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YEAR-END REPORT 2001

HEAR CEO ARNE KARLSSON'S COMMENTS ON THIS REPORT

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- Pre-tax profit SEK 1,926m (1,977)
- Earnings per share SEK 22.07 (23.50)
- Proposed dividend SEK 6.25 per share (5.50)
- Total return on Ratos shares +27%
- Positive EBITA development in holdings

Developments in 2001

Ratos completed the largest acquisition and the largest divestment in its history in 2001. At the same time, Ratos phased out its asset management activities. This means that the private equity strategy launched three years ago is now implemented. During the transitional phase from a pure investment company to a fully invested private equity company, Ratos's shareholders have received good growth in value. The total return from 1 January 1999 to year-end 2001 was 97% which can be compared with the SIX Return Index which rose 29% in the same period. In 2001, the total return on Ratos shares was 27% while the SIX Return Index fell 15%.

New and follow-on investments were made for a combined total of SEK 3,793m in 2001. At year-end, Ratos had 25 holdings. 13 new companies were added through the Atle acquisition. The holding in Hilton was received as part payment for the sale of Scandic Hotels, and a further two companies, Lindab and the Norwegian biotechnology company Dynal Biotech, were acquired later in the year. Exits were completed during the year for a total of SEK 2,450m and included Scandic Hotels, Sweden On Line and Telelogic.

The global economy was weak in 2001 with a noticeably negative effect towards the end of the year after the terrorist attacks in the US. The situation for Ratos's holdings, however, was mixed. Some sectors and geographic markets experienced a decline in demand, which in some cases was dramatic. Other remained at a high level, with some even showing good growth. Overall, the development for Ratos's holdings was positive. Total pro forma EBITA (full-year earnings before net financial items, tax, items affecting comparability and goodwill amortisation, excluding funds received from Alecta in 2000) for the subsidiaries and associated companies owned by Ratos at year-end, increased by approximately 22%. Taking Ratos's different stakes in the holdings into account, pro forma EBITA rose approximately 6%.

Ratos expects a gradual economic recovery in 2002. This, combined with action programmes initiated in several holdings, and which are expected to have an impact in 2002 and 2003, provides prospects for a continued positive trend for operating profit in 2002.

Results

The Group's pre-tax profit amounted to SEK 1,926m (1,977). This result includes profits from the holdings of SEK 1,817m (1,046), of which write-downs accounted for SEK 248m (0) and profit from asset management SEK 234m (1,008). Central income and expenses amounted to SEK -125 (-77).

Profit from holdings rose to SEK 1,817m (1,046). Excluding exit gains, current profit from holdings amounted to SEK 203m (320).

Ratos's amortisation of subsidiaries' and associated companies' goodwill and Ratos's share of goodwill amortisation in subsidiaries and associated companies totalled SEK 265m. In addition, Ratos's share of goodwill amortisation in DataVis was SEK 40m.

In the 2001 closing accounts a review was performed of the reported value of all Ratos's holdings whereby the recoverable amount has been determined as the estimated value in use of the assets, where a market value was not available. In these valuations a need was identified to adjust the consolidated book values in three holdings – DataVis, Programmera and Q-Labs. The total cost of these write-downs amounts to SEK 248m.

Development in the holdings – against the background of the economic climate – was predominantly favourable. EBITA improved compared with the previous year in eight of the holdings, while an unchanged positive EBITA is reported in two holdings. Seven holdings report weaker but still positive earnings while six holdings posted a loss in 2001.

The major change in the composition of Ratos's portfolio which has been implemented successively during the year means that comparisons between the years as reported above are not reflected in the Group's net profit for the year. For the purpose of clarity, key full-year figures for all holdings are provided in the table on the final page of this report.

Exit result

The exit result amounted to SEK 1,852m (726). The sale of Scandic Hotels in the second quarter provided an exit gain of SEK 1,751m. 25% of the purchase price was paid in the form of Hilton shares and the market value of these shares at year-end 2001 exceeded book value by SEK 12m. Sweden On Line was sold in the third quarter. This sale resulted in an exit loss of SEK 29m which means that the IRR on this investment was negative. The remainder of Ratos's holding in Telelogic was sold in the fourth quarter. This investment, which was made in 1998, provided a total IRR of more than 100%. Divestments made in Industri Kapital's funds resulted in exit gains of SEK 46m.

