary brand Anders Petter. Emphasis is on household utensils, such as cookware, knives, cutlery and kitchen tools. All sales are via retailers and resellers. The company has revenues of about MSEK 110 per year. The business is operated under the name of Anders Petter AB since April 2003 (formerly Consumenta AB).

Jaktia markets a comprehensive range of high-quality hunting gear via, among others, some fifty resellers (Jaktia stores) all over Sweden. The product line includes garments, weapons and accessories from world-leading manufacturers. The company has revenues of about MSEK 90 per year.

The German subsidiary Mager & Wedemeyer offers a broad range of machine tools for the engineering industry in Germany. The product line primarily includes CNC-machines as well as drilling, sawing and grinding machines from world-leading suppliers, including Ingersoll, Mazak and Mitsubishi. The company has sales of about MSEK 95 per year.

ANA Ädelmetall is active in the business of recovery of precious metals from scrap metal, sale of semi-manufactured goods and production of form goods in precious metals. The products include dental alloys, flat stock and wire in precious metals for processing, and flat stock, wire and mesh for industry. The customers include goldsmiths and silversmiths, dental labs and industrial companies. The company has sales of about MSEK 130 per year

The Specialpapper group manufactures and markets a broad range of paper products for customers in commerce, industry and transportation in the Nordic Region. The product line includes diagram paper, store rolls for cash registers and printer machines, and queing systems notes. Products manufactured in-house account for about 60 percent of revenues. The Specialpapper group has sales of about MSEK 80 per year.

Theme: Bergman & Beving as a Brand Builder

DEVELOPMENT AND CONTINUITY IMPORTANT ELEMENTS OF THE BRAND STRATEGY

With strong brands Bergman & Beving can continue to develop and further strengthen its customer offers. Building brands is a central element of Bergman & Beving's strategy.

The re-launch of Luna's brand name Limit is a good example of how Bergman & Beving works to make its customer offer more distinct.

BERGMAN & BEVING'S APPROACH TO BRANDS

There are many different views on what a brand actually is. A common mistake is to confuse brands with logotypes. For Bergman & Beving a brand has many important dimensions and represents major values.

A successful brand is a promise to the market. A brand must encompass well-defined solutions to well-defined needs. The brand must have a clear target group reached via distinct positioning in the market. This means that products and services covered by the brand must have well-defined functions at predetermined quality. A brand must be nurtured and developed – at the same time as it stands for continuity. Brands must fulfill expectations and be perceived as attractive and pleasing. Price relative to quality and performance must be competitive. The form language around the brand itself must also be pleasing and should reinforce the properties the brand stands for.

A brand thus encompasses a multitude of dimensions. In the efforts to develop proprietary brands all of these dimensions must be taken into account. This means that costs are involved in developing brands, and it also takes a long time to establish new brands. But brands are the heart and soul of all trading activities. Those who own the brands in demand has a strong position in the market. Those who have the ability to develop brands in an efficient manner will be rewarded with good trading margins.

PROPRIETARY BRANDS IN SELECTED AREAS

Bergman & Beving's business spans a large number of application areas. In some of these areas there are brands that globally have very strong positions in the market. One of the Group's guidelines in the area of brands is to normally seek cooperation with representatives of these leading brands.

In other market areas the variety of brands is more fragmented and there are market positions to fill. In such areas Bergman & Beving's product companies may consider establishing their own brands, or by acquisition gain control over strong product concepts and established brands.

MIX OF PROPRIETARY BRANDS AND BRANDS THAT BELONG TO OTHERS

All product companies in the Tools operations are working to establish and further develop their own brands. There is room to expand the proportion of proprietary brands, but the Group's product portfolio will continue to be made up of a mix of strong proprietary and external brands. The overall goal is to create strong comprehensive offers to the benefit of the customers and with good profitability and growth as general guidelines.

SUMMARY OF MOTIVES FOR PROPRIETARY BRANDS

>> A strong brand shall lead to a better customer offer than fragmented products from many different suppliers.

>> Sale of concepts/systems, instead of products taken out of their context, makes for strong offers.

>> Demand from end customers for the proprietary brands provides security in revenue.

>> Strong product portfolios increase overall competitiveness.

>> Strong product portfolios increase the attractiveness as a trading partner from the perspective of other leading brand owners.

>> Well accomplished efforts with the proprietary brands should normally provide a good return on investments.

>> Strong proprietary brands represent a significant export potential.

Control over proprietary brands – in combination with the product companies' functions and partnerships with resellers – leads to an ability to take in the entire value chain. This creates good opportunities for investments in measures to increase efficiency.

LIMIT PROVIDES A MEASURE OF SUCCESS

When the review of Luna's product line for measuring tools was initiated during the fall of 2002, it soon became apparent that the contents of the range, the brand profile and the packaging solutions did not fulfill Bergman & Beving's requirements for clarity and distinctness in the brand building. The products came for a whole string of different suppliers, with different brands, and were marketed under a common umbrella name, Limit. Since Limit was launched in the mid-1990s, the product line had grown so wide that presentation of the products had lost some of their clarity. The number of brands and packaging solutions had simply become too many.

– It felt frustrating that the potential we saw in the measuring tool product line in the market was not utilized. Customers were simply unable to see the whole concept, says Åke Wejrot, who is responsible for the Limit product line.

The desire for a more distinct and unified brand came from resellers as well as Luna's own sales representatives.

– Our first line of action was to establish that Limit shall be a high-quality measuring tool program for engineering and mechanical industry. We should offer a complete and flexible, but at the same time clearly defined, product range with everything from the simplest steel rule to the micrometer, says Åke Wejrot.

The entire Limit product line was then reviewed keeping the sought position in mind, as well as the requirements and desires of the target customers. A number of products were discarded from the product line, while others were added – all for the purpose of satisfying as large a part of customer needs as possible. At the same time cooperation around functionality, quality and product development was strengthened with selected manufacturers and suppliers.

Åke Wejrot.

At the same time, a new graphic profile for Limit was created. The goal here was to create a distinct feeling of affinity among the products in terms of logotype and color scheme. New practical packaging solutions and display material got a common design. Market communication was also broadened with more sales channels.

Finally, it was decided that Limit, which previously had been marketed solely in the Nordic Region, also should be launched in 15 countries in Europe via the independent tools distributors in the ToolStars network. The big re-launch of Limit took place at the European tool show in Cologne in March 2003. Reactions were positive – from customers as well as suppliers.

– It is good that we now can offer the market a complete product line that meets the rigorous requirements of the customers. My hope and belief is that Limit will develop into a strong brand associated with functionality and quality in all of Europe, says Åke Wejrot.

RESPONSIBLE BUSINESS – AN IMPORTANT PART OF THE OPERATIONS

Bergman & Beving operates with decentralized responsibility and decision-making authority to achieve an effective organization able to meet the requirements of the Group's key stakeholders.

Acting within the framework set by laws and the regulatory environment is obviously a basic requirement for doing business responsibly. Increased knowledge about the Group's stakeholders, and the responsibility towards them, is also important and contributes to successful business. In order to achieve long-standing and good relations with its key stakeholders, Bergman & Beving thus must meet the requirements placed on a responsible company. Aside from legal requirements and demands from stakeholders, this is a matter of meeting the requirements under various standards, rules and regulations in society, within the company and according to industry ethics.

EFFECTIVE CORPORATE GOVERNANCE

Bergman & Beving's corporate organs are the General Meeting of Shareholders, the Board of Directors, the President & CEO and the auditors. For a description of the work of the Board of Directors, reference is made to the Administration Report on page 29.

Bergman & Beving's President & CEO is responsible for day-to-day management of the Company, which includes all matters except those reserved for the Board of Directors. The President & CEO and the other members of Group management, as presented on page 55, function as chairman and members of the Boards of the Group companies reporting directly to the Parent Company (see organizational chart on page 5). Rules of procedure adopted by the Board of Directors govern the President & CEO's right to make decisions regarding capital expenditures, corporate acquisitions and divestitures as well as financing issues.

Bergman & Beving's organization is distinguished by flexibility and decentralization. The work is project-oriented, with decentralized accountability and decision-making. The Group has a number of control functions and reporting and management systems that ensure that the chain of command is followed throughout the organization. This also increases the efficiency in the operations. The overriding goal is to achieve the ambitious goals set by all of the Group's stakeholders.

The Board of Directors has adopted a number of all-embracing Group policies aimed at clarifying the principles and guidelines in important areas that all business is to be based on. These policies describe how the Group should act in the areas of finance, equality and environmental issues, and information management among other areas. Responsibility for the day-to-day work in these areas rests at the corporate level, and the work is conducted based on each respective company's specific prerequisites and requirements.

FOCUS ON CONSTANT IMPROVEMENT

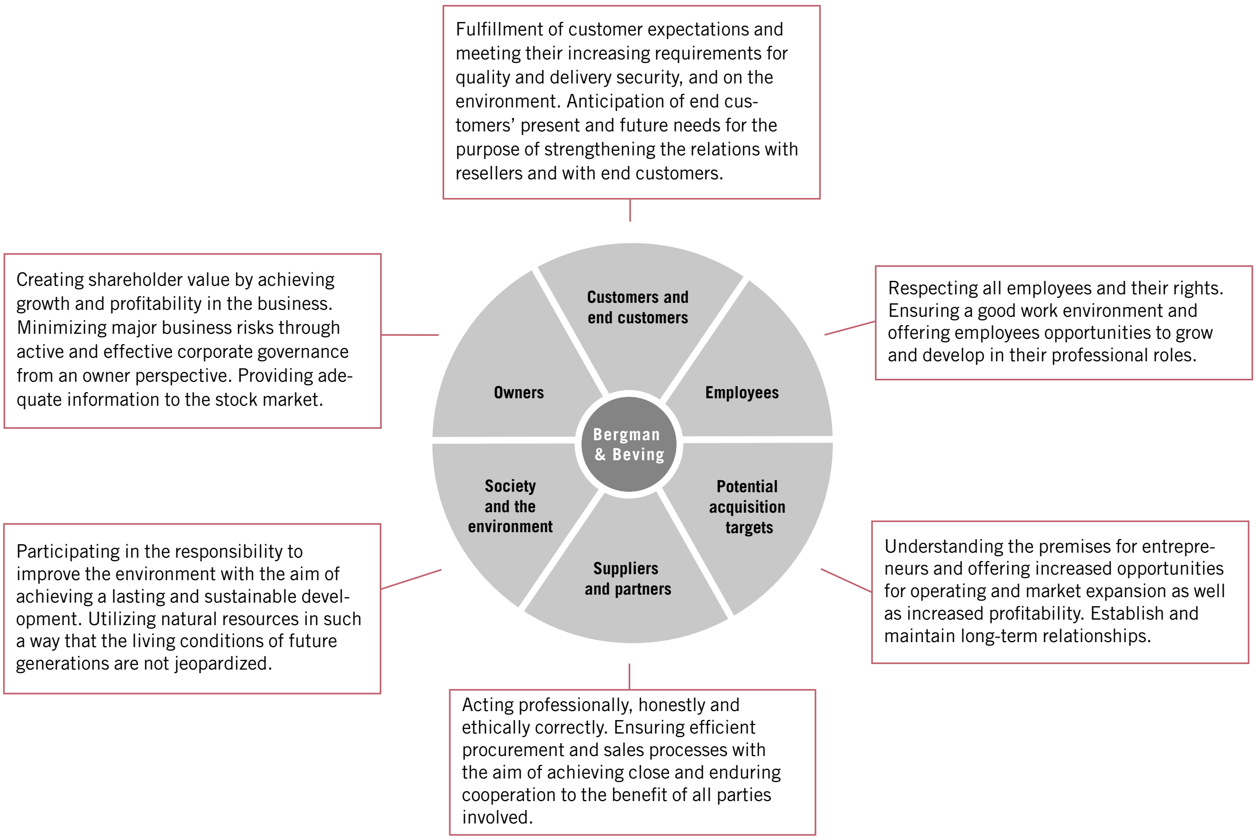
For many years the quality work has been a self-evident element of Bergman & Beving's business operations and includes aspects such as clear requirements on the suppliers and an internal organization with set goals. Constant efforts aimed at improvements are necessary to increase efficiency and at the same time to meet the market's increasing demands for quality and security of supply at the lowest possible cost. For the purpose of ensuring that the quality work generates desired results, the Group regularily conducts follow-ups of customer satisfaction in the form of degree of service, delivery security and complaints/aftermarket. Today, 14 (11) of the Group's companies are certified according to ISO 9000.

RESPECT FOR THE SURROUNDING WORLD AND THE CO-WORKERS

All of the Group's companies, units and employees will in all their actions act ethically correctly and respect human rights – which is also a condition for the Group's development. The companies in Bergman & Beving also strive to ensure in various ways that partners and suppliers act within the framework of each respective country's laws and regulations.

The Group's own activities in the social area are primarily centered on the employees in issues having to do with equality, diversity, personal responsibility and development, for example in the areas of competence development and active internal communication. The

BERGMAN & BEVING'S RESPONSIBILITY TOWARDS THE GROUP'S KEY STAKEHOLDERS



work environment, employee health and safety are priority areas, where focus is on preventive actions to minimize risks for injuries and poor health. The goal is to create the best possible physical, mental and social work environment which ensures that the key concepts of the Group's corporate philospهhy are observed (simplicity, efficiency, willingness to change, accountability and freedom).

RESPONSIBILITY FOR THE ENVIRONMENT

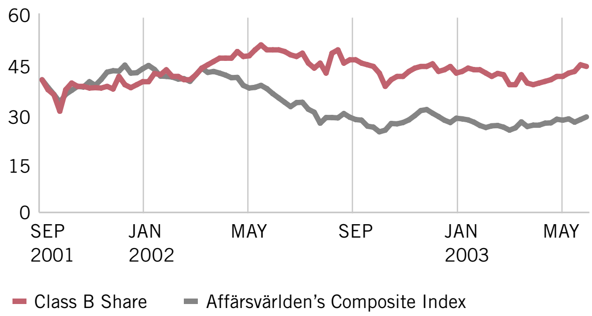
Bergman & Beving's environmental policy expresses a willingness on the part of the Group to assume its share of the responsibility to reduce the environmental impact and to contribute to a sustainable development. The environmental work in the Bergman & Beving Group is conducted on a decentralized basis within each company as an integrated part of the business operations. Most of the Group's operations consist of dealing in and distribution of products, with a small element of light manufacturing. The Group's environmental impact is therefore mainly related to transportation, packaging material, energy use and in the form of input goods for the producing companies. Three of the Group's companies conduct operations requiring a permit or with a reporting requirement under Swedish environmental legislation. None of the Group's companies are involved in any litigation or disputes relating to environmental issues.

