



FINANCIAL STATEMENTS AS OF 31 DECEMBER 2002

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Evolution over five years

(in millions of CHF)

	2002		2001		2000		1999		1998		
Balance sheet (before appropriation of available earnings)											
Assets	Fixed	455.5	25 %	472.1	26 %	447.7	23 %	336.1	20 %	332.8	21 %
	Current	1352.3	75 %	1379.1	74 %	1468.8	77 %	1356.9	80 %	1271.6	79 %
		1807.8	100 %	1851.2	100 %	1916.5	100 %	1693.0	100 %	1604.4	100 %
Liabilities	Shareholders' equity	816.8	45 %	810.3	44 %	1063.1	55 %	1021.7	60 %	963.6	60 %
	Debts, provisions (long term)	991.0	55 %	1040.9	56 %	853.4	45 %	671.3	40 %	640.8	40 %
	(other liabilities)	(250.8)		(309.6)		(113.2)		(102.4)		(95.6)	
		(740.2)		(731.3)		(740.2)		(568.9)		(545.2)	
		1807.8	100 %	1851.2	100 %	1916.5	100 %	1693.0	100 %	1604.4	100 %
Contingent liabilities		50.0		59.9		55.3		30.1		33.3	
Results											
Sales at average exchange rates for the year											
		1477.6		1511.8		1547.2		1290.2		1274.2	
% change compared with previous year		-2.26 %		-2.3 %		+19.9 %		+1.3 %		-6.4 %	
at average exchange rates of the previous year											
		1534.4		1537.6		1509.3		1270.5		1286.2	
% change compared with previous year		+1.5 %		-0.6 %		+17.0 %		-0.3 %		-5.5 %	
Operating income before depreciation (EBITDA)											
		193.4		188.2		186.8		151.3		159.0	
in % of sales		13.1 %		12.4 %		12.1 %		11.7 %		12.5 %	
Operating income (EBIT)											
		121.9		128.4		133.8		102.6		108.7	
in % of sales		8.2 %		8.5 %		8.6 %		8.0 %		8.5 %	
Net profit											
		71.3		96.1		78.4		80.1		85.3	
in % of sales		4.8 %		6.4 %		5.1 %		6.2 %		6.7 %	
in % of shareholders' equity		8.7 %		11.9 %		7.4 %		7.8 %		8.9 %	
Share income											
Net profit for CHF 1.00 capital		3.60		4.88		2.54		2.19		2.04	
Price-earnings ratio		11.8		9.4		15.4		12.7		10.4	
Dividend paid											
- total, in millions of CHF		*32.7		41.0		23.2		25.7		26.2	
- payout ratio		*45.9 %		42.7 %		29.6 %		32.1 %		30.7 %	
- in connection with market capitalization		*3.9 %		4.4 %		1.9 %		2.5 %		2.9 %	
Capital acquisition and reduction		—		-323.7		-22.0		-5.2		-5.2	
Number of employees											
of the Group companies (without BHS)		5062		5047		5066		4873		4948	
% change compared with previous year		+0.3 %		-0.4 %		+4.0 %		-1.5 %		+3.3 %	
of BHS		790		675		640		—		—	

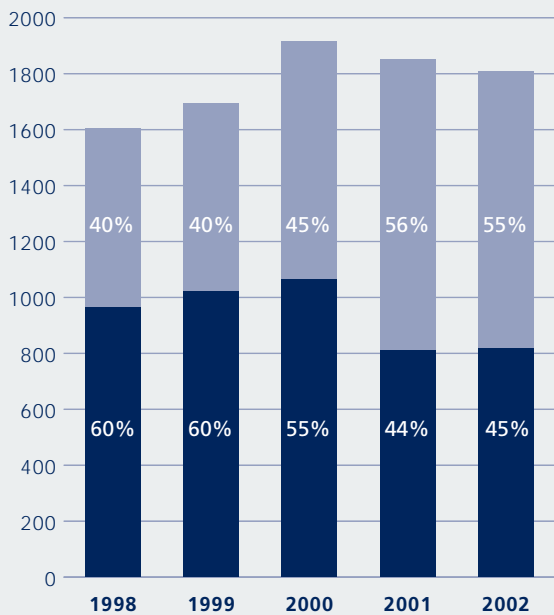
*(as per proposal for the appropriation of available earnings)

Evolution over five years

Structure of consolidated liabilities

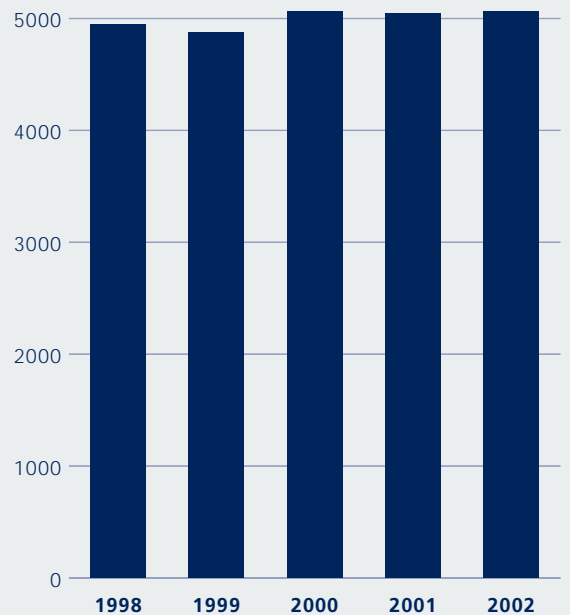
(before appropriation of available earnings)
(in millions of CHF)