Ratos's results

SEKm	Ratos's holding %	Profit/ share of profits 2001	Of which Ratos's goodwill amortisation 2001	Profit/ share of profits 2000
Arcorus	49	44	-4	
Atle Industri	50	-23	-5	
Camfil	30	21	-8	-3
Capona	47	58	-2	59
Dahl	44	147	0	110
DataVis	44	-62	-5	-16
DIAB	48	5	-19	
Dynal	25	-7	0	
Esselte	17	14	0	42
Exceed	100	-32	-6	14
Gadelius	50	6	-4	
Haendig	49	3	-3	
Haglöfs	100	5	-2	
Hilding Anders	27	56	-4	
HL Display	29	15	-3	
Intervect	50	-15	-2	
Kronans Droghandel	49	-15	-6	
Lindab	49	44	0	
Martinsson	50	-1	-1	
Programmera	50	-15	-3	
Q-Labs	40	-26	-6	
Scandic Hotels (until March)	0	18	-2	102
Superfos	33	-37	-1	12
Sweden On Line	0	0	0	
Telelogic	0			
Telia Overseas	9			
Total profit/share of profit		203	-86	320
Right-downs				
DataVis		-69		
Programmera		-74		
Q-Labs		-105		
Total right-downs		-248		0
Exit result				
DataVis				4
Industri Kapital		46		88
Scandic Hotels		1 751		32
Sweden On Line		-29		
Telelogic		84		602
Total exit result		1 852		726
Profit from other holdings		10		
Profit from holdings		1 817		1 046
Profit from asset management		234		1 008
Net expenses		-125		-77
Consolidated profit before tax		1 926		1 977

Asset management

Asset management made a positive contribution to Ratos's earnings in 2001 as well. Dividends received amounted to SEK 16m and net capital gains to SEK 218m. Shares were sold for a total of SEK 3,326m.

Ratos's asset management activities are now completely phased out, although some trading in Swedish equities will be conducted in the subsidiary Johnson & Borsell. At year-end 2001 the value of the portfolio was SEK 93m.

Central income and expenses

In 2001, Ratos's administrative expenses amounted to SEK 106m (88, including SEK 11m bonus from Alecta). Personnel costs amounted to SEK 45m (39) and other expenses, including costs for acquisition and exit processes, to SEK 61m (60). Net financial items amounted to SEK -19m (11).

Cash flow

Cash flow from operating activities and investing activities was SEK 401m (349) and the Group's liquid assets amounted to SEK 57m (59) at year-end. The parent company's external interest-bearing liabilities amounted to SEK 123m.

Consolidated tax expense

Ratos's consolidated tax expense currently comprises subsidiaries' and Ratos's share of associated companies' tax. Property tax is not reported as tax in the profit and loss account but is included as an operating cost.

Ratos shares

Earnings per share for 2001 amounted to SEK 22.07 (23.50) and the total return on Ratos shares was 27%. In the same period, the SIX Return Index fell 15%.

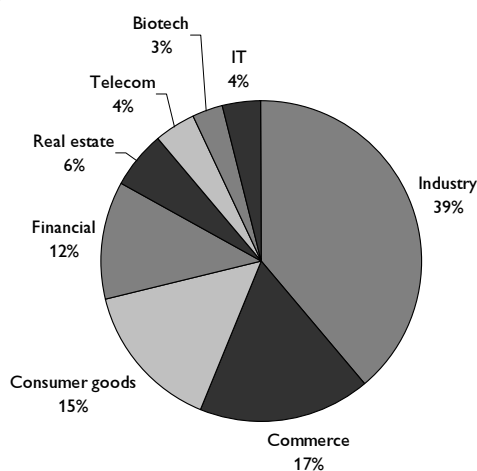
Dividend

Ratos will continue its assertive dividend policy. The Board of Directors proposes a dividend for 2001 of SEK 6.25 (5.50) per class A and B share. The record date for dividends is expected to be 15 April and payments from VPC are expected to be made on 18 April.

Net asset value

Ratos's reported net asset value (NAV) at 31 December 2001 amounted to SEK 8,495m corresponding to SEK 108 per share. Calculation of reported NAV is based on the consolidated book value of the unlisted holdings and the market value of the listed holdings. For holdings in Industri Kapital the calculation basis is the market value estimated by Industri Kapital. Unlisted holdings accounted for 81% of total NAV.

Sector breakdown of portfolio, % of NAV



Reported net asset value

SEKm	31 December 2001	% of NAV
Atle Industri	573	6
Arcorus	339	4
Camfil	478	5
Capona	495	6
Dahl	695	8
DataVis (incl. convertible)	110	1
DIAB	688	8
Dynal	280	3
Esselte	270	3
Exceed	74	1
Gadelius	138	2
Haendig	169	2
Haglöfs	109	1
Hilding Anders	413	5
Hilton	576	6
HL Display	285	3
Industri Kapital, unlisted	488	6
Intervect	213	2
Kronans Droghandel	404	5
Lindab	1 081	12
Martinsson	156	2
Programmera	20	0
Q-Labs	60	1
Superfos	317	4
Telia Overseas	328	4
Total holdings	8 759	100
Equity trading	93	
Parent company's property	60	
Liquid assets/ liabilities (net) in central companies	-417	
Total net asset value (NAV)	8 495	
Net asset value/share, SEK ¹⁾	108	

¹⁾ Number of shares outstanding at
31 December was 78,958,226

Parent company

The parent company's pre-tax profit amounted to SEK 2,240m (1,665). The holdings accounted for SEK 1,983m (758) and assets management for SEK 260m (996) of this result. Costs amounted to SEK 86m (96) and net financial items to SEK 83m (7).