The process of implementing environmental management systems is under way in a number of the Group's companies. Today, 4 (2) companies are certified according to ISO 14001. These companies work with constant improvements in the environmental area as an element of the certifications, in part through increasing requirements on suppliers and products to adapt environmentally, and through own consumption and recycling. Environmental measures will be implemented to the greatest extent technically feasible, economically reasonable and environmentally justified. The Group's environmental council, which is made up by the persons responsible for environmental issues in the organization, provides support and advice in the environmental work to the local units.

The Group has also contributed to 19 Swedish resellers in TOOLS, Bergman & Beving's partner chain for industrial resellers, obtaining environmental and quality certifications during the year. Their partnership agreements with the chain stipulate that all partner resellers must have received environmental and quality certifications within two years.

THE BERGMAN & BEVING SHARE

MARKET PRICE – THE BERGMAN & BEVING SHARE, SEK



MARKET LISTING

The class B share of Bergman & Beving was floated on the Stockholm Stock Exchange in 1976 and was listed on the A-list in 1984. The trading lot is 500 shares.

DIVIDEND

The proposed dividend is SEK 2.00 (1.75) per share. The payout ratio is 58 percent (53) of earnings per share.

SHARE CAPITAL[11]

Bergman & Beving's share capital as of March 31, 2003 was MSEK 57. The total number of shares outstanding is 28 637 356, each with a par value of SEK 2. Class A shares entitle their holders to ten votes each; Class B shares carry one vote each. A conversion provision in the Articles of Association allows for conversion of class A shares into class B shares.

Of the total number of shares outstanding, the Company has repurchased 1 036 200 class B shares as of March 31, 2003, equivalent to 3.6 percent of the total number of shares outstanding and 2.7 percent of the votes. Pursuant to a resolution by the General Meeting of shareholders held in April 2002, 850 000 of the shares repurchased will secure the Company's obligations according to the Personnel Option Program 2002/2005. Net, after deduction of repurchased shares, the number of shares outstanding as of March 31, 2003 was 27 601 156.

The weighted number of shares outstanding, less the repurchased shares held in treasury, is 27 431 536 for the financial year 2002/2003.

PERSONNEL OPTION PROGRAM 2002/2005 AND SUBORDINATED CONVERTIBLE DEBENTURES

In February 2002 the Board of Directors of Bergman & Beving AB decided to award a total of 850 000 personnel options free of charge to about 60 members of senior management of the Bergman & Beving Group. Pursuant to a resolution by a General Meeting of shareholders held in April 2002, repurchased own shares will be conveyed to personnel option holders in order to fulfill the Company's obligations under the program. The options remain valid until June 30, 2005. Each option entitles its holder to purchase one class B share in Bergman & Beving AB at a redemption price of SEK 52, compared to the Company's acquisition cost of SEK 41.60 per share. Upon full utilization of the personnel options the dilutive effect is equivalent to 3.0 percent of capital and 2.2 percent of the votes.

During 1999 a convertible subordinated debenture loan was issued to the Group's personnel. After completion of a repurchase program in November 2001, and after initiation of conversion during the fall of 2002, MSEK 82 of the original nominal amount of the subordinated convertible debenture loan remains outstanding. This entitles the holders to conversion into 1 793 808 class B shares before September 2004 at a conversion price of SEK 45.70 per share. Upon full conversion the dilutive effect will be 6.1 percent of capital and 4.6 percent of the votes in Bergman & Beving AB. The weighted number of shares outstanding after full conversion for the 2002/2003 financial year is 29 229 297.

PERFORMANCE OF THE SHARE DURING 2002/2003

The Bergman & Beving share enjoyed a better development during the period April 1, 2002 to March 31, 2003 than the composite index. Affärsvärlden's Composite Index declined by 40 percent. During the same period the Bergman & Beving share declined by 15 percent to SEK 39.70. The highest and lowest paid price during the operating year was SEK 52 and SEK 37, respectively. The share price as of June 6, 2003 was SEK 44.

Bergman & Beving's total market capitalization was MSEK 1 137 as of March 31, 2003. A total of 6.3 million Bergman & Beving shares changed hands during the year, equivalent to 22 percent of the total number of listed shares outstanding in the Company.

The number of shareholders decreased during the year from 3 762 to 3 544.

[11] An extra General Meeting of shareholders held April 10, 2002 resolved to reduce the share capital to MSEK 57 by lowering the nominal value of each share from SEK 10 to SEK 2. This reduction was executed during the fall of 2002.

HISTORY OF CAPITALIZATION

Year	Transaction	Change	Share capital	Number of shares
1988/89			76 356 060	7 635 606
1989/90	Conversion	140 000	76 496 060	7 649 606
1990/91	Conversion	86 000	76 582 060	7 658 206
1993/94	Stock dividend against retained earnings	38 291 030	114 873 090	11 487 309
1993/94	Non-cash issue to the shareholders of Engros AB Ferro	28 278 710	143 151 800	14 315 180
1997/98	Stock dividend against legal reserve	143 151 800	286 303 600	28 630 360
2002/03	Reduction of the nominal value of shares against unrestricted equity[12]	–229 042 880	57 260 720	28 630 360
2002/03	Conversion	13 992	57 274 712	28 637 356

[12] An extra General Meeting of the shareholders in Bergman & Beving AB held April 10, 2002 resolved to reduce the share capital to MSEK 57 through a reduction of the nominal value of each share from SEK 10 to SEK 2. The reduction was executed during the fall of 2002 and the reduced amount was allocated to a reserve classified as unrestricted equity to be utilized in accordance with resolutions by the General Meeting of shareholders.

The Board of Directors has no pending mandate to decide on issuance of new shares.

MAJOR SHAREHOLDERS

ACCORDING TO VPC AS OF MARCH 31, 2003	NUMBER OF A shares	NUMBER OF B shares	PERCENTAGE OF Capital	PERCENTAGE OF Votes
Robur		4 526 600	16.4	12.1
Pär Stenberg	279 152	999 722	4.6	10.1
Anders Börjesson	350 966		1.3	9.3
Tom Hedelius	335 966		1.2	8.9
AMF		2 515 000	9.1	6.7
Handelsbankens Pensionsstiftelse		1 500 000	5.4	4.0
Alecta		1 407 440	5.1	3.7
Carl T Säve	30 000	973 982	3.6	3.4
Eikos		1 109 500	4.0	3.0
Fjärde AP-Fonden		1 075 775	3.9	2.9
Tool Invest Holding S.A.		1 000 000	3.6	2.7
Livförsäkrings AB Skandia		978 400	3.5	2.6
SEB Sverige Småbolagsfond		938 000	3.4	2.5
Other shareholders	110 418	9 470 235	34.9	28.1
	1 106 502	**26 494 654**	**100.0**	**100.0**
Additional: Repurchased class B shares		1 036 200		
Total	**1 106 502**	**27 530 854**	**100.0**	**100.0**

OWNERSHIP STRUCTURE

SIZE CLASSES ACCORDING TO VPC AS OF MARCH 31, 2003

	OWNERS Number	OWNERS % of total	SHARES Number	SHARES % of total
1– 500	2 314	65.3	422 246	1.5
501– 1 000	598	16.9	484 984	1.8
1 001– 5 000	456	12.9	1 005 424	3.6
5 001– 10 000	62	1.7	475 768	1.7
10 001– 50 000	59	1.6	1 247 040	4.5
50 001–100 000	13	0.4	904 135	3.3
100 001–	42	1.2	23 061 559	83.6
Total	**3 544**	**100.0**	**27 601 156**	**100.0**

Domestic and foreign institutional ownership is about 77 percent. About 10 percent of Bergman & Beving's shares are owned by shareholders outside Sweden.

CLASSES OF SHARES

ACCORDING TO VPC AS OF MARCH 31, 2003

	Number of shares	Proportion of capital	Proportion of votes
Class A	1 106 502	4.0%	29.5%
Class B	26 494 654	96.0%	70.5%
	27 601 156	**100.0%**	**100.0%**
Repurchased class B shares	1 036 200		
Total number of shares outstanding	**28 637 356**		

THE BERGMAN & BEVING GROUP OVER FIVE YEARS

MSEK	2002/2003	2001/2002	2000/2001	1999/2000	1998/1999
Income information					
Net revenues	**3 975**	3 956	3 748	3 658	3 621
Operating costs	**–3 815**	–3 810	–3 569	–3 491	–3 478
of which depreciation and amortization	**–79**	–68	–62	–63	–59
Operating income, not including items affecting comparability	**160**	146	179	167	143
Items affecting comparability	**–6**	–	147	–	–
Operating income, including items affecting comparability	**154**	146	326	167	143
Financial income and expense	**–13**	–6	1		
Income after financial items	**141**	140	327		
Taxes	**–46**	–49	–104		
Net income for the year	**95**	91	223		
Balance information					
Intangible fixed assets	**180**	100	101	82	97
Tangible fixed assets	**346**	356	354	397	388
Financial fixed assets	**54**	37	56	23	21
Inventories	**519**	551	546	533	582
Short-term receivables	**601**	591	607	561	535
Liquid funds	**374**	333	387		
Total assets	**2 074**	1 968	2 051		
Shareholders' equity	**831**	790	838		
Convertible subordinated debenture loan	**82**	82	101		
Interest-bearing liabilities and provisions	**323**	329	324		
Non-interest-bearing liabilities and provisions	**838**	767	788	741	724
Total shareholders' equity and liabilities	**2 074**	1 968	2 051		
Capital employed	**1 236**	1 201	1 263		
Financial net assets	**–20**	–65	18		

FINANCIAL RISK MANAGEMENT AND CURRENCY EFFECTS

In Bergman & Beving's financial policy, the financial risks that affect the Group's business are defined: currency, interest and credit risks. The policy expresses the ambition to limit or eliminate the impact of these risks on the Group's income and equity, and to assign responsibility and authority for risk management. This is accomplished in several ways, including minimization of liquidity risks as well as credit and counterparty risks.

The currency risk to which the Group is primarily exposed is the risk of exchange rate changes on futures payment flows. The Group's main payment flows are attributable to imports from Europe, Asia and North America, and sales in the Nordic Region. The principal foreign purchase currencies for Bergman & Beving are EUR and USD. Significant foreign selling currencies are NOK, EUR and DKK. As far as possible, Bergman & Beving eliminates the effects of foreign currency exchange rate changes through the use of currency clauses in customer contracts. Forward currency contracts are concluded to hedge future payment flows at a certain level without risking speculation in currency exchange rate changes. The financial statements are also affected by the conversion of the income and net assets of foreign subsidiaries to SEK. Currency risks associated with this conversion are not hedged at present.

In summary, it can be stated that the financial risks to which the Group are exposed are not significant.

KEY FINANCIAL RATIOS

	2002/2003	2001/2002	2000/2001	1999/2000	1998/1999
Operating margin, %	**4.0**	3.7	4.8	4.6	3.9
Profit margin, %	**3.7**	3.5	4.8		
Return on total capital, %	**9**	8	11		
Return on capital employed, %	**15**	13	17		
Return on equity, %	**12**	11	27		
Ditto, not including items affecting comparability, %	**13**	11	14		
Return on equity, fully diluted basis, %	**11**	11	24		
Ditto, not including items affecting comparability, %	**12**	11	12		
Equity ratio, %	**40**	40	41		
Equity ratio, fully diluted basis, %	**44**	44	46		
Other data					
Number of employees at end of period	**1 380**	1 378	1 273	1 229	1 249
Average number of employees	**1 382**	1 361	1 262	1 226	1 210
Cash flow from current operations, MSEK	**215**	207			
Per-share data					
Earnings, SEK	**3.45**	3.30	7.90		
of which items affecting comparability	**–0.15**	–	3.80		
Earnings, fully diluted basis, SEK	**3.30**	3.20	7.40		
Cash flow from current operations, SEK	**7.85**	7.55			
Ditto, fully diluted basis, SEK	**7.35**	7.00			
Shareholders' equity, SEK	**30.10**	27.70	30.10		
Shareholders' equity, fully diluted basis, SEK	**31.05**	28.85	31.20		
Share price, March 31[13], SEK	**39.70**	46.50			
Dividend[13], SEK	**2.00** [14]	1.75			
Other share-related data[13]					
Share price/Shareholders' equity, %	**132**	168			
Share price/Shareholders' equity, fully diluted basis, %	**128**	161			
Price earnings ratio	**11**	14			
Price earnings ratio, fully diluted basis	**12**	14			
Dividend yield, %	**5.0**	3.8			

[13] Relevant comparative data for earlier years do not exist because of the distribution of Addtech and Lagercrantz Group in August 2001.
[14] As proposed by the Board of Directors.

All data for the financial years 1998/1999 until 2001/2002 refer to Bergman & Beving pro forma, not including the former subsidiaries Addtech AB and Lagercrantz Group AB, which were distributed to the shareholders in August 2001. The Statements of Income and Balance Sheets pro forma for 1998/1999 and 1999/2000 only include operating items since it was not deemed meaningful to take financial items and taxes into consideration in the history in view of the distribution of Addtech and Lagercrantz Group. Certain pro forma data and key financial ratios have therefore been omitted for these years.

ADMINISTRATION REPORT

The Board of Directors and the President & CEO of Bergman & Beving AB (publ), organization number 556034-8590, hereby submit their Annual Accounts and consolidated financial statements for the financial year April 1, 2002 – March 31, 2003.

FINANCIAL YEAR 2002/2003[15]

Operating income, not including items affecting comparability, increased by 10 percent to MSEK 160 (146). Net revenues amounted to MSEK 3 975 (3 956).

Foreign exchange translation effects affected net revenues positively by MSEK 16 during the year, while the net of acquisitions and disposal of businesses had a negative effect on revenues of MSEK 4. Operating income improved, primarily due to stronger margins because of a strengthening of the Swedish and Norwegian currencies against large purchasing currencies, such as EUR and USD.

Income after financial items, not including items affecting comparability, amounted to MSEK 147 (140). Items affecting comparability in a net amount of MSEK –6 (0) are deducted from this result. Net interest income was aggravated by MSEK 7, primarily due to increased financing costs for pension liabilities.

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

During the 2002/2003 financial year Bergman & Beving has worked according to the strategic guidelines adopted by the Group's Board of Directors and management in May 2002. This has involved a number of strategically important positioning changes in the market, among them the acquisitions of TengTools and Cresto Safety, and the establishment of the TOOLS chain in the Nordic Region. This is expected to give Bergman & Beving good development potential for years to come.

The acquisition of TengTools during the first quarter of 2002/2003 gave Bergman & Beving access to an international trading business with good profitability and a strong brand name. This has strengthened the Group's portfolio of proprietary brands, at the same time as TengTools has created opportunities for further geographic broadening of sales. The acquisition had a positive effect on the Group's earnings per share during the financial year.

With the establishment in Sweden of TOOLS during the fourth quarter of the financial year, Bergman & Beving's partner chain for industrial resellers was created. This is the largest chain in the Nordic Region with about 115 member resellers. Strategic cooperations with customers and suppliers are believed to have strengthened the Group's market positions, at the same time as the roles in the value chain have become more distinct.