■ Shareholders' equity
■ External funds



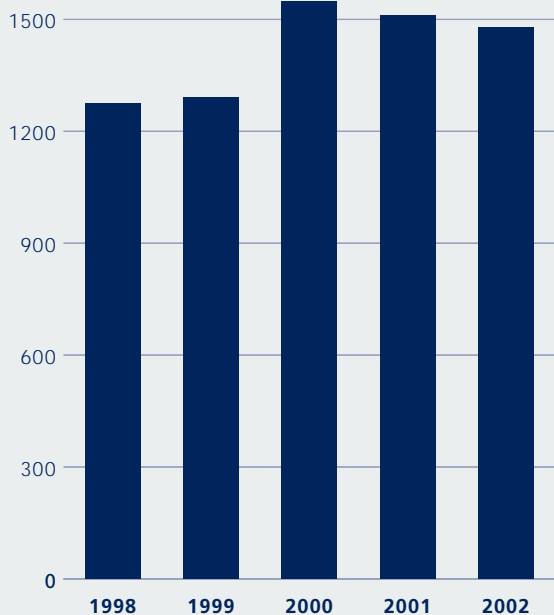
Personnel (without BHS)

(number of employees)



Consolidated sales

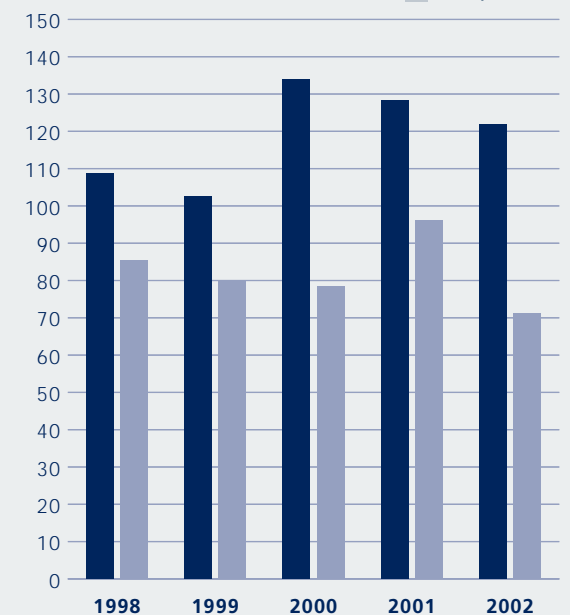
(in millions of CHF)



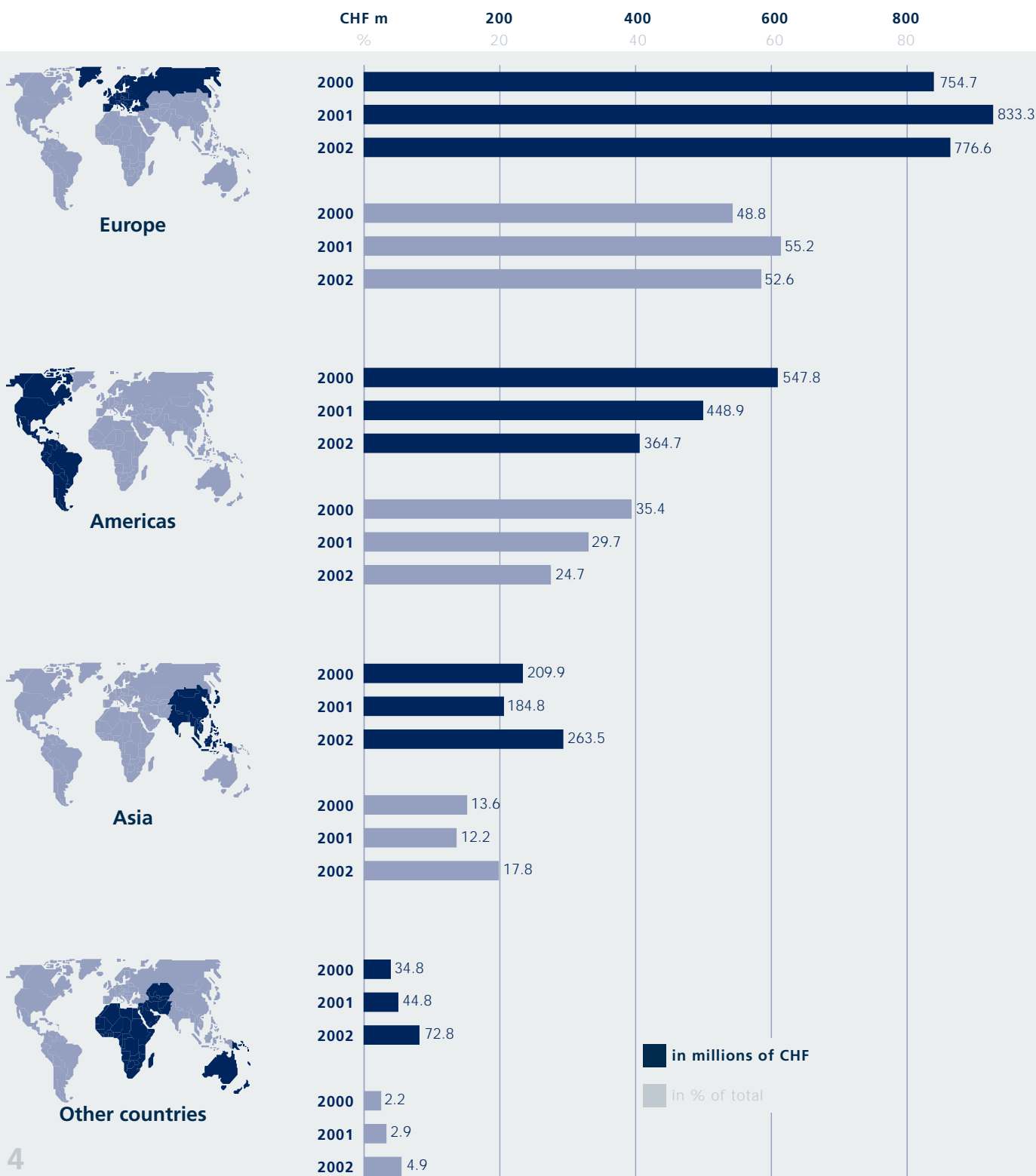
Consolidated EBIT and net profit

(in millions of CHF)

■ EBIT
■ Net profit



Geographical distribution of consolidated sales



Consolidated Balance Sheet as of 31 December

(in millions of CHF)