Reporting the Atle acquisition

At the beginning of May, Ratos and the British company 3i acquired Atle via a 50/50-owned company. The Atle holdings are to be divided between Ratos and 3i in accordance with agreements between the parties. The transfer of the companies to Ratos and 3i had not been fully completed by year-end, since the conditions for some transfers had not yet been met.

The financial implications of the agreements are that Ratos acquires shares in 12 companies. Some of these are owned by both Ratos and 3i. In addition, 3i alone acquires 85 holdings. The remaining Atle holdings are placed in Atle Industri which will be owned equally by Ratos and 3i. This year-end report is based on the financial implications of the agreements. This means that, among other things, share of profits for May-December, in all the companies to be held by Ratos, is consolidated in Ratos.

In connection with the 2001 closing accounts, some reallocations were made of Ratos's consolidated book values in the Atle portfolio.

Accounting principles

Starting in 2001, an additional number of new recommendations, issued by the Swedish Financial Accounting Standards Council, have come into force. These recommendations have not had any effect on the Ratos Group's net profit and financial position with the exception of recommendation No. 9, Income taxes. This effect is reported as a changed accounting principle at the beginning of 2000 in accordance with RR 5, Reporting of change in accounting principle. This principle has subsequently been applied.

Otherwise the same accounting principles and calculation methods are used in this year-end report as in the most recently published annual report.

Tax

The parent company is taxed according to the rules for investment companies. This means that, among other things, capital gains are not liable to tax. For this reason, the Swedish Financial Accounting Standards Council's new recommendation will not have any effect on the accounts of the parent company.

The fiscal loss carry-forwards in Ratos's subsidiaries amounted to just over SEK 400m at 31 December 2001. The possibility to offset these against future profits is generally uncertain since Ratos's strategy is not to own subsidiaries, only associated companies, and to own holdings for a limited period.

In the associated companies owned by Ratos the loss carry-forwards are valued to the extent they exist and that it is judged they can be utilised in the foreseeable future. Any capitalisation will thus affect the shareholders' equity in the associated companies. In this way, the Swedish Financial Accounting Standards Council's new recommendation will have an effect on Ratos's consolidated accounts which is also shown in the table specifying change in shareholders' equity.

Holdings

Arcorus

- Sales +7% and EBITA +7% (in euros)
- Strong order bookings for all business areas with several breakthrough orders
- Diversified customer and market mix reduces decline in weak international business climate
- Action taken early in the year to meet weak demand in North America and Australia

Arcorus is a newly formed group, made up of Hägglunds Drives, GS Hydro and Lidan Marine. The Group is a leading international supplier of complete hydraulic drive systems, hydraulic motors, winches and pipe laying systems. The main focus is industrial, marine and offshore applications.

Ratos's holding in Arcorus amounts to 49% and the consolidated book value in Ratos was SEK 339m at year-end.

Atle Industri

- Sales +2% and EBITA -83%
- Less favourable earnings for approximately two-thirds of the companies compared with last year, mainly due to a weaker Swedish krona, the slowdown in the economy and costs for action programmes
- Action taken in Näsström accounts for SEK -39m of total EBITA of SEK 26m
- Stable trend for the two largest holdings, Centralsug and Moving

Atle Industri comprises a portfolio of 17 companies operating in trading, the engineering industry, waste management and IT/Technology, of which 14 are wholly owned. Seven of the companies account for 75% of Ratos's book value. These companies are AKA Tempcold (distributes cooling products), Näsström (hydraulic products wholesaler), Moving (materials handling systems), Nordhydraulic (hydraulic valves), Elpress (electrical connectors), Pressmaster Tool (press tools) and Centralsug (waste management systems).

Ratos's holding in Atle Industri amounts to 50% and the consolidated book value in Ratos was SEK 573m at year-end.

Camfil

- Sales +42% and EBITA +77%
- Good sales trend, mainly in Europe
- Unprofitable Component business wound up
- Alan O'Connell new CEO, former CEO Jan Eric Larson to be executive Chairman of the Board
- Integration of Farr

Camfil is the world leader in clean air technology and manufacture of air filters. The Group has its head office in Trosa, Sweden, and is represented by subsidiaries and local agents in more than 50 countries. Camfil has some 2,800 employees.

Ratos's holding in Camfil amounts to 30% and the consolidated book value in Ratos was SEK 478m at year-end.

Capona

- Rental income +9% and EBITA +6%
- Recent disruptions in the business environment had a limited impact on Capona's earnings
- Direct yield from property portfolio 9.8%

Capona, which owns and actively manages hotel properties, is one of the leading hotel property companies in the Nordic region. Capona was formed in 1997 when PriFast and Diligentia merged their hotel properties into a joint company. The portfolio comprises 42 hotel properties, 32 in Sweden and the rest in other Nordic countries. 95% of Capona's rental agreements are sales-based.