Demand in several of Bergman & Beving's businesses was affected negatively during 2002/2003 by a continued weak economy in the markets where business is conducted. In spite hereof, the Swedish and Norwegian businesses reported higher operating income during the financial year. A number of major end customer agreements for TOOLS Kjedeforum in Norway had a positive effect on the business volume during the latter part of the year. In Finland, Germany and the Baltic States the operating results deteriorated and a variety of cost-containment actions have been taken. Activities for increased market cultivation have also been initiated for the purpose of improving profitability.

Business area MediTech as a whole failed to achieve set profitability goals during the financial year. Action programs have been initiated for the purpose of improving earnings. A new president for the business area assumed his post in April 2003.

MARKET

Tools and machinery

Product company Luna markets tools and machinery to the industrial and construction sectors.

Net revenues increased by 11 percent to MSEK 1 172 (1 052). Operating income amounted to MSEK 65 (58).

Despite the weak industrial economy, Luna developed well during the financial year. Of particular note are the positive development of sales and results in Norway, and the acquisition of TengTools, both of which have contributed to the overall improvement in Luna's income. The export initiatives in the Baltic States, Poland and the rest of Europe continued during the year, which also brought higher costs. A new organization was introduced in Luna from April 1, 2003 to streamline functions previously included in the Parent Company, thus creating opportunities for intensified market cultivation.

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[15] Data for the 2001/2002 financial year (in brackets) refer to Bergman & Beving pro forma, not including the former subsidiaries Addtech AB and Lagercrantz Group AB. For accounts including the distributed units through the month of distribution in August 2001, reference is made to the Annual Report and to Interim Reports for 2001/2002.

Personal protection equipment

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

Net revenues increased by 10 percent to MSEK 582 (531). Operating income amounted to MSEK 44 (38).

The positive development of volume and earnings in Skydda on most of the geographic markets continued during the financial year. The market position was strengthened, measured in market share, image and recognition. Cresto Safety, which was acquired during the second quarter of the financial year, contributed positively to the earnings development.

Fastening elements

Product company Essve is a comprehensive supplier in fastening, sealing and electric hand tools for the construction, industrial and do-it-yourself sectors.

Net revenues amounted to MSEK 460 (470). Operating income rose to MSEK 23 (19).

Demand in Essve's main market in construction was weak during the latter part of the financial year. The development for Essve's own brands continued to be positive during the year.

Workplace equipment

Product company Gigant markets solutions and components in the field of ergonomic workplace equipment to industry.

Net revenues increased by 3 percent to MSEK 201 (196). Operating income amounted to MSEK 6 (3).

Despite a sharp drop in the market, Gigant recorded stable sales development during the financial year. Closer cooperations with suppliers in Asia have increased the opportunities for improved product quality and faster development of new products by these. Increased interest for work environment issues among end customers is believed to have had a positive effect on the year's development.

Bergman & Beving MediTech[16]

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

Net revenues amounted to MSEK 715 (707). Operating income amounted to MSEK 30 (38).

After a strong first quarter, sales in the business area have not developed according to expectations during the financial year. The diagnostics business in Triolab showed continued growth and good profitability during the year, while other businesses in medical and dental technology, and laboratory instruments, had a negative development due to a weak market and relatively low propensity for capital spending among customers. The business area initiated an action program during the year aimed at improving the profitability of the businesses.

The goal is to develop MediTech into a strong independent group within well defined growth areas in the Nordic Region. At the Board of Directors meeting in Bergman & Beving AB held May 16, 2002 a decision-in-principle was made that a separate listing or a structural transaction will be realistic alternatives for development in the long term.

Bergman & Beving Development

Division Bergman & Beving Development is comprised of companies in an early phase of development, or with a business focus outside the Group's core areas.

Net revenues amounted to MSEK 830 (992)[17]. Operating income, not including items affecting comparability, amounted to MSEK 13 (23)[17].

The different businesses in Development showed a varying development, both in terms of sales and earnings during the financial year. Product company Grunda, which markets supplies for the manufacturing and construction industries, showed a positive development, in part through the rollout of a new concept for electric products during the latter part of the year. Subsidiary Anders Petter[18], which sells home and household products, recorded positive earnings performance in a weak market. The Group's German subsidiary, that markets machine tools to industry, was severely affected by the recession in Germany during the financial year. The precious metal business reported a loss for the financial year.

Since April 1, 2003 product company Grunda is reporting directly to the Parent Company Bergman & Beving AB. Grunda will be reported as a separate unit starting with the first quarter of 2003/2004.

PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES

The profit margin for the 2002/2003 financial year, not including items affecting comparability, was 3.7 percent compared to 3.5 percent for the preceding year.

The return (income not including items affecting comparability) on capital employed for the 2002/2003 financial year was 15 percent and the return on equity was 13 percent. The corresponding figures for the preceding financial year were 13 percent and 11 percent, respectively.

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[16] The 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.

[17] The prior financial year's net revenues and operating income for Forssbergs Dental are included in the comparative data for Bergman & Beving Development in the amounts of MSEK 100 and MSEK 6, respectively.

[18] Consumenta AB changed its name to Anders Petter AB in April 2003.

The effective tax rate was 33 percent. The tax burden for the financial year was increased by three percentage points due to the non-tax-deductibility of amortization of goodwill, while tax-exempt capital gains on sales of subsidiaries lowered the tax rate by one percentage point. The normalized tax rate with the current geographic mix is about 31 percent.

Cash flow from current operations showed a good development during the year, amounting to MSEK 215 (207). The Group's net financial liabilities at year-end amounted to MSEK 20 (65).

Cash flow was affected by investments in corporate acquisitions in an amount of MSEK 26 and by investments in other fixed assets in a net amount of MSEK 67.

The equity ratio at the end of the financial year was 40 percent, compared with 40 percent at the beginning of the year. Net reporting of liquid funds and current liabilities would give a corresponding equity ratio of 49 percent at the end of the year and 48 percent at the beginning of the year.

Shareholders' equity per share amounted to SEK 30.10 at the end of the financial year, as compared with SEK 27.70 at the beginning of the year. Computed based on the number of shares outstanding after full conversion, shareholders' equity per share amounted to SEK 31.05, as compared to SEK 28.85 at the beginning of the financial year.

ITEMS AFFECTING COMPARABILITY

The Group reported an income item affecting comparability during the financial year in the amount of MSEK 6, being a capital gain on the sale of subsidiary AB Forssbergs Dental, and cost items affecting comparability of MSEK 12. The costs relate to a provision for future rental costs for premises not expected to be utilized in the operations, as well as costs in connection with a concentration of the logistics operations to the Group's large logistics centers.

PARENT COMPANY

The Parent Company's net revenues amounted to MSEK 35 (18), and income before year-end appropriations and taxes was MSEK 210 (107). This result includes intra-Group items in an amount of MSEK 208 (119).

ACCOUNTING PRINCIPLES

The accounts of Bergman & Beving have been prepared in accordance with the Swedish Annual Accounts Act. The Company adheres to the recommendations of the Swedish Financial Accounting Standards Council and the statements of its Emerging Issues Task Force. New recommendations of the Swedish Financial Accounting Standards Council during 2002/2003 have had no effect on the reported earnings and financial position of the Bergman & Beving Group. In all other respects, reference is made to the Accounting Principles on pages 37–39.

CORPORATE ACQUISITIONS AND DISPOSALS

During the third quarter of the financial year business area MediTech acquired the business in ProssessTek AS in Norway. Incremental revenue is expected to amount to about MNOK 5 annually.

During the second quarter MediTech acquired two businesses with total incremental sales of about MSEK 15 annually. Skydda acquired Cresto Safety AB with annual sales of about MSEK 10.

TengTools, with annual revenues of about MSEK 100, was acquired during the first quarter of 2002/2003. AB Forssbergs Dental, with annual revenues of about MSEK 100, was sold in April 2002.

EMPLOYEES

At the end of the financial year the number of employees in the Group was 1 380, as compared with 1 378 at the beginning of the year. Companies acquired and sold accounted for a net increase of four persons.

REPURCHASE OF OWN SHARES

Bergman & Beving AB's Annual General Meeting held August 26, 2002 resolved to renew a previous mandate given to the Board of Directors to repurchase up to the maximum number of own shares so that the Company's shares held in treasury at no time exceeds 10 percent of the total number of shares outstanding in the Company, such mandate to remain valid until the next following Annual General Meeting to be held August 28, 2003. Repurchases shall be made over the Stockholm Stock Exchange. The mandate allows the Board of Directors to use repurchased shares in payment for acquisitions, or to sell repurchased shares in order to finance acquisitions in other ways than over the Stockholm Stock Exchange, and to fulfill the Company's obligations under its personnel option program.

As of March 31, 2002 the number of class B shares held in treasury was 765 200. In May 2002, a total of 1 271 000 own class B shares were repurchased to a value of MSEK 53 and in June 2002 1 000 000 class B shares to a value of MSEK 50 were conveyed as partial payment in connection with the acquisition of TengTools. By the end of the financial year, March 31, 2003, 1 036 200 class B shares were thus held in treasury, equivalent to 3.6 percent of the total number of shares outstanding. As of March 31, 2003 the nominal value of this holding was SEK 2 072 400. The Company's acquisition cost per share amounts to SEK 41.60.

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

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

The Board of Directors in Bergman & Beving AB has decided to propose a renewal of the mandate to repurchase own shares to the Annual General Meeting to be held August 28, 2003.

CAPITAL STRUCTURE

With the purpose of improving the Company's capital structure, an extra General Meeting of shareholders in Bergman & Beving AB held April 10, 2002 resolved to lower the nominal value of the share from SEK 10.00 to SEK 2.00 thereby lowering the share capital to MSEK 57 (286), and also to reduce the legal reserve to MSEK 11 (134). Following a resolution by the District Court during the fall of 2002, this reduction has been carried out and the total capital reduction of MSEK 352 has been allocated to a reserve classified as unrestricted equity, to be used pursuant to resolutions by the General Meeting of shareholders.

ENVIRONMENTAL IMPACT

The Group conducts operations requiring a permit, or operations with a reporting requirement, in three Swedish subsidiaries. None of the Group's companies are involved in any environmentally related dispute.

An account of how Bergman & Beving assumes its social responsibility, including environmental responsibilities, is set forth on pages 20–21.

COMPOSITION AND WORK OF THE BOARD OF DIRECTORS

During the 2002/2003 financial year, the Board of Directors consisted of five regular members appointed by the Annual General Meeting, and two employee representatives. Among the Directors are persons representing major Bergman & Beving shareholders and persons independent of the owners. The President & CEO is also a member of the Board of Directors. A presentation of the members of the Board of Directors is found on page 54. Other members of Group management participate in the meetings of the Board of Directors in reporting capacities alternatively as secretary. Aside from leading the work of the Board of Directors, the Chairman follows the Group's current operations through continual contacts in strategic issues with the President & CEO.

During the financial year, the Board of Directors held five regularly scheduled meetings and one statutory meeting. The statutory Board of Directors meeting held August 26, 2002 adopted the rules of procedure for the Board of Directors. These rules of procedure also contain instructions for the President & CEO. In addition to being responsible for the Company's organization and management, the Board of Directors sees it as an important assignment to make decisions in strategic issues, including adoption of business and profitability goals. Major, specific issues during the year include corporate acquisitions, repurchase and conveyance of own shares and the formation of a new partner chain for industrial resellers.

At each respective financial year's first regularly scheduled meeting of the Board Directors (in the month of May) the annual financial statements are dealt with, as well as the administration report and the proposed allocation of earnings. In connection herewith, the Company's chief auditor makes a presentation of the observations and recommendations of the auditors. Interim Reports are adopted and published in conjunction with subsequent meetings during the financial year. A report of the current economic outcome of the operations is presented at each regularly scheduled meeting.

The Board of Directors has appointed a *compensation committee* consisting of the Chairman and Vice Chairman of the Board of Directors and the President & CEO. The principles for the work of the compensation committee are described in Note 25 on page 49. During the year the *nomination committee* for proposals to the election of board members consisted of the Chairman and Vice Chairman of the Board of Directors and Marianne Nilsson from Robur and Pär Stenberg as representatives for major shareholders.

After completing procurement procedures, the nomination committee suggests that the Annual General Meeting to be held August 28, 2003 re-elect the Company's auditors for the upcoming mandate period (four years). The Company's *audit committee* consists of the entire Board of Directors with responsibility for issues surrounding the audit of the Group, including quality assurance.

DIVIDEND

The Board of Directors proposes a dividend of SEK 2.00 (1.75) per share. Taking repurchased class B shares into account, the total dividend payment amounts to MSEK 55 (48).

NET REVENUES AND INCOME BY OPERATING AREA

MSEK	NET REVENUES 12 MONTHS 2002/2003	2001/2002	INCOME[19] 12 MONTHS 2002/2003	2001/2002
Tools and machinery (Luna)	**1 172**	1 052	**65**	58
Personal protection equipment (Skydda)	**582**	531	**44**	38
Fastening elements (Essve)	**460**	470	**23**	19
Workplace equipment (Gigant)	**201**	196	**6**	3
Bergman & Beving MediTech	**715**	707	**30**	38
Bergman & Beving Development	**830**	992	**13**	23
Parent Company/Group functions/consolidation eliminations[20]	**15**	8	**–21**	–33
Group total – pro forma	**3 975**	3 956	**160**	146
Distributed units	**–**	1 898	**–**	75
Group total – actual	**3 975**	5 854	**160**	221

NET REVENUES – QUARTERLY DATA, MSEK

	2002/2003 Q 4	Q 3	Q 2	Q 1	2001/2002 Q 4	Q 3	Q 2	Q 1
Tools and machinery (Luna)	295	325	289	263	275	292	264	221
Personal protection equipment (Skydda)	143	162	134	143	130	143	125	133
Fastening elements (Essve)	111	106	113	130	123	116	112	119
Workplace equipment (Gigant)	55	57	43	46	52	54	43	47
Bergman & Beving MediTech	194	183	155	183	195	206	152	154
Bergman & Beving Development	193	232	206	199	234	290	227	241
Parent Company/Group functions/ consolidation eliminations[20]	–2	3	7	7	0	–4	–1	13
Group total – pro forma	989	1 068	947	971	1 009	1 097	922	928
Distributed units	–	–	–	–	–	–	673	1 225
Group total – actual	989	1 068	947	971	1 009	1 097	1 595	2 153

OPERATING INCOME[19] – QUARTERLY DATA, MSEK

	2002/2003 Q 4	Q 3	Q 2	Q 1	2001/2002 Q 4	Q 3	Q 2	Q 1
Tools and machinery (Luna)	20	24	12	9	18	19	12	9
Personal protection equipment (Skydda)	11	11	10	12	9	11	7	11
Fastening elements (Essve)	3	4	6	10	10	2	3	4
Workplace equipment (Gigant)	4	2	–1	1	2	1	0	0
Bergman & Beving MediTech	11	5	1	13	21	12	4	1
Bergman & Beving Development	–2	10	4	1	5	14	1	3
Parent Company/Group functions/ consolidation eliminations[20]	–5	–7	0	–9	–19	–14	–2	2
Group total – pro forma	42	49	32	37	46	45	25	30
Distributed units	–	–	–	–	–	–	17	58
Group total – actual	42	49	32	37	46	45	42	88

NB: "Group total – actual" and "Actual" includes the distributed units Addtech and Lagercrantz Group through the month of distribution to the shareholders in August 2001. Comparative data have been adjusted for internal transfers of companies.