	Notes	2002	2001
Assets			
Intangible fixed assets	5	61.4	66.8
Tangible fixed assets*	6	376.8	384.9
Financial fixed assets	7	17.3	20.4
Fixed assets		455.5	472.1
Inventories and work in progress	8	471.8	525.5
Trade receivables and other assets	9	728.1	701.7
Cash and cash equivalents	10	152.4	151.9
Current assets		1352.3	1379.1
Total assets		1807.8	1851.2
*Assets insured for		1009.4	1022.2
Liabilities			
Share capital	11	19.8	19.7
Reserves		725.7	694.5
Net profit for the year		71.3	96.1
Shareholders' equity	12	816.8	810.3
Interests outside Group		1.2	4.2
Provisions	13	151.8	162.9
Long-term loans and debts	14	250.8	309.6
Short-term loans and debts	14	168.1	135.4
Suppliers and related accounts		365.5	359.5
Other debts	15	53.6	69.3
Debts and provisions		989.8	1036.7
Total liabilities		1807.8	1851.2

Consolidated Profit and Loss Statement

(in millions of CHF)

	Notes	2002	2001
Sales	17	1477.6	1511.8
Changes in production inventory		-40.9	-23.4
Other operating income	18	66.7	37.2
Cost of goods and services sold		-766.4	-781.4
Personnel costs	19	-498.1	-501.5
Other operating costs	20	-45.5	-54.5
Operating income before depreciation (EBITDA)		193.4	188.2
Depreciation	21	-71.5	-59.8
Operating income (EBIT)		121.9	128.4
Financial income	22	38.8	45.1
Financial costs	23	-66.5	-52.5
Financial result		-27.7	-7.4
Extraordinary income	24	3.2	28.3
Extraordinary costs	25	-10.1	-25.6
Extraordinary result		-6.9	2.7
Result before tax		87.3	123.7
Income tax	26	-19.0	-27.8
Profit before interests outside Group		68.3	95.9
Share of interests outside Group		3.0	0.2
Income from associated companies		0.0	0.0
Net profit		71.3	96.1

Consolidated Cash Flow statement

(in millions of CHF)

	2002	2001
Flows related to operations		
Operating income	121.9	128.4
Non-cash items:		
– allocation to depreciation	71.5	59.8
– allocation to provisions	26.2	25.6
– reduction of depreciation and provisions	-42.9	-20.3
– exchange rate and other differences	-14.8	-8.8
Changes in current assets and liabilities:		
– long-term receivables	17.8	-17.3
– short-term receivables	-31.9	24.0
– inventories and work in progress	54.7	2.4
– suppliers and related accounts	6.0	-1.9
– other debts	15.6	5.5
Financial result	-27.7	-7.4
Extraordinary result, restructuring costs	-1.9	-9.5
Income tax	-25.7	-30.0
	168.8	150.5
Flows related to investments		
Income from sales of fixed assets	1.8	25.9
Acquisition of fixed assets:		
– intangible	-10.4	-6.9
– tangible	-65.8	-83.5
Changes in financial fixed assets	1.5	2.3
Impact of exchange rates on fixed assets and their financing	-28.2	-9.9
	-101.1	-72.1
Flows related to financial operations		
Changes in long-term debts	-58.8	196.4
Changes in short-term loans	32.7	-28.0
Share exchange	-0.1	-87.6
Purchase of shares	0.0	-235.6
	-26.2	-154.8
Distribution of result: dividend	-41.0	-23.2
Changes in cash and cash equivalents	0.5	-99.6

Notes to the consolidated financial statements

Note 1

Accounting principles

A. General remarks

The Group's consolidated financial statements have been prepared in accordance with the Swiss GAAP FER. They are based on the accounts prepared by the Group companies in accordance with the accounting rules applicable in their respective countries. These accounts being restated to bring them into harmony with the consolidation principles adopted by the Group. The valuation methods applied in 2002 were the same as those used in 2001; the basis of valuation is the historical value.

B. Methods of consolidation

a) Scope of consolidation

The companies in which Bobst Group SA has a direct or indirect holding of more than 50 % are consolidated according to the full consolidation method.

BHS Corrugated Maschinen -und Anlagenbau GmbH in Weiherhammer (Germany), in which Bobst Group has a holding of 30 %, is consolidated according to the proportional method; in this particular case, which represents an amalgamation of interests, operations are divided among the shareholders proportionately to their stake in the company.

Companies where the Group has a participation of 20 % or more and a significant influence but does not exercise management control are accounted for by the equity method. The net assets and results are recognized on the basis of the associate's own accounting policies, where it is impractical to make adjustments with the Group's accounting policies.

The other participations, over which the Group does not exercise any control or influence, are listed under "financial fixed assets" on the consolidated balance sheet. These participations are of minor importance for the Group.

b) Date of closure of accounts

The accounts used for the purpose of consolidation are those for the fiscal year. The fiscal year of all Group companies ends on 31 December.

c) Deferred taxes

Certain adjustments have been made to the annual accounts of the Group companies in order to harmonize them with the accounting principles used for the consolidated financial statements. These adjustments give rise to temporary differences between the tax result and the adjusted accounting result. These differences generate deferred taxes according to the so called "partial variable carry-over" method. The results of affiliates in which the Group has an equity participation are, in principle, considered as permanently invested. If a dividend is proposed, a deferred tax is calculated.

d) Acquisition differences

The differences in respect of corporate acquisitions correspond to the excess of the purchase price of the shares over the proportion of equity capital which they represented on the date of acquisition. This excess comprises the latent gains which have not been revalued in the affiliate's Balance Sheet, as well as other surplus which cannot be allocated to specific assets.

e) Intercompany transactions

Receivables, payables, income and expenditures among Group companies are eliminated. Unrealized profits included in inventories and resulting from intercompany deliveries are eliminated.

C. Valuation methods

a) Intangible fixed assets

These are valued at cost. Intangible fixed assets entered in the Balance Sheet are written off in the year of acquisition, except in the case of acquisition differences which are amortized over a period of 20 years since 1999 under reserve of periodic examination of their value. As from 1999, onwards the Goodwill in relation with any new companies acquired has been recorded by using the "Purchase Method". Development costs are not capitalized under intangible fixed assets but are charged as incurred.

b) Tangible fixed assets

These are carried at their acquisition value.

