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INTERIM REPORT January – March 2001

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- Profit before tax SEK 24m (788)
- Operating profit SEK 66m (44)
- Total return on Ratos shares 5%
- Offer for Atle completed
- Scandic holding sold after end of period, exit gain SEK 1.7 billion
- Asset management portfolio almost completely divested after end of period

Acquisition of Atle

On 19 February this year, Ratos and 3i made an offer for all the shares in Atle. The offer was implemented via the 50/50-owned Swedish company Woodrose Invest AB. Since more than 97% of Atle's shareholders had accepted the offer at the end of the acceptance period, the offer will be completed. This deal is an important step in Ratos's strategy to become a leading Swedish private equity company. The deal means that Ratos will acquire 13 new investments from Atle's portfolio, corresponding to SEK 3.2 billion. In terms of value this constitutes 40% of Atle's portfolio at 19 February 2001. The new holdings in Ratos's portfolio are: Arcorus, DIAB, Gadelius KK, Haendig, Haglöfs, Hilding Anders, HL Display (publ), Intervect, Kronans Droghandel, Martinsson Gruppen, Programmera and Sweden On Line. In addition, some 20 small holdings will be transferred to a joint portfolio of which Ratos will own 50%.

The new holdings from Atle will be consolidated in the Ratos Group as of 1 May 2001.

Results

The Group's profit before tax amounted to SEK 24m (788). This result includes profit and share of profits from the active holdings of SEK 66m, an increase of 50% compared with the same period in the previous year. No exit gains were made during the period. Improved profits were reported from Camfil, Capona, Dahl, DataVis, Exceed and Scandic Hotels. Q-Labs was affected by a weaker market and showed a loss.

The holdings in Telelogic and Telia Overseas are not reported as associated companies. Both companies showed good growth. Telia Overseas posted an operating profit due to capital gains while Telelogic reported an operating loss. Share of profits of associated companies include goodwill amortisation for each holding. Total consolidated goodwill amortisation in the Group and associated companies amounted to SEK 47m (23) in the first quarter.

Asset management reported a loss of SEK 23m (162 profit) for the first quarter. This negative result was mainly due to the general uncertainty on the stock market.

RATOS'S RESULTS

SEK m	Ratos ownership, % ¹⁾	Profit/ share of profits 2001 Q1	Of which Ratos' goodwill amortisation 2001 Q1	Profit/ share of profits 2000 Q1
Holdings				
Camfil	30	7	-2	-
Capona	47	13	0	13
Dahl	44	20	-	2
DataVis	44	-1	-1	-2
Esselte	17	15	-	19
Exceed	100	3	-2	0
Q-Labs	40	-3	-2	-
Scandic Hotels ²⁾	24	18	-2	14
Superfos	33	-6	0	-2
Telelogic	7	-	-	-
Telia Overseas	9	-	-	-
Industri Kapital		-	-	-
Total profit/share of profits		66		44
Total exit result		-		595
Profit from holdings		66		639
Profit/loss from asset management		-23		162
Net expenses		-19		-13
Consolidated profit before tax		24		788

¹⁾ Without taking buy-backs into account

²⁾ The entire Scandic holding was sold after the end of the period

Asset management

The divestment of asset management's holdings started in the first quarter and was in principle completed by 30 April. Shares were sold for a net amount of SEK 1,449m in the first quarter and additional shares were sold net for SEK 1,273m at 30 April 2001. The reported loss SEK 23m for the first quarter is explained by the general stock market decline in which the General Index fell 15%. Including divestments made in April, the capital gain amounted to SEK 90m. At 30 April, asset management's remaining holdings included Svedala, which is subject to a recommended cash offer, Haldex, Pandox and a few small holdings with a total market value of SEK 469m. In addition, there are assets with a market value of SEK 118m in the subsidiary Johnson & Borsell which will continue to conduct trading in securities.

Central income and expenses

Total organisation's costs amounted to SEK 19m (14) of which personnel costs amounted to SEK 5m (7). Other expenses, including costs in connection with acquisition processes, amounted to SEK 14m (7). Net financial items amounted to SEK 0m (1). Cash flow from operating activities and investing activities for the period was SEK 1,355m (496) and liquid assets amounted to SEK 1,630m (691) at the end of the period.

Consolidated tax expense

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

Net asset value

Net asset value per share amounted to SEK 113 at 31 March.