[19] Refers to operating income, not including items affecting comparability.

[20] Aside from the Parent Company and consolidation eliminations, the reseller operations in Bergman & Beving Integration as well as Bergman & Beving InfoTrans are included.

CONSOLIDATED STATEMENT OF INCOME

MSEK		2002/2003	2001/2002 Pro forma	2001/2002 Actual
Net revenues	Note 2	**3 975**	3 956	5 854
Cost of goods sold		**–2 763**	–2 830	–4 212
Gross income		**1 212**	1 126	1 642
Selling expenses		**–763**	–741	–1 068
Administration expenses		**–288**	–241	–363
Income items affecting comparability	Note 4	**6**	0	5
Cost items affecting comparability	Note 4	**–12**	–	–
Other operating income		**6**	3	13
Other operating expenses		**–7**	–1	–3
Operating income	Note 2, 3	**154**	146	226
Financial income and expense	Note 5	**–13**	–6	–13
Income after financial items		**141**	140	213
Taxes	Note 7	**–46**	–49	–72
Net income for the year		**95**	91	141
Earnings per share, SEK		**3.45**	3.30	5.15
of which items affecting comparability, SEK		**–0.15**	–	0.15
Earnings per share, fully diluted basis, SEK		**3.30**	3.20	4.90
Number of shares outstanding, thousands:				
Weighted number of shares outstanding after repurchases		**27 432**	27 443	27 443
Weighted number of shares outstanding after conversion		**29 229**	29 515	29 515

There is no dilutive effect as a result of the outstanding personnel options during any of the periods reported.

CONSOLIDATED BALANCE SHEET

MSEK		MARCH 31, 2003	MARCH 31, 2002
Assets			
Fixed assets			
Intangible fixed assets	Note 8	**180**	100
Tangible fixed assets	Note 9	**346**	356
Financial fixed assets	Note 10, 13	**54**	37
Total fixed assets		**580**	493
Current assets			
Inventories	Note 14	**519**	551
Short-term receivables	Note 15	**601**	591
Short-term investments		**140**	100
Cash and bank balances		**234**	233
Total current assets		**1 494**	1 475
Total assets		**2 074**	1 968
Shareholders' equity and liabilities			
Shareholders' equity	Note 16		
Restricted equity			
Share capital	Note 17	**57**	286
Restricted reserves		**162**	272
Unrestricted equity			
Unrestricted reserves		**517**	91
Net income for the year		**95**	141
Total shareholders' equity		**831**	790
Provisions			
Interest-bearing provisions			
Pensions and similar commitments	Note 19	**304**	310
Non-interest-bearing provisions			
Deferred taxes	Note 20	**121**	103
Other provisions		**10**	5
Total provisions		**435**	418
Long-term liabilities			
Interest-bearing liabilities			
Convertible debenture loan	Note 21	**82**	82
Liabilities to credit institutions	Note 22	**14**	17
Other liabilities	Note 22	**0**	0
Non-interest-bearing liabilities			
Other liabilities	Note 22	**57**	29
Total long-term liabilities		**153**	128
Current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions		**5**	2
Other liabilities		**0**	0
Non-interest-bearing liabilities			
Operating liabilities	Note 23	**650**	630
Total current liabilities		**655**	632
Total shareholders' equity and liabilities		**2 074**	1 968
Pledged assets	Note 24	**28**	28
Contingent liabilities	Note 24	**11**	21

CONSOLIDATED STATEMENT OF CASH FLOW

MSEK		2002/2003	2001/2002 Pro forma
Current operations			
Income after financial items		**141**	140
Adjustment for items not included in cash flow	Note 27	**80**	42
		221	182
Taxes paid		**–61**	–62
Cash flow from current operations before changes in working capital		**160**	120
Cash flow from changes in working capital			
Change in inventories		**36**	24
Change in operating receivables		**12**	58
Change in operating liabilities		**7**	5
Change in working capital		**55**	87
Cash flow from current operations		**215**	207
Investment operations			
Acquisition of subsidiaries and other business units	Note 28	**–26**	–43
Sales of subsidiaries and other business units	Note 29	**22**	0
Acquisition of intangible and tangible fixed assets		**–74**	–52
Sales of intangible and tangible fixed assets		**7**	14
Cash flow from investment operations		**–71**	–81
Cash flow before financing		**144**	126
Financing operations			
Repurchase of own shares		**–53**	–1
Change in convertible debenture loan		**0**	–19
Change in other interest-bearing loan liabilities		**–2**	–22
Dividends paid		**–48**	–139
Cash flow from financing operations		**–103**	–181
Cash flow for the year		**41**	–55
Liquid funds at beginning of year		**333**	387
Translation difference in liquid funds		**0**	1
Liquid funds at end of period	Note 30	**374**	333

PARENT COMPANY STATEMENT OF INCOME

MSEK		2002/2003	2001/2002
Net revenues		**35**	18
Administration expenses		**–42**	–35
Other operating income		**0**	0
Operating income	Note 3	**–7**	–17
Financial income and expense	Note 5	**217**	124
Income after financial items		**210**	107
Year-end appropriations	Note 6	**11**	24
Income before taxes		**221**	131
Taxes	Note 7	**–9**	–11
Net income for the year		**212**	120

PARENT COMPANY BALANCE SHEET

MSEK		MARCH 31, 2003	MARCH 31,2002
Assets			
Fixed assets			
Tangible fixed assets	Note 9	**2**	2
Financial fixed assets			
Shares in Group companies	Note 11,12	**652**	853
Due from Group companies		**385**	85
Deferred tax claims	Note 13	**8**	7
Other long-term receivables		**27**	27
Total financial fixed assets		**1 072**	972
Total fixed assets		**1 074**	974
Current assets			
Due from Group companies, short-term	Note 15	**146**	43
Other short-term receivables	Note 15	**8**	13
Short-term investments		**140**	100
Cash and bank balances		**107**	120
Total current assets		**401**	276
Total assets		**1 475**	1 250
Shareholders' equity and liabilities			
Shareholders' equity	Note 16		
Restricted equity			
Share capital	Note 17	**57**	286
Share premium reserve		**0**	–
Legal reserve		**12**	134
Unrestricted equity			
Retained earnings		**508**	88
Net income for the year		**212**	120
Total shareholders' equity		**789**	628
Untaxed reserves	Note 18	**176**	187
Provisions			
Interest-bearing provisions			
Pensions and similar commitments	Note 19	**60**	60
Total provisions		**60**	60
Long-term liabilities			
Interest-bearing liabilities			
Convertible debenture loan	Note 21	**82**	82
Due to Group companies		**90**	91
Non-interest-bearing liabilities			
Other liabilities	Note 22	**52**	24
Total long-term liabilities		**224**	197
Current liabilities			
Interest-bearing liabilities			
Due to Group companies		**207**	164
Non-interest-bearing liabilities			
Operating liabilities	Note 23	**19**	14
Total current liabilities		**226**	178
Total shareholders' equity and liabilities		**1 475**	1 250
Pledged assets	Note 24	**None**	None
Contingent liabilities	Note 24	**242**	245

PARENT COMPANY STATEMENT OF CASH FLOW

MSEK		2002/2003	2001/2002
Current operations			
Income after financial items		**210**	107
Adjustment for items not included in cash flow	Note 27	**142**	24
		352	131
Taxes paid		**–19**	–31
Cash flow from current operations before changes in working capital		**333**	100
Cash flow from changes in working capital			
Change in short-term receivables and liabilities to Group companies		**–10**	–91
Change in operating receivables		**4**	1
Change in operating liabilities		**11**	–7
Change in working capital		**5**	–97
Cash flow from current operations		**338**	3
Investment operations			
Investments in/sale of subsidiaries in connection with restructuring of the Group		**11**	–187
Acquisition of tangible fixed assets		**–1**	–1
Sales of tangible fixed assets		**0**	1
Cash flow from investment operations		**10**	–187
Cash flow before financing		**348**	–184
Financing operations			
Change in convertible debenture loan		**0**	–19
Change in long-term receivables and liabilities to Group companies		**–220**	451
Change in other interest-bearing loan liabilities		**–**	–347
Dividends paid		**–48**	–139
Repurchase of own shares		**–53**	–1
Cash flow from financing operations		**–321**	–55
Cash flow for the year		**27**	–239
Liquid funds at beginning of year		**220**	459
Liquid funds at end of period	Note 30	**247**	220

ACCOUNTING PRINCIPLES

The financial statements of the Bergman & Beving Group have been compiled in accordance with the Swedish Annual Accounts Act. The Company adheres to the recommendations of the Swedish Financial Accounting Standards Council and the statements of its Emerging Issues Task Force.

NEWS

During 2002/2003 the following recommendations from the Swedish Financial Accounting Standards Council have come into force:

- >> No. 1:00 Consolidated financial statements.
- >> No. 15 Intangible assets.
- >> No. 16 Provisions, contingent liabilities and contingent assets.
- >> No. 17 Impairment of assets.
- >> No. 19 Discontinuing operations.
- >> No. 21 Borrowing costs.
- >> No. 23 Related party disclosures.

The new recommendations have not given rise to any changes of comparative data.

The principle for reporting of net revenues and other operating revenues has been changed during the financial year. The change in principle has resulted in an increase in net revenues and a decrease of other operating revenues by MSEK 66 (54) for the financial year.

CONSOLIDATED ACCOUNTING

The consolidated financial statements include the Parent Company and all companies in which the Parent Company, directly or indirectly, has a controlling interest. Normally, this means a requirement of ownership of more than 50 percent of the voting rights.

The consolidated financial accounting has been prepared in accordance with the recommendation of the Swedish Financial Accounting Standards Council on consolidated accounting (RR 1:00), and with application of the purchase method of accounting. The use of this method means that the assets and liabilities of acquired subsidiaries are reported at market value in accordance with a concurrent acquisition analysis. If the acquisition cost of the shares in the subsidiary exceeds the estimated market value of the company's net assets according to the acquisition analysis, the difference is carried as goodwill in the consolidated balance sheet. When acquiring profitable companies, the acquisition price often exceeds visible net asset value. This means that goodwill arises. Goodwill is capitalized and amortized over its estimated economic life. In the normal case, the amortization period is 5 or 10 years. In the case of particularly significant acquisitions, an estimated economic life of 20 years may be warranted. If required, a provision will be set aside in the acquisition analysis for future costs for personnel reductions and reorganizations (a so-called restructuring reserve).

Consolidated equity includes the Parent Company's equity and the portion of equity in subsidiaries earned after the time of acquisition.

Companies acquired during the year are included in the consolidated income statement with value from the time after the acquisition.

Companies sold during the year are included in the consolidated financial accounting for the period they have been part of the Group.

YEAR–END APPROPRIATIONS AND UNTAXED RESERVES

The consolidated income statement and the consolidated balance sheet are reported without year-end appropriations and untaxed reserves.

The year-end appropriations in the individual companies have been allocated in such a way that the tax portion is included in the Group's tax expense, whereas the remaining portion is included in the consolidated net income.

Untaxed reserves have been allocated in such a way that the deferred tax liability is reported as a part of provisions, whereas the remaining portion is reported among restricted reserves.

The deferred tax liability has been estimated individually for each company, as a rule using the applicable local tax rate for the following year. If the rate of tax is changed, the difference in tax liability is reported as a part of the year's tax expense.

RECEIVABLES

After individual valuations, receivables have been accounted for in the amounts in which they are estimated to be paid.

TRANSLATION OF FOREIGN SUBSIDIARIES

In preparing the consolidated financial statements, the foreign subsidiaries are converted according to the current rate method. This means that assets and liabilities are converted using the year-end rate of exchange, and that all items in the income statement are converted using the average rate of exchange for the year. Translation differences are carried directly to shareholders' equity without affecting the year's result.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies are valued at the year-end rate of exchange. Translation differences on operating receivables and operating liabilities are included in the operating income, while differences relating to financial receivables and liabilities are reported among financial items.

To the extent receivables and liabilities in foreign currencies have been hedged, they are translated at the forward rate.

FOREIGN EXCHANGE RATE DIFFERENCES

Foreign exchange rate differences attributable to loans in foreign currencies allocated as a currency hedge of net assets of subsidiaries are reported, after deduction of taxes, directly against shareholders' equity, where the corresponding translation difference is also reported.

Foreign exchange rate differences on long-term loans to foreign companies, which are regarded as an additional investment in the subsidiaries, are accounted for in a similar manner.

REVENUE RECOGNITION

Sales revenue is accounted for upon delivery of products and services according to the terms of each respective customer contract and is equal to sales amount less V.A.T., returns, discounts and price reductions.

Revenue from projects in progress is accounted for according to the percentage of completion. If the costs to complete such contracts are believed to exceed remaining revenue, a provision is set aside for estimated losses.

BORROWING COSTS

Borrowing costs are charged to the period to which they are attributable regardless of how the borrowed funds were used.

INTANGIBLE FIXED ASSETS

Costs for research and development

Expenditure for research for the purpose of obtaining new scientific or technological knowledge is expensed as incurred. Expenditure for development, where research results or other knowledge are applied to bring about new or improved products or processes, is reported as an asset in the balance sheet, if the product or process is technically and commercially usable.

Other intangible assets

Other intangible assets acquired by the Company are accounted for at acquisition cost, less accumulated amortization and write-downs. Expenditure for internally generated goodwill and trademarks are accounted for as costs in the income statement as they arise.

TANGIBLE FIXED ASSETS

Tangible fixed assets are carried at cost, less accumulated depreciation and write-downs.

DEPRECIATION AND AMORTIZATION

Depreciation of tangible assets and amortization of intangible assets according to plan are based on the acquisition costs of the fixed assets, less estimated residual values. Depreciation and amortization is charged on a straight-line basis over the estimated economic life of the assets. The following amortization and depreciation periods are applied:

Intangible fixed assets	Economic life
Trademark rights	10 years
Goodwill	5–10 years
Other intangible fixed assets	5–10 years

Tangible fixed assets	Economic life
Buildings	15–100 years
Land improvements	20 years
Leasehold improvements	3–5 years
Machinery	3–5 years
Equipment	3–5 years

IMPAIRMENT OF ASSETS

Reported values of assets are examined at each accounting year-end to determine if there is any indication of a need for write-down. If such indication exists, the asset's recoverable amount is calculated as the higher of the value in use and the net selling price. A write-down is called for if the recoverably amount is lower than the reported value. Write-downs may be reversed when the bases, wholly or partially, no longer are at hand.