Depreciation is calculated according to the straight-line method over the following periods:

- Buildings
25 to 30 years
- Technical installations
5 to 10 years
- Industrial materials and equipment
3 to 8 years
- Other tangible fixed assets
3 to 10 years

Machines leased to customers are in most cases written off over the life of the contract.

c) Financial fixed assets

These fixed assets are carried at their gross acquisition value impaired by appropriate provisions.

d) Inventories and work in progress

These are valued at cost and are taken from the accounts of the Group companies without adjustments. Provisions are calculated on the basis of the economic risks involved in the Group's line of business.

Notes to the consolidated financial statements

e) Receivables

Receivables in respect of deliveries and services rendered are entered in the Balance Sheet at their nominal value. In the case of doubtful accounts, the requisite adjustments in value have been made in accordance with the principles of business management.

f) Provisions for risks and accrued expenses

Provisions are calculated on the basis of economic criteria; they take into account all the risks and expenses associated with the industrial activities of an international group.

D. Foreign currency translation

The Balance Sheets of foreign affiliated companies are translated into CHF at the exchange rate prevailing at the close of the fiscal year; the Profit and Loss Statements of these companies are translated at the average exchange rate of the year. Translation differences are entered under shareholders' equity.

		Balance Sheet		Profit and Loss Statement	
		2002	2001	2002	2001
Principal exchange rates					
EUR	Euro	1.45	1.48	1.47	1.51
USD	US dollar	1.39	1.68	1.56	1.69
CAD	Canadian dollar	0.88	1.05	0.99	1.09
JPY	Japanese yen	1.17	1.28	1.25	1.39

Note 2

Scope of consolidation

A list of the Group companies which are included in the Consolidation is presented at the end of the booklet, also including information about their activities, their share capital and percentage of control. In most cases, the Group companies are 100 % owned and controlled entities, and they have been included in the Consolidation in both 2002 and 2001. The exceptions, as well as the various modifications of the consolidation parameters for both 2002 and 2001 are indicated in the following list.

		2002		2001	
		Consolidation	Control	Consolidation	Control
Special cases					
BHS Corrugated Maschinen- und Anlagenbau GmbH	Weierhammer	Proportional	30 %	Proportional	30%
Duo-Technik GmbH	Lauterbach	<i>Equity from 07.2002</i>	40 %		

The purchase of the participation in Duo-Technik GmbH results in an acquisition difference of CHF 2.1 millions.

Notes to the consolidated financial statements

(in millions of CHF)

Note 3

Related parties

No financial privilege has been granted to private individuals or legal persons with an interest in the Group.

Note 4

Events subsequent to the closure of the consolidated financial statements

When the consolidated financial statements were finalized, all known events were included in the accounts with an appropriate valuation. No events likely to have a bearing on the Group's financial position have occurred in the period between the closure of the accounts and the preparation of the present Annual Report.

Note 5

Intangible fixed assets

	Establishment costs	Concessions, patents, licenses, software	Goodwill	Other	Acquisition differences	Total
Gross value						
Balance as of 01.01.2002	0.5	42.1	19.2	6.2	80.5	148.5
Acquisitions and increases		8.0		0.3	2.1	10.4
Disposals and decreases		-1.4				-1.4
Impact of exchange rates	-0.1	0.3	-0.3	-1.7		-1.8
Balance as of 31.12.2002	0.4	49.0	18.9	4.8	82.6	155.7
Accumulated depreciation						
Balance as of 01.01.2002	0.5	42.1	19.2	6.1	13.8	81.7
Depreciation for the year		8.1		0.2	*7.5	15.8
Disposals and decreases		-1.4				-1.4
Impact of exchange rates	-0.1	0.2	-0.3	-1.6		-1.8
Balance as of 31.12.2002	0.4	49.0	18.9	4.7	21.3	94.3
Net value as of 31.12.2002	0.0	0.0	0.0	0.1	61.3	61.4
Net value as of 31.12.2001	0.0	0.0	0.0	0.1	66.7	66.8

*CHF 3.8 million of which is a depreciation due to a revaluation of the value regarding the acquisition differences.

Notes to the consolidated financial statements

(in millions of CHF)

Note 6
Tangible fixed assets

	Land	Buildings	Techn. install. industr. equipment	Machines leased to customers	Other	In progress, prepayments, etc.	Total
Gross value							
Balance as of 01.01.2002	28.5	393.6	291.8	38.8	132.0	17.6	902.3
Acquisitions and increases	0.1	9.7	21.0	10.4	16.3	8.3	65.8
Disposals and decreases		-0.3	-21.7	-1.2	-27.5		-50.7
Impact of exchange rates	-0.8	-9.0	-4.2	-7.6	-4.5	-0.4	-26.5
Transfers		18.5	1.0		0.7	-20.2	0.0
Balance as of 31.12.2002	27.8	412.5	287.9	40.4	117.0	5.3	890.9
Accumulated depreciation							
Balance as of 01.01.2002	0.0	190.0	235.6	6.0	85.8	0.0	517.4
Depreciation for the year		12.9	16.7	4.1	22.0		55.7
Disposals and decreases		-0.3	-19.0	-1.0	-27.2		-47.5
Impact of exchange rates		-3.0	-4.2	-1.3	-3.0		-11.5
Balance as of 31.12.2002	0.0	199.6	229.1	7.8	77.6	0.0	514.1
Net value as of 31.12.2002	27.8	212.9	58.8	32.6	39.4	5.3	376.8
Net value as of 31.12.2001	28.5	203.6	56.2	32.8	46.2	17.6	384.9