Ratos's holding in Capona amounts to 47%. The market value of the Capona holding on 31 December 2001 was SEK 495m.

Dahl

- Sales +9% and EBITA +45%
- Growing markets in Norway, Sweden, Denmark and Finland. Weak market in Poland
- Investments and rationalisation programmes in recent years contribute to Dahl's best-ever result
- Cash flow remains strong

Dahl is the leading wholesaler for heating, plumbing and sanitation products in the Nordic region. The Group has a leading position in Denmark, Sweden, Norway and Poland and a weak position in Finland. The company was listed in 1996 and in 1999 Ratos and co-investor EQT effected a buy-out of Dahl from the stock exchange via a leveraged holding company.

Ratos's holding in Dahl amounts to 44% and the consolidated book value was SEK 695m at year-end.

DataVis

- Sales unchanged and continued negative EBITA
- Increased sales focus throughout operations led to several new assignments
- Goodwill amortisation a SEK 93m charge against earnings
- Ratos writes down the holding by SEK 69m to SEK 110m

DataVis is an IT consulting company with high competence in systems development and integration. DataVis offers qualified consulting services in the Business Solutions and Telecom business areas. The company was started in 1990 and had some 215 employees at year-end.

Ratos's holding in DataVis amounts to 44% and the consolidated book value was SEK 110m on 31 December.

DIAB

- Sales +11% and EBITA -30%
- Strong sales trend in Europe, weaker demand in the US especially for pleasure boats
- Strong growth in wind power sector
- Continued investments to expand production capacity

DIAB is a niche company within composite materials and sandwich technology. The key applications are hulls and decks for large pleasure boats, wings for wind power stations and components for trains, buses, aircraft and space rockets.

Ratos's holding in DIAB amounts to 48% and the consolidated book value was SEK 688m at year-end.

Dynal Biotech

- Sales +19% and EBITA +13%
- Particularly strong development within Tissue Typing
- Good prospects for 2002

Dynal Biotech is the world leader in research, development and production of magnetic and non-magnetic small, completely spherical polymer beads. Applications for the products include separation of biological material, such as cells, DNA and proteins.

Ratos's holding in Dynal Biotech amounts to 25% and the consolidated book value was SEK 280m at year-end.

Esselte

- Sales -2% and EBITA -22%
- Strong improvement in cash flow
- Lower net debt due to reduced stock levels
- Winding up of loss-making Curtis led to extra restructuring costs SEK 196m charged against earnings
- Positive trend in Europe due to enhanced cost efficiency

Esselte is one of the world's leading suppliers of office products. Strong brands within the Group include Dymo, Pendaflex, Leitz and Esselte.

Ratos's holding in Esselte amounts to 17% of the capital and 32% of the voting rights. The market value of Ratos's holding in Esselte was SEK 270m at year-end.

Exceed

- Sales +13% buy EBITA SEK -20m
- Continued weak demand for air freight services. Declining growth in the sea freight market
- Earnings were charged with costs due to employee resignations in two small units, IT investments and expansion in Finland and Denmark
- Continued good profitability in the Swedish air and sea freight business

Exceed is one of the leading companies in Nordic air and sea freight. The company has been in the Ratos Group since 1990. The Group employs approximately 275 people and has operations in Sweden, Denmark and Finland. The Conmel Group's logistics division was acquired in 2000.

Ratos's holding in Exceed amounts to 100% and the consolidated book value was SEK 74m at year-end.

Gadelius

- Net sales -3% and EBITA -21% (in yen)
- Wooden houses operations sold
- Greater focus on unique segments including formation of a medical technology division
- Hans Porat takes over as President and CEO on 1 March 2002

Gadelius is a Japanese trading house with its roots in Sweden from 1890 and operations in Japan since 1907. Today, Gadelius is a distributor of high-tech products with a focus on niche products with a high knowledge content within areas such as IT, medical technology, construction, machines for the packaging and food industry, and exports of mechanical and electronic components to European industry.

Ratos's holding in Gadelius amounts to 50% and the consolidated book value in Ratos was SEK 138m at year-end.

Haendig

- Sales +27% and EBITA +2%
- Two acquisitions during the year gave Haendig a presence throughout the Nordic region
- Pressure on margins due to weak Swedish krona and a weak Danish market
- Continued capital and cost rationalisation to integrate completed acquisitions
- Continued focus on own brands. Incorporation of Bath business area

Haendig is a comprehensive distributor to end users in the DIY market and industry. Sales are conducted via retailers in the building and hardware sectors, hypermarkets, heating, ventilation & sanitation suppliers, as well as agricultural suppliers in Sweden, Norway, Denmark and Poland. The company has experienced strong growth in the past year through acquisitions. The head office is in Halmstad, Sweden, and the company has subsidiaries in Norway, Sweden, Denmark, Finland and Poland.

Ratos's holdings in Haendig amounts to 49% and the consolidated book value in Ratos was SEK 169m at year-end.