INVENTORIES

Inventories are valued at the lower of acquisition cost according to the first-in-first-out principle and market value. Due consideration has been given to the risk of obsolescence. The acquisition cost of semi-manufactured goods and finished goods manufactured in-house consists of direct manufacturing costs, plus a reasonable mark-up for indirect manufacturing costs.

SHORT-TERM INVESTMENTS

Short-term investments are valued in accordance with the provisions of the Swedish Annual Accounts Act at the lower of acquisition cost and market value.

PROVISIONS

Provisions are set aside for future costs due to warranty obligations. The calculation thereof is based on expenses during the financial year for similar obligations or the calculated cost for each respective undertaking. The accounting for pension commitments follow accounting practices in each respective country. Provisions for restructuring costs are reported when a detailed restructuring plan has been established, and the restructuring has been initiated or has been publicly announced.

TAXES

For purposes of consolidated accounting, taxes consist of current taxes as well as deferred taxes. Current taxes are calculated based on the taxable income for the period in question. Deferred taxes are calculated based on differences between values reported in the Group and residual values for tax purposes. Deferred taxes are taxes calculated based on temporary differences that will be paid in the future. The calculation is performed without discounting, and the current tax rate in each respective country is applied. The value of tax loss carryforwards is taken into account to the extent it is deemed probable that they will result in lower tax payments in the future.

LEASING

Significant financial leasing contracts are reported in the consolidated balance sheet as fixed assets and liabilities, respectively, and in the income statement the leasing cost is split into operating cost (depreciation) and interest. Other leasing commitments are reported in accordance with the rules for operating leases, which means no reporting in the balance sheet and the entire cost being treated as operating expense. At present there are no substantial financial leasing contracts.

ITEMS AFFECTING COMPARABILITY

The income effects of specific events and transactions of significant importance are specified within each level of income. Examples of such events and transactions are capital gains and losses on the sale of operating segments and significant fixed assets, write-downs and restructuring costs.

COMPARATIVE DATA – PRO FORMA ACCOUNTING

In August 2001 Bergman & Beving AB distributed two previous business areas, Addtech AB and Lagercrantz Group AB, to its shareholders. For this reason reporting is done on a pro forma basis. The purpose of the pro forma accounting is to show the performance of Bergman & Beving containing the operating areas of the Tools operations, Bergman & Beving MediTech and Bergman & Beving Development, and the Parent Company. The official accounts ("actual") for Bergman & Beving, containing Addtech and Lagercrantz Group through the month of distribution to the shareholders in August 2001, is presented with the addition of "Distributed units", alternatively as a separate actual reporting in the Annual Report.

The basis for Bergman & Beving's pro forma accounting and pro forma adjustments for financial years prior to and including 2001/2002 are:

- >> **The organizational structure of the business areas as of April 1, 2001.**
  Internal transfers of companies before April 1, 2001 are reported as if the transfers took place as of April 1, 1998.
- >> **Bergman & Beving's financial position as of March 31, 2001, not including Addtech and Lagercrantz Group.**
  Bergman & Beving's financial net has been pro forma adjusted by MSEK 11 for the 2000/2001 financial year. The adjustment is equivalent to the interest rate effect of the capitalization of Addtech and Lagercrantz Group that took place in March 2001. The calculation is based on an interest rate of 4 percent.
- >> **Need for external borrowing in current operations.**
  Bergman & Beving had external borrowing to finance a corporate acquisition that was a part of Lagercrantz Group. The pro forma accounts have been adjusted for this borrowing.

Since the capital structure of Bergman & Beving changed on a pro forma basis as of March 31, 2001, it has not been deemed meaningful to take financial items and taxes into account in the historic income statements for periods before March 31, 2000. Pro forma adjustments for these items have only been made for the 2000/2001 financial year. The pro forma income statements for the years 1998/1999 and 1999/2000 thus include only income statements down to the level operating income before financial items. The same applies for the balance sheets. A complete pro forma balance sheet as of March 31, 2001 is reported. For prior financial years the balance sheets only contain operating capital, without taking financing into account.

Against this background a full pro forma statement of cash flow is reported only for the 2001/2002 financial year. Measures of return on a pro forma basis for the 2000/2001 financial year have been computed based on closing capital balances as of March 31, 2001.

Measures of return on a pro forma basis for the 2001/2002 financial year have been computed based on average capital values during the year.

NOTES, DEFINITIONS

NOTE 1
DEFINITIONS

Net revenues: Own invoicing, commission income from commission sales and secondary revenues.
Financial net assets: Liquid funds and financial fixed assets, less interest-bearing liabilities and provisions.
Operating margin: Operating income, not including items affecting comparability, relative to net revenues.
Profit margin: Income after financial items, not including items affecting comparability, relative to net revenues.
Return on total capital: Income after financial items, not including items affecting comparability, plus reversed financial expense, relative to average total capital (balance sheet total).
Return on capital employed: Income after financial items, not including items affecting comparability and reversed financial expense, relative to average capital employed. Capital employed is defined as the balance sheet total, less non-interest-bearing provisions and liabilities, including deferred tax liabilities.
Return on equity: Net income for the year relative to average shareholders' equity.
Equity ratio: Shareholders' equity as a percentage of the balance sheet total.
Earnings per share: Net income for the year divided by the weighted number of shares outstanding.
Equity per share: Visible shareholders' equity, less any liability for synthetically repurchased shares, divided by the number of shares outstanding, less repurchased and synthetically repurchased shares at the end of the financial year.
Equity per share: Visible shareholders' equity, less any liability for synthetically repurchased shares, divided by the number of shares outstanding, less repurchased and synthetically repurchased shares at the end of the financial year.
Market price of share/shareholders' equity: The market price of the share relative to shareholders' equity per share at the end of the financial year.
Price earnings ratio: The market price of the share as of March 31, divided by earnings per share.
Dividend yield: Annual dividend per share relative to the market price of the share as of March 31.
Number of shares outstanding at the end of the financial year: Number of shares outstanding as of March 31, net after deduction for shares repurchased by the Company. In the calculation of key ratios for 2001/2002, the number of shares has been affected by the synthetically repurchased shares for which an agreement was settled as of March 31, 2002.
Weighted number of shares outstanding: Average number of shares outstanding during the financial year, adjusted for repurchased shares.

For key ratios computed after full conversion of subordinated convertible loan outstanding, an adjustment has been made for reported interest expense on the subordinated convertible loan. The number of shares after full conversion has been computed as the weighted average during the financial year for the income and cash-flow-based ratios.
Amounts in MSEK (SEK million) unless otherwise stated.

NOTE 2
NET REVENUES AND OPERATING INCOME BY BUSINESS SEGMENT AND COUNTRY OF OPERATION

	NET REVENUES		OPERATING INCOME	
	2002/2003	2001/2002	**2002/2003**	2001/2002
By business segment				
Tools and machinery (Luna)	**1 171.7**	1 052.1	**65.3**	57.5
Personal protection equipment (Skydda)	**582.0**	531.5	**43.9**	38.4
Fastening elements (Essve)	**460.2**	469.7	**23.2**	17.7
Workplace equipment (Gigant)	**201.1**	196.1	**5.4**	3.5
Bergman & Beving MediTech	**715.1**	707.4	**30.4**	31.1
Bergman & Beving Development	**829.9**	991.5	**7.6**	21.2
Parent Company/Group functions/consolidation eliminations	**14.8**	7.7	**–22.1**	–23.4
Group total – pro forma	**3 974.8**	3 956.0	**153.7**	146.0
Distributed units	**–**	1 897.6	**–**	79.5
Group total – actual	**3 974.8**	5 853.6	**153.7**	225.5
By country of operation				
Sweden	**2 412.1**	2 643.5	**69.9**	67.8
Denmark	**147.1**	125.0	**2.6**	4.2
Finland	**290.6**	244.7	**2.9**	17.8
Norway	**782.2**	695.6	**61.6**	44.6
Other countries	**342.8**	247.2	**16.7**	11.6
Group total – pro forma	**3 974.8**	3 956.0	**153.7**	146.0
Distributed units	**–**	1 897.6	**–**	79.5
Group total – actual	**3 974.8**	5 853.6	**153.7**	225.5

Currency translation effects have affected net revenues by MSEK +16 and operating income by MSEK +2.

NOTE 3
AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF TANGIBLE ASSETS

	GROUP			PARENT COMPANY	
	2002/2003	2001/2002		2002/2003	2001/2002
BY TYPE OF ASSET		PRO FORMA	ACTUAL		
Intangible assets					
Trademark rights	**–7.0**	–	–	**–**	–
Goodwill	**–18.8**	–16.8	–45.0	**–**	–
Other intangible fixed assets	**–0.7**	–0.2	–0.3	**–**	–
Tangible assets					
Buildings and land	**–5.2**	–5.3	–7.0	**–**	–
Leasehold improvements	**–0.2**	–0.2	–1.0	**–**	–
Machinery	**–4.2**	–5.3	–11.0	**–**	–
Equipment	**–43.2**	–40.3	–57.8	**–1.1**	–0.5
	–79.3	–68.1	–122.1	**–1.1**	–0.5

	GROUP			PARENT COMPANY	
	2002/2003	2001/2002		2002/2003	2001/2002
BY FUNCTION		PRO FORMA	ACTUAL		
Cost of goods sold	**–11.9**	–11.1	–18.9	**–**	–
Selling expenses	**–46.1**	–35.6	–72.6	**–**	–
Administration expenses	**–18.5**	–10.8	–18.6	**–1.1**	–0.5
Other operating expenses	**–2.8**	–10.6	–12.0	**–**	–
	–79.3	–68.1	–122.1	**–1.1**	–0.5

Amortization of intangible assets is included in the selling expenses function.

NOTE 4
ITEMS AFFECTING COMPARABILITY

	GROUP		
	2002/2003	2001/2002	
INCOME		PRO FORMA	ACTUAL
Capital gain on sale of subsidiary	**6.0**	–	–
Reversal of restructuring reserve	–	–	4.6
	6.0	–	4.6

	GROUP		
	2002/2003	2001/2002	
COSTS		PRO FORMA	ACTUAL
Provision for costs	**–12.0**	–0.4	–

Refer to a provision for future rental costs for premises not expected to be utilized in the operations, as well as costs in connection with a concentration of the logistics operations to the Group's large logistics centers.

NOTE 5
FINANCIAL INCOME AND EXPENSE

	GROUP			PARENT COMPANY	
	2002/2003	2001/2002 PRO FORMA	2001/2002 ACTUAL	2002/2003	2001/2002
Result from shares in Group companies					
Group contributions				**21.4**	42.1
Dividend income				**376.3**	377.4
Capital gain or loss in connection with restructuring of the Group/write-down of shares in subsidiaries				**–190.0**	–299.9
				207.7	119.6
Result from financial fixed assets					
Dividend income			0.1		
Interest income					
Group companies				**17.6**	18.5
Other	**2.4**	7.2	4.4	**–**	2.5
	2.4	7.2	4.5	**17.6**	21.0
Other interest income					
Interest income					
Group companies				**0.2**	0.5
Other	**15.6**	10.9	23.0	**6.3**	8.9
Other financial income	**0.1**	0.9	1.3	**–**	–
	15.7	11.8	24.3	**6.5**	9.4
Interest expense and similar profit/loss items					
Interest expense					
Group companies				**–7.3**	–10.6
Other	**–29.0**	–23.4	–37.2	**–7.1**	–13.7
Other financial expense	**–2.3**	–1.6	–4.4	**–0.8**	–1.6
	–31.3	–25.0	–41.6	**–15.2**	–25.9
Financial income and expense	**–13.2**	–6.0	–12.8	**216.6**	124.1

NOTE 6
YEAR-END APPROPRIATIONS

	PARENT COMPANY	
	2002/2003	2001/2002
Difference between depreciation for tax purposes and depreciation according to plan		
Equipment	**0.1**	–0.1
Change in timing difference reserve	**11.2**	23.9
	11.3	23.8

NOTE 7
TAXES

	GROUP			PARENT COMPANY	
	2002/2003	2001/2002		2002/2003	2001/2002
		PRO FORMA	ACTUAL		
Current taxes	**–44.3**	–53.7	–78.4	**–10.3**	–12.2
Deferred tax revenue from change in temporary differences	**–1.4**	4.9	6.5	**0.8**	1.1
	–45.7	–48.8	–71.9	**–9.5**	–11.1

The Group's average tax rate is estimated to be 31 percent (30). The relationship between taxes according to average tax rate and reported taxes for the Group is illustrated in the following table:

	GROUP		
	2002/2003	2001/2002	
		PRO FORMA	ACTUAL
Income before taxes	**140.5**	140.0	212.7
Taxes according to average tax rate, 31 percent (30)	**–43.5**	–42.0	–63.8
Tax effect of:			
Non-taxable capital gain on sale of subsidiaries	**3.1**	–	–
Amortization/write-down of goodwill	**–4.5**	–4.8	–12.7
Other items	**–0.8**	–2.0	4.6
Reported tax expense	**–45.7**	–48.8	–71.9

The table below illustrates the relationship between the Swedish tax rate of 28 percent and reported taxes for the Parent Company:

	PARENT COMPANY	
	2002/2003	2001/2002
Income after financial items	**210.0**	106.7
Taxes according to a tax rate of 28 percent	**–58.8**	–29.9
Tax effect of:		
Year-end appropriations	**–3.2**	–6.6
Dividends from subsidiaries	**105.4**	105.7
Write-downs of shares in subsidiaries	**–53.2**	–
Intra-Group share transfers	–	–84.0
Additional taxes for prior years	**0.6**	–0.8
Other non-taxable income	**0.1**	5.4
Other non-deductible expenses	**–0.4**	–0.9
Reported tax expense	**–9.5**	–11.1

NOTE 8
INTANGIBLE FIXED ASSETS

GROUP	TRADEMARKS	GOODWILL	OTHER	TOTAL
Accumulated acquisition costs				
At beginning of year	–	165.0	0.8	165.8
Capital expenditures	84.6	14.7	5.7	105.0
Acquisition of subsidiaries	–	–	1.0	1.0
Sales and disposals	–	–17.7	–	–17.7
Translation differences for the year	–	0.7	0.1	0.8
At year-end	84.6	162.7	7.6	254.9
Accumulated amortization according to plan				
At beginning of year	–	–65.2	–0.3	–65.5
Acquisition of subsidiaries	–		–0.4	–0.4
Amortization according to plan for the year	–7.0	–18.8	–0.7	–26.5
Sales and disposals	–	17.7	–	17.7
Translation differences for the year	–	–0.3	–	–0.3
At year-end	–7.0	–66.6	–1.4	–75.0
Residual value according to plan at year-end	**77.6**	**96.1**	**6.2**	**179.9**