Note 7
Financial fixed assets

	Interests in associated companies	Participations	Receivables	Other securities	Loans	Other	Total
Gross value							
Balance as of 01.01.2002	0.0	7.6	1.2	12.9	4.7	0.9	27.3
Acquisitions and increases			0.6		0.3	2.2	3.1
Disposals and decreases				-3.5	-0.2	-0.2	-3.9
Impact of exchange rates		-0.1	-0.4			-0.2	-0.7
Changes in scope of consolidation	0.1						0.1
Balance as of 31.12.2002	0.1	7.5	1.4	9.4	4.8	2.7	25.9
Accumulated depreciation							
Balance as of 01.01.2002	0.0	1.2	0.0	5.7	0.0	0.0	6.9
Depreciation for the year				5.0			5.0
Disposals and decreases				-3.5			-3.5
Impact of exchange rates				0.2			0.2
Balance as of 31.12.2002	0.0	1.2	0.0	7.4	0.0	0.0	8.6
Net value as of 31.12.2002	0.1	6.3	1.4	2.0	4.8	2.7	17.3
Net value as of 31.12.2001	0.0	6.4	1.2	7.2	4.7	0.9	20.4

Notes to the consolidated financial statements

(in millions of CHF)

Note 8

Inventories and work in progress

	2002			2001
	Gross	Provisions	Net	Net
Raw materials and supplies	172.1	15.8	156.3	157.0
Production work in progress	85.7	3.1	82.6	94.2
Inventories, semi-finished and finished goods	246.5	13.6	232.9	274.3
Total	504.3	32.5	471.8	525.5

Note 9

Trade receivables and other assets

	2002			2001
	Gross	Provisions	Net	Net
Long-term financing for customers	80.8	1.7	79.1	95.1
Customers and related accounts	568.6	11.9	556.7	531.0
Other	27.8	0.3	27.5	15.3
Various receivables	40.7	0.8	39.9	17.5
Prepaid expenses	16.0		16.0	30.1
Deferred taxes (assets)	5.5		5.5	1.9
Advances and prepayments on orders	3.5	0.1	3.4	10.8
Total receivables	742.9	14.8	728.1	701.7

Note 10

Cash and cash equivalents

	2002			2001
	Gross	Provisions	Net	Net
Investment in securities	62.1		62.1	53.8
Liquid funds	87.8		87.8	95.6
Own shares	2.5		2.5	2.5
Total	152.4	0.0	152.4	151.9

Own shares

	Registered shares		Bearer shares		Total Par value	Market Value
	Number of shares	Par value	Number of shares	Par value		
Balance as of 31.12.2000	500	0.6	20 105	27.2	27.8	47.7
Movements 2001						
Shares Bobst SA						
Sales	– 500	– 0.6	– 11 754	– 25.8	– 26.4	
Exchange against shares Bobst Group SA:						
– reduction of nominal value				– 0.2	– 0.2	
– exchange of shares			– 8 351	– 1.2	– 1.2	
Intermediate balance	0	0.0	0	0.0	0.0	
Shares Bobst Group SA						
Exchange (40 for 1)	334 040	1.2	<i>The new company issues</i>		1.2	
Subscriptions	1 249 071	1.3	<i>registered shares, only</i>		1.3	
Balance as of 31.12.2001	1 583 111	2.5			2.5	72.8
Movements 2002						
None						
Balance as of 31.12.2002	1 583 111	2.5			2.5	67.3

Notes to the consolidated financial statements

(in millions of CHF)

Note 11

Share capital

Bobst Group SA, holding company

	Registered shares	Nominal value in CHF Per share	Total
--	-------------------	-----------------------------------	-------

Share capital issued

2001

June:	Creation	100 000	1	100 000
July:	Capital increase	1 149 071	1	1 149 071
	Capital increases for shares Bobst SA exchange:			

		Nominal value in CHF						
		Per share		Exchange value				
		Before exchange	Reimbursement	Per share	Total			
November:	413 942 registered	30	10	20	8 278 840			
	253 230 bearer	60	20	40	10 129 200			
					18 408 040	18 408 040	1	18 408 040
December:	280 registered	30	10	20	5 600			
	429 bearer	60	20	40	17 160			
					22 760	22 760	1	22 760

Balance as of 31 December 2001 **19 679 871** **19 679 871**

2002

May:	1075 registered	30	10	20	21 500			
	2188 bearer	60	20	40	87 520			
					109 020	109 020	1	109 020

Balance as of 31 December 2002 **19 788 891** **19 788 891**

*The squeeze out procedure initiated in 2001 was successfully completed as of 10 May 2002.
The related increase of share capital was realized as of 16 May 2002.*

Authorized share capital as of 31 December 2001 **Maximum: 598 735** **598 735**

Authorized share capital as of 31 December 2002 **0** **0**

Art. 4bis of the Articles of Association abrogated in May 2002.

Main shareholders	Article 20 of the Federal Law governing the stock exchange: Declarations published in the Official Swiss Journal of Commerce (FOSC)		Article 663c of the Swiss Commercial Law (CO): Participations greater than 5 % Number of votes as % of the issued capital	
	Last date of publication	Number of votes in % of the issued capital	Situation as of 31.12.2002	Situation as of 31.12.2001
JBF Finance SA	21.11.2001	40.29	41.32	40.52
Silchester International Investors Ltd (of which: Northern Trust Co.)	29.10.2002	11.02 (10.36)	– –	10.39 (9.27)
Bobst Group SA	14.11.2001	8.00	8.00	8.05

Notes to the consolidated financial statements

(in millions of CHF)

Note 12 Change in shareholders' equity	Share-capital	Legal reserve		Carried forward	Consol. reserves	Conversion differences	Reserves	Profit for the year	Total
		General	Own shares				Total reserves		
Balance as of 01.01.2002	19.7	6.7	2.5	0.0	682.7	2.6	694.5	96.1	810.3
Distribution of 2001 profit:									
– Ordinary dividend				10.1	45.0		55.1	–41.0	–41.0
– Transfer to reserves							0.1	–55.1	
Increase in share capital	0.1	0.1							0.2
Conversion differences and other changes					–1.5	–22.5	–24.0		–24.0
Profit for the year								71.3	71.3
Balance as of 31.12.2002	19.8	6.8	2.5	10.1	726.2	–19.9	725.7	71.3	816.8

Note 13 Provisions

	2002	2001
Provision for risks	61.2	64.9
Provision for expenses	21.1	25.5
Provision for deferred taxes	69.5	72.5
Total	151.8	162.9

An allocation to the provision for deferred taxes on the restatement of temporary differences of Bobst SA is no longer made. This is justified by the fact that the existing provision already covers the fiscal debts payable in the foreseeable future.