Haglöfs

- Sales +20% and EBITA -7%
- Sales outside the Nordic area rose from SEK 6m to SEK 25m
- Major planned costs for build-up of new markets had negative impact on earnings

- Administration, product development and marketing organisation strengthened

Haglöfs develops, produces and markets equipment and clothing for an active outdoor life. Haglöfs' Outstanding Outdoor Equipment brand includes rucksacks, sleeping bags, tents, shoes and clothes. The Group is market leader in Sweden and also holds strong positions in the other Nordic countries. Sales are conducted via retailers such as sports shops and outdoor specialists.

Ratos's holding in Haglöfs amounts to 100% and the consolidated book value in Ratos was SEK 109m at year-end.

Hilding Anders

- Very strong increase in sales and earnings
- Hilding Anders takes leading position among Europe's bed manufacturers
- Integration of acquisitions during the year goes according to plan
- Launch of a new bed collection contributed to a powerful sales increase

Hilding Anders is today Europe's largest bed manufacturer. Several European bed manufacturers were acquired during the year and Hilding Anders now has factories throughout Europe.

Ratos's holding in Hilding Anders amounts to 27% and the consolidated book value in Ratos was SEK 413m at year-end.

Hilton

- Hilton acquires Scandic in the first half of 2001
- Both hotel operations and betting and gaming business report higher profits
- Share price was higher at year-end than at the Scandic acquisition despite disruptions in the autumn
- Hilton's results for 2001 will be published on 28 February 2002

Hilton Group plc is listed on the London Stock Exchange. Operations are divided into two operating areas: Ladbroke Betting and Gaming and Hilton International. Hilton International has 379 hotels in nearly 70 countries.

Ratos's holding in Hilton amounts to approximately 1%. The market value of Ratos's holding in Hilton was SEK 576m at year-end.

HL Display

- Sales +23% and EBITA +67%
- HL Display share price +75% in 2001
- Extensive restructuring of production structure
- Annual growth target 20% with a 10-15% profit margin over a business cycle

HL Display is one of Europe's leading suppliers of products and systems for goods display, store communications and store fittings for the retail trade and its suppliers. The company, which is among the 500 fastest growing companies in Europe, has operations throughout Europe as well as in Asia and the US.

Ratos's holding in HL Display amounts to 29%. The market value of Ratos's holding in HL Display was SEK 285m at year-end.

Industri Kapital

- Divestments during the year provided Ratos with exit gains of SEK 46m
- Major investments in 2001 in Fives-Lille, Perstorp as well as eight Telia companies

Industri Kapital is an unlisted private equity company with assets under management of more than EUR 3 billion. Since its formation in 1989, Industri Kapital has completed some 40 investments in different sectors in Europe. Most of these investments were made in the engineering, trading and service industries. Investors in Industri Kapital's funds comprise major Nordic, European and American institutions and insurance companies. Ratos has invested in four funds: 1989, 1994, 1997 and 2000..

Industri Kapital's estimate of the market value of Ratos's holding in Industri Kapital amounted to SEK 488m at year-end.

Intervect

- Sales +5% and EBITA SEK 4m
- Extensive action program initiated
- New CEO and management appointed
- Continued integration of HEK and Alimak companies in countries including the US, France and Germany

Intervect is a recently formed group comprising the Swedish industrial lift manufacturer Alimak and the Dutch work platform manufacturer Hek International, which merged with Alimak in 2000. The Group is the world leader in hoists and platforms for the construction and mining industries as well as for other industrial applications. The Group has a worldwide network of subsidiaries and distributors.

Ratos's holding in Intervect amounts to 50% and the consolidated book value in Ratos was SEK 213m at year-end.

Kronans Droghandel

- Sales +19% but EBITA SEK -4m
- The Swedish pharmaceutical distribution remained profitable and operations in Finland developed strongly
- Weak consolidated earnings due to major losses in Norway following deregulation of the pharmacy market and start-up costs for new business areas in Sweden
- Action program and contracted volume increases already expected to have earnings impact in 2002

Kronans Droghandel is one of the largest and oldest distributors in the healthcare and pharmaceutical market in the Nordic region. A pure play logistics company, Kronans Droghandel handles products including pharmaceuticals, vaccines and medical devices. Suppliers are mostly multinational pharmaceutical companies and customers are pharmacies and the healthcare sector.

Ratos's holding in Kronans Droghandel amounts to 49% and the consolidated book value in Ratos was SEK 404m at year-end.

Lindab

- Sales +17% but EBITA -12%
- Continued good demand in the Ventilation business area. Trend towards weaker demand in the Profile business area
- Strong growth in Eastern Europe
- Integration of acquired companies Folkebolagen, Tekno Term and Spiral-Helix proceeding well

Lindab is an international group which develops, manufactures and markets thin-sheet metal products for the environmental and ventilation sectors, as well as a complete profile programme for the construction industry. Together with companies including Skandia Liv and the Sixth Swedish National Pension Fund, Ratos implemented a buy-out of Lindab from the stock exchange via a leveraged buy-out company, Lindab Intressenter.