NOTE 9
TANGIBLE FIXED ASSETS

GROUP	BUILDINGS AND LAND	LEASEHOLD IMPROVEMENTS	MACHINERY	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
Accumulated acquisition costs						
At beginning of year	306.2	1.7	59.6	342.8	1.3	711.6
Capital expenditures	1.4	–	6.3	38.5	9.8	56.0
Acquisition of subsidiaries	–	1.7	0.1	3.1	–	4.9
Sales and disposals	–	–	–3.2	–55.8	–	–59.0
Reclassifications	–	–	0.6	–	–0.6	–
Translation differences for the year	0.1	0.1	0.0	–0.7	–	–0.5
At year-end	307.7	3.5	63.4	327.9	10.5	713.0
Accumulated depreciation according to plan						
At beginning of year	–98.2	–1.6	–38.1	–221.9		–359.8
Acquisition of subsidiaries	–	–1.0	0.0	–1.8		–2.8
Depreciation according to plan for the year	–5.2	–0.2	–4.2	–43.2		–52.8
Sales and disposals	–	–	2.9	41.2		44.1
Translation differences for the year	0.0	0.0	0.0	0.7		0.7
At year-end	–103.4	–2.8	–39.4	–225.0		–370.6
Accumulated write-ups						
At beginning of year and at year-end	4.8					4.8
Accumulated depreciation of write-ups						
At beginning of year	–0.7					–0.7
Depreciation according to plan for the year	–0.1					–0.1
At year-end	–0.8					–0.8
Residual value according to plan at year-end	**208.3**	**0.7**	**24.0**	**102.9**	**10.5**	**346.4**
Tax assessment values, Swedish properties						
Buildings	131.7					
Land	13.3					
Leasing fees						
Leasing fees paid during the financial year						5.4
Future annual leasing payments fall due as follows:						
1 year after current financial year						4.3
2 years after current financial year						3.1
3 years after current financial year						1.5
4 years after current financial year						0.4
5 years after current financial year						0.0
Total						9.3

PARENT COMPANY	EQUIPMENT
Accumulated acquisition costs	
At beginning of year	4.0
Capital expenditures	0.9
Sales and disposals	–1.0
At year-end	3.9
Accumulated depreciation according to plan	
At beginning of year	–2.4
Depreciation according to plan for the year	–1.1
Sales and disposals	1.2
At year-end	–2.3
Residual value according to plan at year-end	**1.6**
Accumulated accelerated depreciation	
At beginning of year	–0.3
Accelerated depreciation for the year	0.1
At year-end	–0.2
Net book value	**1.4**

NOTE 10
FINANCIAL FIXED ASSETS

		GROUP	
		MARCH 31, 2003	MARCH 31, 2002
Other shares		**1.3**	0.9
Deferred tax receivables	Note 13	**16.6**	–
Other long-term receivables		**35.6**	36.0
		53.5	36.9

NOTE 11
SHARES IN GROUP COMPANIES

	PARENT COMPANY
Accumulated acquisition costs	
At beginning of year	853.2
Capital expenditures	34.4
Sales	–45.2
	842.4
Accumulated write-downs	
At beginning of year	–
Write-downs for the year	–190.0
At year-end	–190.0
Book value at year-end	**652.4**

NOTE 12
SHARES IN GROUP COMPANIES

	NUMBER	PERCENTAGE HOLDING	BOOK VALUE
Bergman & Beving Development AB, 556092-2410, Stockholm	1 500	100	114.2
Bergman & Beving InfoTrans AB, 556582-1757, Sollentuna	1 000	100	32.8
Bergman & Beving Integration AB, 556088-8264, Sollentuna	1 000	100	20.1
Bergman & Beving International AB, 556616-0353, Stockholm	1 000	100	1.1
Bergman & Beving MediTech AB, 556546-6785, Stockholm	200 000	100	176.3
ESSVE Produkter AB, 556252-1525, Sollentuna	708 810	100	83.6
Gigant Arbetsplats AB, 556588-2916, Alingsås	1 000	100	0.1
Gunfred Holding AB, 556050-8151, Sollentuna	1 000	100	0.1
Luna AB, 556109-4821, Alingsås	200 000	100	210.8
Luna Affärsutveckling AB, 556640-4702, Alingsås	1 000	100	0.1
Skydda Protecting People Europe AB, 556096-8744, Ulricehamn	1 000	100	13.2
			652.4

A complete specification as prescribed by law is enclosed with the Annual Report submitted to the Swedish Patent and Registration Office. This specification is available upon request from Bergman & Beving AB, P.O. Box 10024, SE-100 55 Stockholm, Sweden.

NOTE 13
DEFERRED TAX RECEIVABLES

	GROUP	PARENT COMPANY
	MARCH 31, 2003	MARCH 31, 2003
Deffered tax receivables regarding:		
Tax loss carryforwards	**2.4**	
Pension provisions	**9.5**	**7.7**
Risk reservations	**3.0**	
Other items	**1.7**	
	16.6	**7.7**

NOTE 14
INVENTORIES

	GROUP	
	MARCH 31, 2003	MARCH 31, 2002
Raw materials and consumables	**13.2**	14.6
Goods in production	**33.5**	29.0
Finished goods and goods for resale	**470.6**	506.0
Advance payments to suppliers	**1.8**	1.8
	519.1	551.4

NOTE 15
SHORT-TERM RECEIVABLES

	GROUP		PARENT COMPANY	
	2003 03 31	2002 03 31	2003 03 31	2002 03 31
Accounts receivable	**520.5**	521.3	**–**	–
Due from Group companies			**145.7**	43.1
Tax receivables	**25.6**		**4.2**	
Other receivables	**22.1**	34.5	**1.3**	9.9
Prepaid expenses and accrued income	**32.7**	34.9	**3.2**	3.2
	600.9	590.7	**154.4**	56.2

Prepaid expenses and accrued income contain the usual items, such as rents, insurance premiums and commissions etc.

NOTE 16
SHAREHOLDERS' EQUTIY

GROUP	SHARE CAPITAL	RESTRICTED RESERVES	UNRESTRICTED EQUITY	TOTAL
Opening balance	286.4	271.5	231.9	789.8
Conversion	0.0	0.3		0.3
Reduction of share capital and legal reserve	–229.1	–122.8	351.9	–
Repurchase of own shares			–52.9	–52.9
Noncash issue			50.0	50.0
Cash dividend			–48.3	–48.3
Transfer between restricted and unrestricted equity		14.4	–14.4	
Translation differences		–1.1	–1.2	–2.3
Net income for the year			94.8	94.8
Amount at year-end	**57.3**	**162.3**	**611.8**	**831.4**

PARENT COMPANY	SHARE CAPITAL	PREMIUM RESERVE	LEGAL RESERVE	UNRESTRICTED EQUITY	TOTAL
Opening balance	286.4	–	134.3	207.4	628.1
Conversion	0.0	0.3			0.3
Reduction of share capital and legal reserve	–229.1		–122.8	351.9	–
Repurchase of own shares				–52.9	–52.9
Noncash issue				50.0	50.0
Cash dividend				–48.3	–48.3
Net income for the year				211.9	211.9
Amount at year-end	**57.3**	**0.3**	**11.5**	**720.0**	**789.1**

Translation differences of MSEK –2 were carried directly to shareholders' equity during the financial year. The amount consists mainly of translation differences in currencies EUR, DKK and NOK. Accumulated translation differences included in shareholders' equity amount to MSEK +52 (+54).

NOTE 17
SHARE CAPITAL

The share capital is comprised of 1 106 502 class A shares, each with a par value of SEK 2 and entitling its holders to 10 votes each, and 27 530 854 class B shares, each with a par value of SEK 2 and entitling its holders to 1 vote each. 1 036 200 class B shares are held in treasury having been repurchased under the Company's current mandate from the General Meeting of shareholders.

NOTE 18
UNTAXED RESERVES

Untaxed reserves are reported as an aggregated item in the balance sheet of the Parent Company. The allocation to different items is shown below. These items are eliminated in their entirety in the consolidated accounts. Refer to Accounting Principles on page 37. MSEK 49.2 of the Parent Company's total untaxed reserves of MSEK 175.7 consist of deferred taxes, which are included in the Group's reported deferred tax liability.

	PARENT COMPANY	
	2002/2003	2001/2002
Accumulated accelerated depreciation		
Equipment	**0.2**	0.3
Timing difference reserves		
Allocation to tax 1998	**–**	24.2
Allocation to tax 1999	**25.9**	25.9
Allocation to tax 2000	**38.7**	38.7
Allocation to tax 2001	**25.6**	25.6
Allocation to tax 2002	**58.7**	58.7
Allocation to tax 2003	**13.6**	13.6
Allocation to tax 2004	**13.0**	
	175.7	187.0

NOTE 19
PENSIONS AND SIMILAR COMMITMENTS

	GROUP		PARENT COMPANY	
	MARCH 31, 2003	MARCH 31, 2002	MARCH 31, 2003	MARCH 31, 2002
Provision for pensions, PRI	**295.2**	299.0	**55.8**	56.2
Provision for pensions, other	**9.0**	11.4	**4.0**	4.1
	304.2	310.4	**59.8**	60.3

NOTE 20
DEFERRED TAX LIABILITIES

	GROUP
	MARCH 31, 2003
Deferred tax liability from untaxed reserves	**114.1**
Other deferred tax liabilities	**6.5**
Total deferred tax liabilities	**120.6**

Bergman & Beving does not report any deferred taxes on temporary differences relating to investments in subsidiaries. Any future effects are reported when Bergman & Beving no longer control the reversal of such differences or when it for other reasons no longer is unlikely that reversal will be executed in a foreseeable future.

NOTE 21
CONVERTIBLE DEBENTURE LOAN

During 1999, all employees in Sweden, Denmark, Finland and Norway were offered to subscribe for subordinated convertible debentures. The subordinated convertible debenture program was subscribed by more than 900 employees. The convertible debenture loan amounted to MSEK 101.

The Annual General Meeting held August 22, 2001 resolved to offer redemption of convertible debentures outstanding in the Company. A total of 181 holders of convertible debentures in Bergman & Beving chose to accept the offer and have sold convertible debentures corresponding to a nominal amount of MSEK 18.5. The total purchase money amounted to MSEK 18.8. After the repurchase, convertible debentures in a nominal amount of MSEK 82.3 remained outstanding in the beginning of the year. Conversion may take place during the period July 1, 2002 – September 15, 2004 at a conversion price of SEK 45.70 per share. The convertible debenture loan carries interest at a rate of STIBOR 360 days less 1.15 percentage points for the period July 1, 2000 until June 30, 2004, inclusive, STIBOR 180 days less 1.15 percentage points for the period July 1, 2004 until October 30, 2004, inclusive. Upon full conversion the number of shares outstanding increases by 1 800 804 class B shares, which is equivalent to a dilutive effect of 6.1 percent of capital and 4.6 percent of the votes. During the year convertible debentures in an amount of MSEK 0.3 were converted. As of March 31, 2003, 6 996 class B-shares of the total 1 800 804 have consequently been converted.

NOTE 22
LONG-TERM LIABILITIES

	GROUP		PARENT COMPANY	
	MARCH 31, 2003	MARCH 31, 2002	MARCH 31, 2003	MARCH 31, 2002
Committed credit facility				
Approved credit limit	**160.1**	159.6	**146.6**	145.6
Unutilized portion	**–149.6**	–147.1	**–146.6**	–145.6
Credit facility utilization	**10.5**	12.5	**–**	–
Liabilities to credit institutions				
Due within 2 years	**1.9**	3.3	**–**	–
Due within 3 years	**0.2**	0.3	**–**	–
Due within 4 years	**0.2**	0.2	**–**	–
Due within 5 years	**0.2**	0.2	**–**	–
Due after 5 years	**0.6**	0.8	**–**	–
Total	**3.1**	4.8	–	–
Long-term liabilities to credit institutions, total	**13.6**	17.3	**–**	–

Other long-term liabilities in the Parent Company and the Group fall due for repayment 1–5 years from financial year-end.

Loans from credit institutions to the Bergman & Beving Group as of March 31, 2003 are divided among the following currencies:

	GROUP	
	LOCAL CURRENCY	MSEK
DKK	2.5	3.1
NOK	6.4	7.5
SEK	0.1	0.1
Other		2.9
Total		13.6

NOTE 23
OPERATING LIABILITIES

	GROUP		PARENT COMPANY	
	MARCH 31, 2003	MARCH 31, 2002	MARCH 31, 2003	MARCH 31, 2002
Advance payments from customers	**3.0**	1.2	**–**	–
Accounts payable	**353.8**	347.5	**1.4**	1.3
Notes payable	**2.1**	13.7	**–**	–
Tax liabilities	**43.6**	35.1	**–**	4.2
Other liabilities	**66.4**	64.3	**7.4**	3.1
Accrued expenses and prepaid income	**180.7**	168.0	**10.2**	5.8
	649.6	629.8	**19.0**	14.4

Accrued expenses and prepaid income contain the usual items, such as social benefits, vacation pay liabilities, bonuses, rents and interest etc.

NOTE 24
PLEDGED ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
	MARCH 31, 2003	MARCH 31, 2002	**MARCH 31, 2003**	MARCH 31, 2002
Pledged assets for liabilities to credit institutions				
Real estate mortgages	**11.4**	11.4	**–**	–
Corporate mortgages	**16.3**	16.6	**–**	–
	27.7	28.0		
Contingent liabilities				
Guaranties and other contingent liabilities	**11.4**	20.7	**1.1**	1.1
Guaranties for subsidiaries			**240.9**	244.2
	11.4	20.7	**242.0**	245.3

NOTE 25
EMPLOYEES AND PERSONNEL COSTS

			2002/2003			2001/2002
AVERAGE NUMBER OF EMPLOYEES BY COUNTRY	**MEN**	**WOMEN**	**TOTAL**	MEN	WOMEN	TOTAL
Sweden, Parent Company	9	4	**13**	8	3	11
Sweden, Other Swedish companies	622	268	**890**	632	286	918
Denmark	20	29	**49**	21	29	50
Finland	92	23	**115**	80	20	100
Norway	124	38	**162**	120	39	159
Estonia	27	8	**35**	19	6	25
Poland	52	13	**65**	51	13	64
Germany	22	9	**31**	23	8	31
Other countries	14	8	**22**	3	–	3
Group total – pro forma	982	400	**1 382**	957	404	1 361
Distributed units				549	284	833
Group total – actual	982	400	**1 382**	1 506	688	2 194

			2002/2003			2001/2002
SALARIES AND OTHER COMPENSATION BY COUNTRY	**BOARD OF DIRECTORS AND PRESIDENTS**	**OF WHICH BONUS**	**OTHER**	BOARD OF DIRECTORS AND PRESIDENTS	OF WHICH BONUS	OTHER
Sweden, Parent Company	9.2	0.3	6.4	6.7	–	8.3
Sweden, Other Swedish companies	24.5	1.6	252.3	26.9	2.2	252.4
Denmark	2.6	0.2	20.9	2.6	0.1	21.6
Finland	4.7	0.2	30.6	3.8	–	26.0
Norway	6.4	0.3	72.5	5.9	0.2	70.3
Estonia	0.8	0.0	2.5	0.8	0.0	1.9
Poland	1.6	–	5.5	0.8	–	7.0
Germany	1.5	–	10.8	1.7	0.3	11.7
Other countries	0.7	0.2	1.7	0.2	0.0	0.2
Group total – pro forma	52.0	2.8	403.2	49.4	2.8	399.4
Distributed units				28.9	3.9	233.9
Group total – actual	52.0	2.8	403.2	78.3	6.7	633.3

			2002/2003			2001/2002
SALARIES. OTHER COMPENSATION AND SOCIAL BENEFITS	**SALARIES AND OTHER COMPENSATION**	**SOCIAL BENEFITS**	**OF WHICH PENSION COSTS**	SALARIES AND OTHER COMPENSATION	SOCIAL BENEFITS	OF WHICH PENSION COSTS
Parent Company	15.6	11.6	7.6	15.0	14.1	9.1
Subsidiaries	439.6	164.4	55.8	433.8	171.6	53.2
Group total – pro forma	455.2	176.0	63.4	448.8	185.7	62.3
Distributed units				262.8	75.7	22.9
Group total – actual	455.2	176.0	63.4	711.6	261.4	85.2

NOTE 25
EMPLOYEES AND PERSONNEL COSTS – Cont'd

The group "Board of Directors and Presidents" includes the Directors, President and Executive Vice Presidents in the Parent Company. SEK 5 633 thousand (5 144) of the Parent Company's pension costs refers to the group "Board of Directors and Presidents." The Company's outstanding pension commitments to this group amount to SEK 54 931 thousand (50 256).