Note 14 Loans and debts

	2002	2001
Maturity:		
– over 5 years	*101.4	100.2
– from 1 to under 5 years	149.4	209.4
Subtotal long-term	250.8	309.6
– under one year (short-term)	**168.1	*135.4
Total	418.9	445.0

Some of these debts are covered by real sureties, the details of which are as follows:

	2002	2001
Buildings	4.0	5.4
Cash and cash equivalents	26.9	35.9
Total	30.9	41.3

*Of which debenture bonds for CHF 100 million, see specifications page 22.

**Includes CHF 21.9 million (GBP 9.8 million) of debenture bonds, maturity 30.06.2005, with the right of the bondholder to request a premature reimbursement on each bi-annual maturity date (01.01 and 01.07). The loan is entirely covered by real sureties in the form of cash.

Notes to the consolidated financial statements

(in millions of CHF)

Note 15

Other debts

	2002	2001
Tax debts	19.2	23.8
Prepaid income	13.7	22.5
Other debts	20.7	23.0
Total	53.6	69.3

Note 16

Contingent liabilities

	2002	2001
Guarantees and other	3.6	1.7
Bills discounted	46.4	58.2
Total	50.0	59.9

Note 17

Geographical distribution of sales

Zone	2002 at average rates for 2002		2002 at average rates for 2001		2001	
Europe	776.6	52.6 %	794.1	51.7 %	833.3	55.2 %
Americas	364.7	24.7 %	394.2	25.7 %	448.9	29.7 %
Africa	54.8	3.7 %	55.4	3.6 %	32.4	2.1 %
Asia	263.5	17.8 %	272.6	17.8 %	184.8	12.2 %
Oceania	18.0	1.2 %	18.1	1.2 %	12.4	0.8 %
Total	1477.6	100.0 %	1534.4	100.0 %	1511.8	100.0 %

Note 18

Other operating income

	2002	2001
Capitalized production	8.8	8.4
Transfers of operating charges	0.8	5.5
Income from leased machines	8.5	6.4
Reduction in provisions	42.9	10.8
Other	5.7	6.1
Total	66.7	37.2

Notes to the consolidated financial statements

(in millions of CHF)

Note 19

Personnel costs

	2002	2001
Wages and salaries	376.5	381.1
Social expenses and other personnel expenses	121.6	120.4
Total	498.1	501.5

Employee benefit obligations

The systems for Employee Benefit Obligations within the Group can be divided into the following three categories:

- a. Systems with defined contribution plans, constituted as independent legal entities; with such systems the obligations of the Group are limited to payments of periodical contributions; the amounts due on the 31st of December are shown in the Balance Sheet.
- b. State operated pension fund schemes; in this case the obligations of the Group are also limited to payments of periodical contributions; the amounts due on the 31st December are shown in the Balance Sheet.
- c. Particularly in the UK, where the pension funds are constituted as independent legal entities, the companies have a number of defined benefit plans. At 31st December 2002 appropriate provisions were made to cover deficits assessed upon actuarial appraisals of these plans.

As of 31st of December 2002, unpaid contributions for employee benefit obligations amount to CHF 3.2 million (2001: 1.9 million).

Concerning the company Martin, an insurance coverage was negotiated in order to partially cover the legal indemnities for retirees. The non-covered balance (2002: CHF 1.8 million / 2001: CHF 2.0 million) is shown in the contingent liabilities.

Note 20

Other operating costs

	2002	2001
Taxes	12.4	14.3
Miscellaneous overheads	6.9	14.6
Allocation to provisions	26.2	25.6
Total	45.5	54.5

Note 21

Depreciation

	2002	2001
Depreciation: – of fixed assets	64.0	56.1
– of acquisition differences	7.5	3.7
Total	71.5	59.8

Notes to the consolidated financial statements

(in millions of CHF)

Note 22

Financial income

	2002	2001
Interest received	19.6	26.0
Positive exchange rate differences	17.9	11.1
Net income from sales of securities	0.7	7.9
Other	0.6	0.1
Total	38.8	45.1

Note 23

Financial costs

	2002	2001
Interest paid	34.1	29.8
Negative exchange rate differences	27.4	20.5
Other	5.0	2.2
Total	66.5	52.5

Note 24

Extraordinary income

	2002	2001
Income from disposals of fixed assets	1.8	25.9
Other	1.4	2.4
Total	3.2	28.3

Note 25

Extraordinary costs

	2002	2001
Net book value of fixed assets sold	6.8	13.7
Other	3.3	*11.9
Total	10.1	25.6

*Capital restructuring cost, pension indemnities, costs relating to prior periods.

Note 26

Income tax

	2002	2001
Taxes payable	25.7	30.0
Deferred taxes	-6.7	-2.2
Total	19.0	27.8

Notes to the consolidated financial statements

(in millions of CHF)

Note 27

Derivative instruments

	2002	2001
Foreign currency		
Value of contracts	258.3	434.5
Positive replacement value	18.0	9.1
<i>(already recorded in the Balance Sheet)</i>	<i>(12.2)</i>	<i>(2.7)</i>
Negative replacement value	0.4	2.9
<i>(already recorded in the Balance Sheet)</i>	<i>(0.3)</i>	<i>(0.1)</i>
Interest rates		
Value of contracts	19.9	2.6
Negative replacement value	2.6	0.2
<i>(already recorded in the Balance Sheet)</i>	<i>(0.0)</i>	<i>(0.0)</i>
Other		
Value of contracts	0.0	0.0

The evaluation of operations at term, as well as derivative products, is based upon information received from other parties.

Currency exposure

In principle, deliveries made by production companies to sales companies, or directly to the customer, are invoiced in the currency of the country where the production company is located. According to the same general principle, sales companies also draw up their invoices in local currency. These transactions between partners may therefore entail exchange risks, which are appropriately hedged. Forward exchange transactions and currency options opened as of 31 December 2002 and 2001 are related to Group operations.