Ratos's holding in Lindab amounts to 49% and the consolidated book value in Ratos was SEK 1,081m at year-end.

Martinsson

- Sales -37% and EBITA SEK -4m
- Continued low demand in the market for IT products
- Continued focus on servers and server-related services
- Good effect from cost savings and a stable financial situation
- In February 2002 Martinsson makes an offer totalling SEK 102m for competitor IMS

Martinsson is represented throughout Sweden and is a dedicated IT infrastructure company. Using its own consultants, together with products from world-leading suppliers, the company can provide customised IT platforms. Customers are mainly medium-sized and large companies and organisations.

Ratos's holding in Martinsson amounts to 50% and the consolidated book value in Ratos was SEK 156m at year-end.

Programmera

- Sales -18% and EBITA SEK -30m
- The continued weak market worsened earning capacity and some redundancies were made
- Merger with IT consulting company Giga Group successful while acquisition of e-solutions led to a SEK 13m charge against earnings
- Restructuring carried out during the year is expected to have a positive effect in 2002
- Ratos writes down this holding by SEK 74m to SEK 20m

Programmera/Giga is an IT consulting company which provides services within IT infrastructure, administration and systems development with a focus on the banking, financial services and insurance sectors.

Ratos's holding in Programmera amounts to 50% and the consolidated book value in Ratos was SEK 20m at year-end.

Q-Labs

- Revenues +12 % and EBITA SEK -44m
- Substantial deterioration of the market situation in Scandinavia
- Continued sales success in the German automotive industry
- Improved profitability in the German and American operations
- Ratos writes down this holding by SEK 105m to SEK 60m

Q-Labs is a world-leading consultant for services relating to improvement and quality assurance of software development.

Ratos's holding in Q-Labs amounts to 40% and the consolidated book value in Ratos was SEK 60m at year-end.

Superfos

- Sales -10% and EBITA -67%
- Less favourable earnings capacity for Packaging due to a discontinued customer project in the US and the costs of closing a production unit in the UK
- Continued focus on production of thermoformed plastic packaging
- Declaration of intent signed for acquisition of Danish competitor Jotipac

Superfos is a Danish group with international operations and 2,300 employees in 16 countries. The Group is organised in two operating areas: Packaging and Aerosols. Superfos Packaging develops, produces and sells

thermoformed packaging to the food, chemical-technical and pharmaceutical industries. Superfos Aerosols is a significant European player in contract filling of aerosols.

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 317m at year-end.

Telia Overseas

- Strong growth in number of subscribers
- Divestments in Brazil and Slovenia. The Slovenia sale provided a capital gain of SEK 450m
- Strong growth particularly in India, Hong Kong and Uganda
- All holdings show good financial development especially the African holdings in Namibia and Uganda.

Telia Overseas was formed in 1996 to acquire, develop and sell telecom licences, mainly for mobile telephony and communications networks in developing countries. The company goes in as a stakeholder together with local partners. Telia Overseas has associated companies all over the world.

Ratos's holding in Telia Overseas amounts to 9% and the consolidated book value in Ratos was SEK 328m at year-end.

Annual General Meeting

Ratos's Annual General Meeting will be held on 10 April at 5.30 p.m. in Berwaldhallen, Dag Hammarskjölds Väg 3, Stockholm. Shareholders who wish to participate in the Meeting must be entered in the share register kept by VPC no later than 28 March 2002, and notify their intention to attend no later than 5 April. Notification of attendance may be made by writing to Ratos, Box 1661, SE-111 96 Stockholm, or telephoning +46 8 700 17 00. Complete company documentation and basis for decision will be available at the company's offices at Drottninggatan 2 in Stockholm and on the company's website www.ratos.se from 27 March 2002.

Share buy-backs

Ratos has a share buy-back programme. From when repurchases started in 2000 until the end of 2001 a total of 2,362,200 shares had been acquired corresponding to 2.9% of the total number of shares. No Ratos shares have been repurchased in 2002.

The 2001 Annual General Meeting's decision to reduce the share capital by SEK 8,222,500 through cancellation without repayment of 657,800 B shares repurchased by the company, was implemented in September. The reduced share capital was transferred to unrestricted equity. The number of shares then amounted to 80,662,626, of which Ratos through repurchase owns 1,704,400 or 2.2%.

The Board has decided to propose that the Annual General Meeting gives the Board a renewed mandate to repurchase shares in the company during the period until the next Annual General Meeting. Repurchases will be effected on the Stockholm Stock Exchange (Stockholmsbörsen) and be subject to the restriction that the company's holding of own shares may not at any time exceed 7% of all the shares in the company. The purpose of the repurchase is to give the Board greater freedom of action in its efforts to create value for Ratos's shareholders.