Preparation and decision-making process with respect to compensation to the Board of Directors, President and Group management

Compensation to the Board of Directors, President and Group management is based on the following principles.

The nomination committee submits a proposal for directors fees to the Annual General Meeting. Fees to the Board of Directors are paid pursuant to the decision of the Annual General Meeting, to be distributed as the Board of Directors sees fit among the Directors who are not employees of the Parent Company.

With respect to compensation to the President & CEO, Group management and other members of senior management, the Board of Directors has appointed a compensation committee consisting of the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and the President & CEO. The President & CEO does not participate in proposals for his own compensation, but prepares a basis and proposal regarding the other members of Group management, as well as for other members of senior management.

Compensation is paid to the President & CEO, Group management and other members of senior management in the form of a fixed salary and the usual employment benefits. The distribution between basic salary and variable compensation shall be in proportion to the officer's responsibility and authority. In addition hereto, there are pension benefits and incentive programs according to the description below. Regarding holdings of the Board of Directors and Group management of financial instruments and personnel options in Bergman & Beving, reference is made to the information provided on pages 54–55.

Board of Directors

According to a resolution of the 2002 Annual General Meeting, the Board of Directors has received a total fee of maximum SEK 800 thousand, of which SEK 590 thousand was paid during the 2002/2003 operating year. The Chairman of the Board of Directors has received SEK 250 thousand thereof.

Pursuant to a prior employment contract the former President & CEO in the Company, who acted as Executive Vice Chairman during the year, received a salary of SEK 3 311 thousand in 2002/2003, plus taxable benefits in the amount of SEK 91 thousand. The contractual retirement age is 55 years, which occurred May 31, 2003. The level of pension between age 55 and 60 is 65 percent of the salary at retirement and 70 percent thereafter. The undertaking has been calculated and paid in its entirety by the Company and is secured by pension insurance. Premiums of SEK 3 616 thousand were paid during the 2002/2003 financial year.

President & CEO

The President & CEO was paid a salary of SEK 1 965 thousand, plus taxable benefits of SEK 107 thousand for the year. From age 65, the President & CEO is covered by a premium-determined pension, the size of which depends on the outcome of pension insurances taken out. During 2002/2003 pension premiums were paid in the amount of SEK 715 thousand.

A bonus, based on the Group's earnings, is payable in a maximum amount of 30 percent of the fixed portion of compensation. In addition thereto, a further bonus premium may be payable up to 20 percent of the bonus awarded provided the amount received is used to acquire shares in Bergman & Beving AB. Bonus was paid to the President & CEO for the 2002/2003 operating year in an amount of SEK 210 thousand. This bonus was expensed in the 2002/2003 operating year and paid during 2003/2004. The bonus is not pensionable.

During 2002/2003 the President & CEO was awarded 100 000 personnel options in accordance with the program described below. The total benefit value of these personnel options at the time of the allocation amounted to SEK 463 thousand in accordance with the valuation described below.

Upon termination of the employment contract at the initiative of the Company, the period of notice is 12 months. In addition hereto a severance payment of up to 12 months' salary is payable.

Other members of Group management

The other three members of Group management have been paid aggregate salaries of SEK 3 863 thousand, plus taxable benefits of SEK 265 thousand for the year. All of these persons are covered by premium-determined pensions, the size of which depend on the outcome of pension insurances taken out. During 2002/2003 pension premiums were paid in the amount of SEK 1 034 thousand.

Bonuses, based on the Group's earnings, are payable in a maximum amount of 30 percent of the fixed portion of compensation. In addition thereto, further bonus premiums may be payable up to 20 percent of the bonuses awarded provided the amount received is used to acquire shares in Bergman & Beving AB. Bonuses were paid to the three persons for the 2002/2003 operating year in an amount of SEK 414 thousand. These bonuses were expensed in the 2002/2003 operating year and paid during 2003/2004. The bonuses are pensionable.

Together, the three persons were awarded 180 000 personnel options during 2002/2003 in accordance with the program described below. The total benefit value of these personnel options at the time of the allocation amounted to SEK 833 thousand in accordance with the valuation described below.

Upon termination of the employment contracts at the initiative of the Company, the period of notice is 12 months. In addition hereto a severance payment of up to 12 months' salary is payable.

Personnel Option Program 2002/2005

In February 2002 the Board of Directors of Bergman & Beving AB decided to award about 60 members of senior management of the Bergman & Beving Group a total of 850 000 personnel options free of charge. In accordance with a resolution of a General Meeting of shareholders in April 2002, repurchased own shares shall be conveyed to holders of personnel options for the purpose of fulfilling the Company's obligations under the program.

The term of the personnel options is until June 30, 2005. Each option entitles its holder to purchase one class B share in Bergman & Beving at a redemption price of SEK 52.00, as compared with the company's acquisition cost of SEK 41.60 per repurchased share. The options can be exercised for purchase of shares during the following periods: November 30 – December 31, 2004, February 28 – March 31, 2005 and May 31 – June 30, 2005. As a rule, the options may be exercised only if the holder is still an employee at the time the options are exercised, or if the option holder has retired from the Bergman & Beving Group. The options cannot be conveyed to a third party.

At the time of issuance as of April 10, 2002 the options had a theoretical value of SEK 4.63 per option. As of March 31, 2003 the theoretical value was SEK 1.12 per option. The valuations were made according to the Black & Scholes valuation model. Based on an analysis of the volatility of the Company's and comparable companies' share prices, the expected volatility during the term of the options has been estimated to be 20 percent. The valuations do not take into account the value-reducing effect of the fact that the options cannot be transferred before the above mentioned exercise periods, or to any third party. The benefit value that may arise from the personnel options is not pensionable.

NOTE 26
FEES TO THE COMPANY'S AUDITORS

	GROUP	PARENT COMPANY
	2002/2003	2002/2003
Audit assignments		
KPMG	**3.6**	**0.2**
Other auditors	**0.2**	**–**
Total fees for audit assignments	**3.8**	**0.2**
Other assignments		
KPMG	**1.8**	**0.9**
Other auditors	**0.1**	**–**
Total fees for other assignments	**1.9**	**0.9**
Total fees to auditors	**5.7**	**1.1**

By audit assignment is meant examination of the Annual Accounts and the administration by the Board of Directors and the President & CEO, other tasks the Company's auditors are obligated to perform and advice or other assistance prompted by such examination or the performance of such tasks. Everything else is other assignments.

NOTE 27
ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

	GROUP		PARENT COMPANY	
	2002/2003	2001/2002	2002/2003	2001/2002
Amortization of intangible fixed assets	**26.5**	17.0		
Depreciation of tangible fixed assets	**52.9**	51.1	**1.1**	0.5
Result of sales of companies and fixed assets	**–6.9**	–2.7	**–0.1**	–0.3
Change in restructuring reserve	**–6.3**	–32.2	**–**	–18.5
Change in pension commitments	**9.1**	12.4	**2.5**	0.3
Adjustment for group contributions /dividends paid			**–49.3**	37.4
Write-down of shares in subsidiaries			**190.0**	–
Adjustment for interest expense paid/income received	**1.4**	1.4	**–2.0**	4.7
Other	**3.7**	–4.9	**–0.1**	0.2
	80.4	42.1	**142.1**	24.3

NOTE 28
ACQUSITION OF SUBSIDIARIES AND OTHER BUSINESS UNITS

	GROUP	
	2002/2003	2001/2002
Assets acquired:		
Intangible fixed assets	**8.3**	19.1
Tangible fixed assets	**2.7**	6.0
Financial fixed assets	**0.3**	3.5
Inventories	**16.5**	29.5
Short-term receivables	**16.0**	18.4
Liquid funds	**19.5**	2.4
Total assets	**63.3**	78.9
Liabilities and provisions acquired:		
Provisions	**–0.5**	0.2
Long-term liabilities	**–0.3**	–16.3
Current liabilities	**–16.9**	–17.6
Total liabilities and provisions	**–17.7**	–33.7
Purchase-money paid	**–45.6**	–45.2
Less: Liquid funds in the business acquired	**19.5**	2.4
Effect on liquid funds	**–26.1**	–42.8

Trademark rights were acquired during the year for MSEK 84.6. Payment was made in own shares in a value of MSEK 50. The remaining portion has been entered as a liability and has thus not yet affected cash flow.

NOTE 29
SALE OF SUBSIDIARIES AND OTHER BUSINESS UNITS

	GROUP	
	2002/2003	2001/2002
Assets sold:		
Tangible fixed assets	3.0	–
Financial fixed assets	0.5	–
Inventories	12.1	–
Short-term receivables	17.9	–
Liquid funds	11.8	–
Total assets	45.3	–
Liabilities and provisions sold:		
Provisions	–5.2	–
Current liabilities	–12.6	–
Total liabilities and provisions	–17.8	–
Capital gain	6.0	–
Total	33.5	–
Purchase-money received	33.5	–
Less: Liquid funds in the business sold	–11.8	–
Effect on liquid funds	21.7	–

NOTE 30
LIQUID FUNDS

	GROUP		PARENT COMPANY	
	MARCH 31, 2003	MARCH 31, 2002	MARCH 31, 2003	MARCH 31, 2002
Liquid funds consist of the following components:				
Cash and bank balances	**234.0**	233.2	**106.5**	120.3
Short-term investments. equivalent to liquid funds	**140.0**	100.2	**140.0**	100.0
	374.0	333.4	**246.5**	220.3

The above items have been classified as liquid funds based on the premise that:
– There is an insignificant risk of fluctuation in value.
– They are easily convertible into cash.
– They have a maximum term of 3 months from the time of acquisition.

NOTE 31
INTEREST PAID AND DIVIDENDS RECEIVED

	GROUP		PARENT COMPANY	
	2002/2003	2001/2002	2002/2003	2001/2002
Dividends/group contributions received			**348.5**	456.9
Interest income received	**17.7**	29.2	**23.9**	33.1
Interest expense paid	**–27.3**	–37.6	**–16.2**	–20.9
	–9.6	–8.4	**356.2**	469.1

PROPOSED ALLOCATION OF EARNINGS

ALLOCATION OF EARNINGS

The Group's unrestricted equity amounted to MSEK 612 as of March 31, 2003. No allocation to restricted reserves is required.

The following amounts are at the disposal of the General Meeting of Shareholders of the Parent Company Bergman & Beving AB:

Retained earnings	SEK	508 172	thousand
Net income for the year	SEK	211 878	thousand
	SEK	720 050	thousand

The Board of Directors and the President & CEO propose that the funds available be allocated as follows:

Dividend to the shareholders of SEK 2.00 per share	SEK	55 202	thousand [21]
To be transferred to retained earnings	SEK	664 848	thousand
	SEK	720 050	thousand

Stockholm, May 15, 2003

Tom Hedelius
Chairman

Anders Börjesson
Vice Chairman

Per Axelsson

Berit Axell Fredriksson

Conny Kjellberg

Per-Olof Söderberg

Stefan Wigren
President & Chief Executive Officer

Our Audit Report was submitted June 6, 2003

Thomas Thiel
Authorized Public Accountant

George Pettersson
Authorized Public Accountant

[21] With due consideration to the 1 036 200 class B shares repurchased.

AUDIT REPORT

To the Annual General Meeting in Bergman & Beving AB (publ)
Registration number 556034-8590

We have examined the Annual Accounts, the consolidated financial statements, the accounting records and the management by the Board of Directors and the President & CEO of Bergman & Beving AB for the financial year April 1, 2002 – March 31, 2003. Responsibility for the accounting records and management rests with the Board of Directors and the President & CEO. Our responsibility is to render our opinion on the Annual Accounts, the consolidated financial statements and the management based on our audit.

The audit has been performed in accordance with generally accepted auditing standards in Sweden. This means that we have planned and performed the audit in such a way as to obtain reasonable assurance that the Annual Accounts and the consolidated financial statements are free of material errors. The audit includes examination of a sample of supporting documentation for amounts and other information in the accounting records. An audit also includes a test of the accounting principles, and the Board of Director's and the President's application thereof, and an evaluation of the aggregate information contained in the Annual Accounts and the consolidated financial statements. As a basis for our opinion concerning discharge from liability, we have examined significant decisions, actions taken and circumstances in the Company to allow us to form an opinion as to whether any Director or the President is liable for damages to the Company. We have also examined whether any member of the Board of Directors or the President & CEO in any other way has acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association. We are of the opinion that our audit gives us a reasonable ground for our statements below.

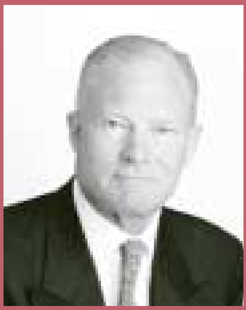
The Annual Accounts and the consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and therefore provide a true and fair representation of the Company's and the Group's results and financial position in accordance with generally accepted accounting standards in Sweden.

We recommend that the Annual General Meeting adopts the Statement of Income and the Balance Sheet for the Parent Company and the Group, that the profit of the Parent Company be allocated in accordance with the proposal contained in the Administration Report and that the members of the Board of Directors and the President be granted discharge from liability for the financial year.