Note 28

Personnel as of 31 December

	2002	2001
Switzerland	2758	2773
Other Europe	1669	1658
<i>Subtotal Europe</i>	<i>4427</i>	<i>4431</i>
Americas	365	398
Asia	235	189
Rest of the world	35	29
Total	5062	5047
Not included in this total: BHS	790	675

Report of the group auditors



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To the general meeting of
Bobst Group SA, Prilly

Lausanne, March 25, 2003

Report of the group auditors

As auditors of the group, we have audited the consolidated financial statements (balance sheet, profit and loss statement, cash flow statement and notes, pages 5 to 18) of Bobst Group SA for the year ended December 31, 2002.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Serge Clément
Swiss Certified Accountant
(in charge of the audit)

Claude Heri
Swiss Certified Accountant
(in charge of the audit)

Balance Sheet as of 31 December

(in millions of CHF, before appropriation of available earnings)

	Notes	2002	2001
Assets			
Participations		148.7	115.9
Loans to affiliated companies		86.4	152.3
Other financial fixed assets		3.5	0.0
Fixed assets		238.6	268.2
Miscellaneous receivables from affiliated companies		0.5	0.0
Cash and cash equivalents		3.4	1.2
Current assets		3.9	1.2
Total assets		242.5	269.4
Liabilities			
Share capital		19.8	19.7
Reserves:		6.8	6.7
– general		2.5	2.5
– own shares		10.1	0.0
Available earnings:		43.4	51.1
– balance carried forward			
– profit for the year			
Shareholders' equity		82.6	80.0
Long-term debts:		100.0	100.0
– debenture bonds		55.0	86.4
– bank loans		1.0	0.0
Provisions and other long-term debts			
		156.0	186.4
Debts to affiliated companies		0.6	0.0
Short-term debts		3.3	3.0
Debts and provisions		159.9	189.4
Total liabilities		242.5	269.4

Profit and Loss Statement

(in millions of CHF)

	2002	Initial period from 27 June to 31 December 2001
Income		
Income from affiliated companies	60.5	52.7
	60.5	52.7
Costs		
Administration and other costs	-1.9	-1.0
Financial costs	-6.2	-0.4
Allocation to depreciation and provisions	-8.9	0.0
	-17.0	-1.4
Result before tax	43.5	51.3
Tax	-0.1	-0.2
Net profit	43.4	51.1

Notes to the financial statements and proposal for the appropriation of available earnings

Notes to the financial statements

Accounting principles

General

Bobst Group SA is the Holding company of the Bobst Group. The annual accounts are prepared in accordance with Swiss law and with generally accepted principles.

Conversion of foreign currencies

The transactions in foreign currencies are converted to Swiss francs (CHF) at the prevailing rate on the date of the transactions. The necessary provisions for exchange rate variances are made when preparing the Balance Sheet.

Participations and receivables related to investments

The participations and loans are carried at their gross acquisition values, reduced by necessary provisions. The evaluation of the participations covers essentially the profitability, this in accordance with the principle of prudence.

Explanatory notes for various elements

A. Balance Sheet

Participations

The complete list of affiliated companies of the Bobst Group is found at the end of the publication. This list also provides information concerning the activities of each entity.

Cash and cash equivalents

These include, for CHF 2.5 million, own shares for which the details, as well as the movements for the year, are provided in "note 10" of the consolidated financial statements.

Share capital

The information concerning the share capital, as well as the details of the major shareholders, are found in "note 11" of the consolidated financial statements.

Shareholders' equity

The information concerning the shareholders' equity, as well as the movements for the present period, are found in "note 12" of the consolidated financial statements.

Debenture bonds

Amount: CHF 100.0 million
Length: seven years, fixed
Maturity: July, 23, 2008
Rate: 4 1/4%
Quotation: SWX Swiss Exchange

Contingent liabilities

2001: none
2002: guarantees CHF 126.1 million

B. Profit and Loss Statement

All the incomes and expenses concern exclusively the activities of the Holding company and require no special comments.

Proposal for the appropriation of available earnings

In millions of CHF

Carried forward	6.6
Dividends unpaid on own shares	3.5
Profit for the year	43.4
	53.5

The proposal is as follows:

Dividend of CHF 1.65 per share	32.7
Balance to retained earnings	20.8
	53.5

Report of the statutory auditors



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To the general meeting of
Bobst Group SA, Prilly

Lausanne, March 25, 2003

Report of the statutory auditors

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, profit and loss statement and notes) of Bobst Group SA for the year ended December 31, 2002.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Serge Clément
Swiss Certified Accountant
(in charge of the audit)

Claude Heri
Swiss Certified Accountant
(in charge of the audit)