Ratos shares

During the period Ratos shares rose 5% compared with the SIX Return Index which fell 17%. On 4 May 2001 the total return on Ratos shares amounted to 18% compared with -7% for the benchmark.

Annual General Meeting

The Annual General Meeting held on 5 April decided to issue a dividend as recommended by the Board of SEK 5.50 (4.50) per class A and B share. Olof Stenhammar (chairman), Peggy Bruzelius, Harry Faulkner, Göran Grosskopf, Arne Karlsson, Jan Söderberg and Per Olof Söderberg were re-elected as members of the Board. Göran Lindahl was elected as a new Board member, increasing the number of Board members to nine.

The Annual General Meeting decided to issue a maximum of 500,000 call options on repurchased shares. The call options will be offered to a maximum of 15 key people at Ratos and the price per option was set at SEK 4.05. Option purchases will be subsidised by the buyer receiving a cash bonus payment corresponding to a maximum of 60% of the option premium after deduction for 55% standard tax, whereby the bonus will be divided into equal parts over five years and provided the person concerned remains an employee of the Ratos Group.

The Board has also adopted a bonus program for key people for 2001. Bonus will be paid if certain operating targets are met and in a maximum amount of a couple of per cent of net profit.

Events after the end of the period

On 23 April 2001, Ratos sold its entire holding in Scandic Hotels to Hilton Group plc. Hilton Group paid SEK 144 per Scandic share which corresponds to approximately SEK 2.3 billion for Ratos's holding in Scandic. Of this amount, 75% was paid in cash and 25% in newly issued Hilton shares. The price of Hilton shares on the takeover date was 220.50 pence. At the same time, Hilton Group made an offer to all shareholders in Scandic Hotels on the same terms as those received by Ratos.

Company information

Active holdings

SEKm	Net sales			Operating profit			Profit before tax			Of which goodwill amortisation	Of which other depreciation	Investments	Cash flow	Shareholders equity	Interest-bearing net debt	Goodwill
	01 Q1	00 Q1	2000	01 Q1	00 Q1	2000	01 Q1	00 Q1	2000	01 Q1	01 Q1	01 Q1	01 Q1	01 Q1	01 Q1	01 Q1
Camfil	803	432	2 277	54	29	96	32	25	57	17	22	25	-40	1 136	1 095	1032
Capona	70	61	267	47	44	192	30	30	130	0	6	8	4	761	1 248	0
Dahl	2 664	2 449	10 674	81	24	392	43	-11	253	21	30	31	-7	1 640	1 996	1524
DataVis	73	43	215	1	-3	-29	1	-2	-25	2	1	3	-16	208	68	141
Esselte	2 887	2 915	11 095	174	160	451	88	133	274	25	89	46	206	2 568	3 227	1409
Exceed	377	136	1 198	2	2	19	3	2	20	1	1	1	-2	82	-4	47
Q-Labs	58	50	198	-5	5	-18	-4	5	-19	2	1	2	-32	169	-114	18
Scandic Hotels	1 622	1 270	5 971	81	59	455	85	66	463	23	u.s.	71	-41	1 987	673	976
Superfos(MDKK) 1	603	668	2 616	15	42	126	-15	3	34	8	41	60	118	788	1 392	576
Telelogic	375	103	881	-105	-32	-50	-104	-30	-42	30	u.s.	58	-101	2 408	-138	2066
Telia Overseas	95	97	445	430	-117	-743	428	-132	-788	2	23	u.s.	u.s.	2 753	-380	37

¹⁾ Refers to Superfos Industries

Camfil

The air filter manufacturer Camfil's sales showed positive development in the first quarter and amounted to SEK 803m (432). The sales increase for comparable units was 16%. Operating profit amounted to SEK 54m (29). The operating margin before goodwill amounted to 8.8%. Operations in the US developed according to plan. Profit before tax rose 28% to SEK 32m (25). Ratos's holding in Camfil amounts to 30% and the consolidated book value was SEK 495m.

Capona

A continued favourable hotel market meant that rental income for the first quarter rose 14% and amounted to SEK 70m (61). Capona has sales-based rental agreements and therefore benefits from increased sales in the hotels. Investments designed to raise sales at the hotels also contributed to the increased revenues. Operating profit for the period increased by 7% and reached SEK 47m (44). Profit before tax was SEK 30m (30) and earnings per share amounted to SEK 1.11 (1.04). Profit from the company's hotel operator business increased to SEK 4m (3). Ratos's holding in Capona amounts to 48.5%, adjusted for share buy-backs. The market value of the Capona holding was SEK 463m on 31 March.