Stockholm, June 6, 2003

Thomas Thiel *Authorized Public Accountant*	George Pettersson *Authorized Public Accountant*

BOARD OF DIRECTORS



TOM HEDELIUS

ANDERS BÖRJESSON

BERIT AXELL FREDRIKSSON

PER AXELSSON

CONNY KJELLBERG

PER-OLOF SÖDERBERG

STEFAN WIGREN

TOM HEDELIUS
Born 1939.
Chairman.
Director since 1982.
Doctor h.c. Economics.
Honorary Chairman of Handelsbanken.
Chairman of AB Industrivärden, Anders Sandrews stiftelse and Svenska le Carbone.
Vice Chairman of Addtech AB, Lagercrantz Group AB, and Jan Wallanders och Tom Hedelius stiftelse.
Director of SCA AB and AB Volvo.
Shares owned: 335 966 class A shares

ANDERS BÖRJESSON
Born 1948.
Vice Chairman.
Director since 1990.
Chairman of Addtech AB, Boomerang AB, Cibenon AB, Cibes Lift AB and Lagercrantz Group AB.
Director of Terrakultur AB.
Shares owned: 350 966 class A shares
Convertibles: SEK 50 000

BERIT AXELL FREDRIKSSON
Born 1949.
Director since 2000.
Employee representative.
Shares owned: 168 class B shares
Convertibles: SEK 70 000

PER AXELSSON
Born 1950.
Director since 2001.
President of AB Julius Ekbom.
Director of AB Julius Ekbom and AB Interpares.
Shares owned: 3 000 class B shares
2 688 class A shares (company)

CONNY KJELLBERG
Born 1945.
Director since 1996.
Employee representative.
Shares owned (family): 252 class B shares
Convertibles: SEK 150 000

PER-OLOF SÖDERBERG
Born 1955.
Director since 1996.
President and Chief Executive Officer of Dahl International AB.
Director of Martin Olsson HAB, Oxigene Inc., Ratos AB and Skandia Investment AB.
Shares owned (family): 28 400 class B shares

STEFAN WIGREN
Born 1957.
President and Chief Executive Officer.
Director since 2000.
Chairman of Trioptima AB.
Shares owned (family): 16 000 class B shares.
Personnel options: 100 000

HONORARY MEMBERS

CARL T. SÄVE
Born 1919.
Former President and Chairman.
Shares owned:
30 000 class A shares
973 982 class B shares

PÄR STENBERG
Born 1931.
Former President and Vice Chairman.
Shares owned:
279 152 class A shares
999 722 class B shares

During the year the nomination committee for proposals to the election of directors consisted of the Chairman and Vice Chairman of the Board of Directors and Marianne Nilsson from Robur and Pär Stenberg as representatives of major shareholders.

The composition of other committees of the Board is set forth in the Administration Report on page 29.

MANAGEMENT

STEFAN WIGREN
Born 1957.
President and Chief Executive Officer.
Shares owned (family): 16 000 class B shares
Personnel options: 100 000

MATS BJÖRKMAN
Born 1958.
Executive Vice President and Chief Financial Officer.
Secretary to the Board of Directors.
Shares owned (family): 7 600 class B shares
Personnel options: 70 000

CARL JOHAN LUNDBERG
Born 1951.
Executive Vice President.
Shares owned: 120 class B shares.
Personnel options: 70 000
Convertibles: SEK 150 000

JOHAN FALK
Born 1971.
Vice President and member of Group Management
Personnel options: 40 000

Auditors

Authorized Public Accountant
THOMAS THIEL
Born 1947.
KPMG.
The Company's auditor since 1997.

Authorized Public Accountant
GEORGE PETTERSSON
Born 1964.
KPMG.
The Company's auditor since 1997.

Deputy Auditors

Authorized Public Accountant
ANDERS IVDAL
Born 1951.
KPMG.
The Company's auditor since 1997.

Authorized Public Accountant
MAGNUS JACOBSSON
Born 1958.
KPMG.
The Company's auditor since 1997.

THE COMPANIES IN THE BERGMAN & BEVING GROUP

The Tools Operations

LUNA AB
www.luna.se

Division management Ulf Carlsson, President
Business area Sale of machinery and toolsfor professional use in the industrial and construction sectors.
Country Sweden

LUNA SERVICEPARTNER AB
President Göran Andersson
Business Responsibility for the logistics and catalogue business as well as finance and personnel functions.
Country Sweden

LUNA VERKTYG & MASKIN AB
Acting President Ulf Carlsson
Business Responsibility for product and product lines.
Country Sweden

LUNA SVERIGE AB
President Joakim Lundgren
Business Marketing company.
Country Sweden

LUNA NORGE AS
President Kåre M. Johansen
Business Marketing company.
Country Norway

TOOLS KJEDEFORUM AS
President Bjørn Oddvar Andresen
Business Partner chain for industrial resellers in tools, machinery and consumables.
Country Norway

TOOLS FOSSUM AS
President Thor-Øyvind Froberg
Business Local industrial reseller.
Country Norway

LUNA EXPORT AB
President Håkan Götherström
Business Responsibility for sales outside Sweden and Norway.
Country Sweden

LUNA EESTI AS
President Päär Altroff
Business Marketing company.
Country Estonia

LUNA LATVIJA SIA
President Mikus Lacis
Business Marketing company.
Country Latvia

UAB LUNA TOOLS
President Gintaras Neviera
Business Marketing company.
Country Lithuania

LUNA POLSKA SP. Z O.O.
President Stanislaw Szczurek
Business Marketing company.
Country Poland

TENGTOOLS INTERNATIONAL SWEDEN AB
President Claes Nilsson
Business Development and sales of handtools to mechanical industry in Europe.
Countries Sweden and Taiwan

SKYDDA PROTECTING PEOPLE EUROPE AB
www.skydda.se

Division management Leif Reinholdsson, President
Business area Markets solutions for personal protection to professional users in industry and construction.
Country Sweden

SKYDDA NORGE AS
President Tormod Lie Johansen
Business Marketing company.
Country Norway

SKYDDA I SVERIGE AB
President Lennart Holm
Business Marketing company.
Country Sweden

SKYDDA SUOMI OY
President Heikki Heinonen
Business Marketing company.
Country Finland

CRESTO SAFETY AB
President Jonas Cedås
Business Development, manufacturing, and sales of solutions and equipment in fall protection to industry and construction.
Country Sweden

ESSVE PRODUKTER AB
www.essve.se

Division management Bengt Margård, President
Business area Markets solutions and products in fastening, sealing and electrical hand tools for industry and construction.
Country Sweden

ASSAR HULTÉN AB
President Per Stenholtz
Business Sale of industrial fastening elements.
Country Sweden

ESSVE BALTIC AS
Acting President Uno Maitus
Business Marketing company.
Country Estonia

ESSVE NORGE AS
Acting President Anders Ohlsson
Business Marketing company.
Country Norway

ESSVE POLAND SP. Z O.O.
President Bogdan Rogowski
Business Marketing company.
Country Poland

ESSVE SVERIGE AB
President Bengt Margård
Business Marketing company.
Country Sweden

FAST-IT HELSINKI OY
President Timo Palmroth
Business Sale of industrial fastening elements.
Country Finland

GIGANT ARBETSPLATS AB
www.gigant.se

Division management Leif Törnqvist, President
Business area Markets solutions and components in the field of ergonomic workplace equipment to industry.
Country Sweden

IAAB MILJÖTEKNIK AB
President Bernt-Eric Grönlund
Business Production and sale of screening systems and draperies, etc.
Country Sweden

GRUNDA AB
www.grunda.se

Division management Sture Hellstrand, President
Business area Sale of supplies to industry, construction and real estate management.
Country Sweden

BERGMAN & BEVING INTEGRATION AB
www.tools.se

Division management Johan Falk, President
Business area Responsibility for integration and partnerships with resellers.
Country Sweden

B&B TOOLS AB
President Johan Falk
Business Partner chain for industrial resellers in tools, machinery and consumables.
Country Sweden

TOOLS FINLAND OY
President Jukka Ojamo
Business Partner chain for industrial resellers in tools, machinery and consumables.
Country Finland

OULUN PULTTI OY
President Markku Kilponen
Business Local industrial reseller.
Country Finland

POHJANMAAN PULTTI KONE JA RUUVI OY
President Markku Kumpeli
Business Local industrial reseller.
Country Finland

PULTTI-NURKKA OY
President Reima Palmu
Business Local industrial reseller.
Country Finland

BERGMAN & BEVING INFOTRANS AB
www.bbinfotrans.com

Division management Anders Möller, President
Business area Responsibility for development, coordination and operation of IT and logistics services.
Country Sweden

LOGISTIKPARTNER I ULRICEHAMN AB
President Jan Holmberg
Business IT and logistics services.
Country Sweden

Bergman & Beving MediTech

BERGMAN & BEVING MEDITECH AB

Business area management
Göran Brandt, President
Göran Hagsten, Executive Vice President
Anders Holmström, Controller

PLACO MEDICAL AB

Division management Jan-Olof Fransson, President
Business area Manufacturing and sale of medical and dental consumables.
Country Sweden

AB KALTOPLAST
www.kaltoplast.se
President Ulf Wendel
Business Manufacturing of medical and dental consumables in plastics.
Country Sweden

NORDISKA DENTAL AB
www.nordiskadental.se
President Lars Bengtsson
Business Manufacturing of dental filling materials.
Country Sweden

PLD NORDIC AB
www.pldnordic.com

PLD NORDIC AB
Division management Michael Cederborg, President
Business area Sale of instruments, equipment and consumables for laboratories.
Country Sweden

BERGMAN AS
President Knut Harald Hansen
Business Marketing company.
Country Norway

BERGMAN & BEVING INSTRUMENT AB
President Jan Söderman
Business Marketing company.
Country Sweden

HOLM & HALBY A/S
President Morten Dyrner
Business Marketing company.
Country Denmark

LABORA AB
President Jonas Borgardt
Business Marketing company.
Country Sweden

PLD FINLAND OY
President Tomi Virtanen
Business Marketing company.
Country Finland

LAMBDA MATERIALPROVNING AB
President Stefan Holm
Business Sale of equipment for materials testing.
Country Sweden

MIKRO KEMI AB
President Kent Ersson
Business Contract laboratory in, among other things, elementary and medical analysis and organic synthesis.
Country Sweden

OMNIPROCESS AB
President Roland Levin
Business Sale of process equipment to industry.
Country Sweden

TRIOLAB NORDIC AB
www.triolab.se

Division management Göran Brandt, President
Business area Sale of instruments, equipment and consumables for medical diagnostics.
Country Sweden

BERGMAN DIAGNOSTIKA AS
President Tove Nyhus
Business Marketing company.
Country Norway

TRIOLAB AB
President Annelie Vestlund
Business Marketing company.
Country Sweden

TRIOLAB A/S
President Finn Andersen
Business Marketing company.
Country Denmark

TRIOLAB OY
President Kai Rantanen
Business Marketing company.
Countries Finland and Estonia

Bergman & Beving Development

BERGMAN & BEVING DEVELOPMENT AB

Division management Gert Karlsson, President

ANDERS PETTER AB
President Margareta Wålinder-Jarl
Business Sale of home and household products.
Country Sweden
www.anderspetter.se

JAKTIA AB
President Anders Andersson
Business Markets hunting equipment, apparel and accessories.
Country Sweden
www.jaktia.se

MAGER & WEDEMEYER GMBH & CO KG
President Hans Mühlenfeld
Business Sale of machine tools to the manufacturing industry.
Country Germany
www.mager-wedemeyer.de

ANA ÄDELMETALL AB
President Björn Grufman
Business Recovery and processing of precious metals.
Country Sweden
www.ana-adelmetall.se

SPECIALPAPPER DEVELOPMENT AB
President Rolf Jansson
Business Manufacturing and sale of paper products.
Subsidiaries AB Specialpapper, A/S Specialpapir and AS Spesialpapir (marketing companies), and Gustaf Lundin Pappersindustri AB (manufacturing).
Countries Sweden, Denmark and Norway
www.specialpapper.se

FINANCIAL INFORMATION 2003/2004

The Group's financial year is April 1 – March 31. During the 2003/2004 financial year, reports will be published as follows:

Interim Report April 1 – June 30, 2003	August 28, 2003
Interim Report April 1 – September 30, 2003	November 10, 2003
Interim Report April 1 – December 31, 2003	February 11, 2004
Financial Report 2003/2004	May 13, 2004
Annual Report 2003/2004	July 2004

Bergman & Beving's homepage, www.bb.se, contains current information about the Group, such as press releases, interim reports, financial reports and the latest share price. Reports can also be ordered via the homepage.

The printed Annual Report is distributed to all shareholders of record, except those who have requested not to receive mailings. Other printed reports are distributed to those who have indicated their interest to the Company. All reports are published in Swedish and English.

INVESTOR RELATIONS

Mats Karlqvist, Vice President – Investor Relations
mk@bb.se telephone: +46-8-666 97 40

WELCOME TO THE ANNUAL GENERAL MEETING!

The Annual General Meeting will be held at 4:30 p.m., Thursday, August 28, 2003 at Näringslivets Hus, Storgatan 19, Stockholm.

NOTICE OF PARTICIPATION

Shareholders who wish to participate in the proceedings of the General Meeting of Shareholders:

a must be recorded in the share register maintained by VPC AB not later than by August 18, 2003, and;

b file notice with the Company of their desire to attend not later than 3:00 pm, Tuesday, August 26, 2003.

Notice should be filed with Bergman & Beving AB, P.O. Box 10024, SE-100 55 Stockholm, Sweden, telephone +46-8-660 10 30, fax +46-8-660 58 70, info@bb.se.

NOMINEE-REGISTERED SHARES

In order to exercise their voting rights, shareholders whose shares are registered in the name of a bank's trust department, or in the name of a stockbroker as nominee, must temporarily register their shares in their own name through their custodian. Such registration must be completed not later than by Monday, August 18, 2003.

PAYMENT OF DIVIDEND

The resolutions of the Annual General Meeting will include the date by which shareholders must be recorded in the share register maintained by VPC AB in order to be entitled to receive dividend. The Board Directors has proposed Tuesday, September 2, 2003 as record date.

On the condition that the Annual General Meeting adopts this proposal, dividends will be disbursed by VPC AB Friday, September 5, 2003 to shareholders of record as of September 2, 2003.

CHANGE OF ADDRESS AND BANK ACCOUNT

Shareholders who have changed their name, address or account number should immediately report such change to their custodian or to their institution of account (bank).

Production: Bergman & Beving and Intellecta Corporate • Photography: Stefan Berg and Peter Bartholdsson • Translation: Ole Böök • Printing: Duro Grafiska, 2003
This Annual Report is produced using environmentally friendly technology and printed on Galerie Art Silk,
a paper fulfilling the stringent environmentally requirements of Svanen. Cover is 250 g and text pages 130 g.

ADDRESSES

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