List of the Group companies

Status 31 December 2002

Holding company		Currency	Share capital in local currency	Control %	Consolidation	Activities:				
						Production	Reconditioning	Sales and services	Other	
Switzerland	Bobst Group SA, Prilly.	CHF	19 788 891						■	
Affiliated companies, branch offices and representative offices										
Germany	Bobst Beteiligungsgesellschaft mbH, Hamburg.	EUR	9 407 771	100.00	C				■	
	Bobst Group Deutschland GmbH, Meerbusch.	EUR	2 000 000	100.00	C			■		
	PCM GmbH, Hamburg.	EUR	25 000	100.00	C				■	
Belgium	Bobst Group Benelux NV, Berchem.	EUR	123 947	100.00	C			■		
Denmark	Bobst Group Scandinavia ApS, Copenhagen.	DKK	125 000	100.00	C			■		
France	Bobst SA, Antony. (branch office).	-	-	-	-			■		
	Martin, Villeurbanne.	EUR	11 360 000	100.00	C	■		■		
Great Britain	Bobst Group (UK Holdings) Ltd	GBP	1 978 115	100.00	C				■	
	Bobst Group (UK & Eire) Ltd, Redditch.	GBP	2	100.00	C			■		
	Lasercomb Dies Ltd., Redditch.	GBP	100 000	100.00	C	■		■		
	The Palatine Engraving Co. Ltd, Liverpool.	GBP	1 000	100.00	C	■		■		
	Friedheim International Ltd, Hertfordshire.	GBP	782 000	100.00	C			■		
Netherlands	Bobst Group Benelux NV, Doesburg. (succursale).	-	-	-	-			■		
Italy	Bobst Group Italia SpA, Sesto San Giovanni.	EUR	2 400 000	100.00	C		■	■		
	Schiavi SpA, Piacenza.	EUR	5 108 400	66.66	C	■		■		
Poland	Bobst Group Polska Sp. Z o.o., Lodz.	PLN	4 000	100.00	C			■		
Russia	Bobst Group Vostok LLC., Moscou.	RUR	200 000	100.00	C			■		
	Martin Representative Office, Moscou.	-	-	-	-			■		
Sweden	Bobst Group Scandinavia ApS (succursale), Bandhagen.	-	-	-	-			■		
Switzerland	Asitrade AG, Granges.	CHF	1 000 000	100.00	C	■		■		
	Bobst SA, Prilly.	CHF	27 809 730	100.00	C	■		■		
	Cedigraph SA, Prilly.	CHF	2 600 000	100.00	C		■	■		
	FAG SA, Avenches.	CHF	3 000 000	100.00	C	■				
Czech Republic	Bobst Group Central Europe spol. s r.o., Brno.	CZK	100 000	100.00	C			■		
Egypt	Bobst Group (Africa & Middle East) Representative Office, Le Caire.	-	-	-	-			■		
Tunisia	Bobst Group (Africa & Middle East) Ltd., Tunis.	TND	10 000	100.00	C		■	■		
Brazil	Bobst Group Latinoamérica do Sul Ltda, Itatiba.	BRL	3 959 011	100.00	C	■	■	■		
Canada	Bobst Canada Inc., Pointe Claire.	CAD	100 000	100.00	C		■	■		
	Bobst Finance of Canada Inc., Saint John.	CAD	71 421	100.00	C				■	
United States	American Bobst Holdings, Inc., Roseland.	USD	575 960	100.00	C				■	
	Bobst Equipment Finance Co. Inc., Roseland.	USD	2 000 000	100.00	C				■	
	Bobst Group USA Inc., Roseland.	USD	1 000	100.00	C		■			

List of the Group companies

Status 31 December 2002

		Currency	Share capital in local currency	Control %	Consolidation	Activities:			
						Production	Reconditioning	Sales and services	Other
Mexico	Bobst Group Latinoamérica Norte S.A. de CV, Mexico.	MXN	200 000	100.00	C		■		
Virgin Islands	Bobst Investment Corp., Tortola.	USD	1 000	100.00	C				■
P.R. of China	Bobst (Shanghai) Ltd, Shanghai.	CNY	33 822 702	100.00	C	■		■	
	Bobst Group Hong Kong Ltd Representative Office, Beijing	-	-	-	-			■	
	Bobst Group Hong Kong Ltd Representative Office, Shanghai	-	-	-	-			■	
Hong Kong	Bobst Group Hong Kong Ltd, Hong Kong.	USD	2	100.00	C			■	
India	Bobst India Private Ltd, Pune.	INR	32 209 500	100.00	C	■		■	
Indonesia	Bobst SA Representative Office in Indonesia, Jakarta.	-	-	-	-				■
Japan	Bobst Group Japan Ltd, Tokyo.	JPY	496 500 000	100.00	C			■	
Malaysia	Bobst Group Malaysia SDN. BHD., Petaling Jaya.	MYR	250 000	100.00	C			■	
	Bobst SA Regional Office, Petaling Jaya.	-	-	-	-				■
Singapore	Bobst Group Singapore Pte Ltd, Singapore.	SGD	100 000	100.00	C			■	
	Bobst (Singapore) Pte Ltd, Singapore.	SGD	100 000	100.00	C				■
Taiwan	Bobst Group Taiwan Ltd, Taipei.	TWD	5 000 000	100.00	C			■	
Thailand	Bobst Group Thailand Ltd, Bangkok.	THB	25 000	100.00	C			■	
Ukraine	Bobst SA Representative Office in Ukraine, Kiev.	-	-	-	-			■	
Strategic alliance									
Germany	BHS Corrugated Maschinen- und Anlagenbau GmbH, Weiherhammer	EUR	5 626 869	30.00	P	■	■		■
Associated company									
Germany	Duo-Technik GmbH, Lauterbach	EUR	72 000	40.00	E	■			

C Full consolidation method

P Proportional consolidation method

E Equity method

Changes in 2002

Changes of legal identity:

Bobst GmbH became **Bobst Group Deutschland GmbH**.

Bobst Benelux NV became **Bobst Group Benelux NV**.

Bobst Benelux NV (branch office)

became **Bobst Group Benelux NV (branch office)**.

Fairfield Enterprises Ltd became **Bobst Group (UK Holdings) Ltd**.

Bobst Group Ltd. became **Bobst Group (UK & Ireland) Ltd**.

Bobst Italiana SpA became **Bobst Group Italia SpA**.

Bobst Group Inc. became **Bobst Group USA Inc**.

Bobst (Latinoamerica Norte y Caribe) S.A. de C.V.

became **Bobst Group Latinoamerica Norte SA de C.V**.

Bobst Brasil Ltda became **Bobst Group Latinoamerica do Sul Ltda**.

Bobst Polska Sp. Z.o.o. became **Bobst Group Polska Sp. Z.o.o.**

Bobst Eastern Europe spol. s r.o.

became **Bobst Group Central Europe spol. s r.o.**

Bobst (India) Ltd. became **Bobst India Private Ltd**.

Bobst Japan Ltd. became **Bobst Group Japan Ltd**.

Bobst (Hong Kong) Ltd. became **Bobst Group Honk Kong Ltd**.

Bobst (Taiwan) Ltd. became **Bobst Group Taiwan Ltd**.

Bobst Services Ltd. became **Bobst Group Thailand Ltd**.

Bobst (Malaysia) SDN. BHD.

became **Bobst Group Malaysia SDN. BHD**.

Bobst (SEA) Pte Ltd. became **Bobst Group Singapore Pte Ltd**.

Bobst (Africa & Middle East), Ltd.

became **Bobst Group (Africa & Middle East), Ltd**.

Bobst (Africa & Middle East) Representative Office became

Bobst Group (Africa & Middle East) Representative Office.

Acquisition:

Duo-Technik GmbH.