Incentive programme for senior executives

The Board has today decided to propose that the Annual General Meeting decides on the issue of a maximum of 550,000 call options on repurchased Ratos class B shares. It is proposed that the call options be offered to a maximum of 20 key people who work at the company. The options are offered with a maximum of between 11,250 and 105,000 options per person. The exercise price will be set at 125% of the average share price in the period from 11 April until 17 April 2002 inclusive, although a minimum of SEK 20 and a maximum of SEK 200. The options will remain valid until and including 30 March 2007. The price of the options will be determined as their assessed market value taking the share price during the measurement period into account. Purchasers of options will receive a bonus, distributed over five years, corresponding to 60% of the option premium, provided the person concerned is still working at Ratos.

Stockholm, 21 February 2002
Ratos AB (publ)

Board of Directors

For additional information:

Arne Karlsson, CEO, +46 8 700 17 00
Clara Bolinder-Lundberg, Communications and IR, +46 8 700 17 63

Financial calendar

Annual Report 2001	March 2002
Interim Report, January-March	13 May 2002
Interim Report, January-June	26 August 2002
Interim Report, January-Sept	13 November 2002

Consolidated Profit and Loss Account

SEKm	2001 Q 4	2000 Q 4	2001 full year	2000 full year
Holdings				
Profit/loss from subsidiaries	-13	-11	-27	14
Exit results, subsidiaries	-	-	-	-
Share of profits of associated companies	28	100	230	306
Exit results, associated companies	-1	5	1 722	638
Write-down, associated companies	-248		-248	
Dividends, other holdings	10		10	
Exit results, other holdings	83	32	130	88
Profit from holdings	-141	126	1 817	1 046
Asset management				
Dividends		3	16	103
Capital gains	-31	108	218	905
Profit from asset management	-31	111	234	1 008
Central income and expenses				
Administrative expenses	-30	-44	-106	-88
Financial income and expenses	-1	9	-19	11
Net expenses	-31	-35	-125	-77
Profit before tax	-203	202	1 926	1 977
Tax	-68	-34	-182	-89
Profit after tax	-271	168	1 744	1 888
Earnings per share, SEK				
- before and after dilution	-3,43	2,12	22,07	23.50
Number of shares outstanding before and after dilution (million)				
- at the end of the period	79.0	79,2	79,0	79.2
- average	79.0	79,3	79,0	80.4

Consolidated Balance Sheet

SEKm	31 Dec 2001	31 Dec 2000
ASSETS		
Fixed assets		
Intangible	127	75
Tangible	43	29
Financial	7 882	6 684
Total fixed assets	8 052	6 788
Current assets		
Inventories	76	-
Current receivables	383	226
Short-term investments	73	81
Cash and bank balances	57	59
Total current assets	589	366
Total assets	8 641	7 154
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity	8 177	6 778
Provisions	14	41
Long-term liabilities		
- non-interest-bearing	6	5
- interest-bearing	123	40
Current liabilities		
- non-interest-bearing	244	239
- interest-bearing	77	51
Total shareholders' equity and liabilities	8 641	7 154
Change in Shareholders' Equity		
	2001 full year	2000 full year
Opening shareholders' equity according to previously adopted balance sheet	6 780	5 437
Effect of change of accounting principle in associated companies	-2	28
Opening shareholders' equity adjusted according to the new principle	6 778	5 465
Dividend paid	-435	-366
Buy-back of own shares	-16 ¹⁾	-175
Accumulated translation difference in sold associated companies	-3	
Effect of associated companies' share buy-back	-3	-69
Translation difference, associated companies and subsidiaries	112	35
Profit after tax for the year/period	1 744	1 888
Closing shareholders' equity	8 177	6 778

1) Of which, reduction of shareholders' equity SEK 8m.

Consolidated Cash Flow Statement

SEKm	2001 full year	2000 full year
Operating activities		
Consolidated profit before tax	1 926	1 977
Adjustment for items not included in cash flow	-1 812	-1 863
	114	114
Paid tax	-27	-3
Cash flow from operating activities before change in working capital	87	111
Cash flow from change in working capital		
Decrease (+) in inventories	2	-
Decrease (+) in operating receivables	19	165
Decrease (-) in operating liabilities	-72	-25
Cash flow from operating activities	36	251
Investing activities		
Acquisition of subsidiary	-102	-
Divestments, holdings	2 450	722
Investments, holdings	-3 793	-1 319
Divestments, asset management	3 326	4 151
Investments, asset management	-143	-3 444
Purchase of other tangible assets	-10	-12
Investments in other financial assets	-1 363	-
Cash flow from investing activities	365	98
Financing activities		
Share buy-back	-16	-175
Increase (+) in interest-bearing liabilities	48	24
Dividends paid	-435	-366
Cash flow from financing activities	-403	-517
Cash flow for the period	-2	-168
Liquid assets, opening balance	59	227
Liquid assets, closing balance	57	59

Consolidated Key Figures

	2001 full year	2000 full year
Return on equity, %	23	31
Return on capital employed, %	27	32
Equity ratio, %		
- visible	95	95
- including hidden reserve	95	96
Net interest-bearing liabilities, SEKm ³⁾	73	35
Key figures per share		
Total return, %	27	16
Earnings, SEK	22.07	23.50
Dividend paid, SEK	6.25	5.50
Market price, SEK	93.50	79.00
Yield, %	6.7	7.00
Net asset value, SEK ¹⁾	108	125
Number of shares outstanding	78 958 226	79 155 626
Average number of shares ²⁾	79 029 299	80 350 723

¹⁾ Unlisted associated companies are included in net asset value at consolidated book value.

²⁾ Taking share buy-back into account. At 31 December 2001, Ratos had repurchased 2,362,200 shares, of which 657,800 shares were used for reduction of share capital.

³⁾ Excluding receivable from Woodrose relating to transfer of Atle companies

Company information

SEKm	Net sales		EBITA		EBT		Goodwill	Other	Invest-	Cash	Shareholders'	Interest-	Goodwill	No. of	Ratos's	Ratos's consoli-	Investment	Total
	2001	2000	2001	2000	2001	2000	2001	depreciation	ments	flow	equity	bearing	2001	employees	holding	dated value	date	investment
Arcorus ¹⁾	1 469	1 247	126	108	97	90	10	36	42	53	475	250	146	770	49	339	2001	³⁾ 303
Atle Industri ²⁾	2 384	2 340	26	156	-28	108	37	n/a	n/a	n/a	n/a	313	192	n/a	50	573	2001	616
Camfil	3 237	2 277	232	131	96	57	62	92	103	32	1 137	1 064	1 010	2 199	30	478	2000	450
Capona	291	267	203	192	128	130	0	25	311	-170	823	1 446	0	n/a.	47	332	1998	224
Dahl	11 660	10 674	569	475	351	253	89	122	177	461	1 987	1 537	1 571	3 341	44	695	1999	562
DataVis	215	215	-31	-24	-131	-25	101	5	7	-34	75	-19	40	241	44	110	1999	254
DIAB ¹⁾	693	627	80	115	76	110	1	29	108	-24	290	117	2	596	48	688	2001	³⁾ 688
Dynal Biotech (MNOK)	420	353	107	95	80	91	6	n/a	24	n/a	103	188	93	242	25	280	2001	292
Esselte	10 853	11 095	423	545	84	274	99	429	237	1 141	2 485	2 723	1 298	6 462	17	371	1954	377
Exceed	1 351	1 198	-20	23	-25	22	2	6	4	-14	56	3	42	285	100	74	1990	135
Gadelius ¹⁾	1 025	1 058	50	63	34	47	11	9	26	25	174	262	61	228	50	138	2001	³⁾ 140
Haendig ¹⁾	1 204	945	44	43	14	26	8	17	77	-51	191	396	127	452	49	169	2001	³⁾ 169
Haglöfs	275	229	14	15	10	13	1	2	5	-20	48	54	5	102	100	109	2001	104
Hilding Anders	3 100	1 001	381	155	289	106	47	88	92	-1 551	1 122	1 512	1 183	2 157	27	413	2001	378
HL Display	1 072	874	85	51	82	44	2	45	48	13	284	n/a.	5	892	29	238	2001	229
Intervect	1 166	1 106	4	102	-29	73	3	55	81	0	312	501	46	854	50	213	2001	227
Kronans Droghandel	14 788	12 479	-4	54	-33	26	0	68	79	6	470	152	0	519	49	404	2001	419
Lindab	5 160	4 415	319	364	233	303	29	174	268	48	1 460	1 074	152	3 635	49	1 081	2001	1 066
Martinsson	482	750	-4	-29	-6	-46	8	7	8	58	229	-50	37	218	50	156	2001	156
Programmera	88	107	-30	5	-29	6	0	1	21	-31	11	-2	1	91	50	20	2001	105
Q-Labs	221	198	-44	-12	-47	-19	6	4	5	-43	126	-102	14	197	40	60	2000	190
Superfos (MDKK)	2 348	2 616	59	181	-87	34	31	172	232	-35	704	1 410	553	2 268	33	317	1999	325
Telia Overseas	418	445	2 315	-733	2 460	-787	9	101	n/a	n/a	449	-3 346	26	397	9	328	1996	328

All values for Dynal and Lindab pertain to the respective group and not the holding companies formed in connection with Ratos's acquisition, except for the consolidated values which also include the holding companies.

At year-end the new Dynal Group had shareholders' equity of NOK 946m, interest-bearing net debt of NOK 566m and goodwill of NOK 1,199m.

The corresponding figures for the new Lindab Group are shareholders' equity SEK2,232m, interest-bearing net debt SEK 2,378m and goodwill SEK 2,231m.

Earnings from Superfos include items affecting comparability of DKK -44m (25).

¹⁾ Not yet transferred from Atle to Ratos.

²⁾ Not a legal group

³⁾ Value in connection with planned but not yet completed transfers from Atle to Ratos