Dahl

The Dahl Group's sales increased during the period by 9% to SEK 2,664m (2,449). Profit before tax improved substantially and amounted to SEK 81m (24). The operations in Sweden, Denmark, Norway and Finland showed strong earnings improvements, while results from the operations in Poland declined somewhat due to a weak market. Improved margins, due among other things to greater cost efficiency, and a positive market development contributed to this strong improvement in earnings. Ratos's holding in Dahl amounts to 44% and the consolidated book value was SEK 548m on 31 March.

DataVis

The DataVis Group's sales in the first three months of the year increased by 70% and amounted to SEK 73m (43). This increase was due to acquisitions and greater capacity utilisation. Profit before tax amounted to SEK 1m (-2). Goodwill amortisation of SEK 2m was charged against earnings. The work of efficiency enhancement and rationalisation of DataVis's range of services and organisation continued to have a negative impact on earnings for the first quarter and this will continue in the second quarter as well. Demand for qualified IT services is expected to remain good. The market will be affected, however, by cutbacks in the Ericsson Group. Ratos's holding in DataVis amounts to 44% and the consolidated book value in Ratos is SEK 241m.

Esselte

Strong sales growth in the Nordic countries and in Canada contributed to an improved operating profit for Esselte in the first quarter. Operating profit rose 9% and amounted to SEK 174m (160). Total sales amounted to SEK 2,887m (2,915). This decrease was due to the weaker US economy and the sale of Monti at the end of 2000. Esselte is continuing its efforts to reduce operating expenses throughout the Group. The operating margin for the first quarter was 6% (5.5). Ratos's stake in Esselte amounts to 17% of the capital and 30% of the voting rights. The market value of the Esselte holding was SEK 323m on 31 March.

Exceed

The air and sea freight company Exceed's sales increased to SEK 377m (136) in the first quarter. The increase was mainly attributable to the acquisition of the Conmel unit in 2000. The sales increase for comparable units was 11%. Profit after net financial items amounted to SEK 3m (2). Ratos's holding in Exceed amounts to 100% and the consolidated book value is SEK 105m.

Q-Labs

Development for Q-Labs in the first quarter was below expectations. Revenues rose by 20% and amounted to SEK 58m (50). Operating expenses increased to SEK 61m (42). The operating result before goodwill amortisation deteriorated to a loss of SEK 3.5m (6.4 profit). This decline in profits is due to increased costs in connection with continued expansion and changed conditions for Q-Labs' customers in the telecom sector, in particular the Ericsson Group. Ratos owns 40% of Q-Labs and the consolidated book value in Ratos was SEK 187m on 31 March.

Scandic Hotels

Scandic Hotels' sales amounted to SEK 1,622m (1,270), corresponding to an increase of 28%. This increase is an effect of continued positive market development, extension of Scandic's capacity and a weaker Swedish krona. The majority of Scandic's markets showed continued positive development. The exceptions are Norway, which noted a continued decline in demand, as well as Austria and the

UK. Operating profit increased by 37% to SEK 81m (59), corresponding to an operating margin of 5% (4.6). After the end of the quarter, Ratos sold its entire holding in Scandic Hotels. The exit gain of approximately SEK 1.7 billion will be reported in the six-month report.

Superfos

The Group's core business is now packaging manufacture where Superfos Packaging has a market-leading position in Europe in packaging manufactured from thermoformed plastic. Packaging's sales amounted to DKK 547m (551). Packaging operating profit fell to DKK 52m (75) due to the loss of a major customer in the US, closure of a production unit in the UK and continued high raw material prices. The Group also includes Superfos Aerosol which reported sales of DKK 56m (117) during the period. This decline in sales was due to the sale of units in Sweden and the Netherlands. Since Ratos's consolidation of Superfos includes the acquisition company, interest expenses and goodwill amortisation for the acquisition of Superfos must be added. Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 341m on 31 March.

Telelogic

Telelogic's sales almost quadrupled in the first quarter and reached SEK 375m (103). This growth rate is a result of organic growth, a broader product range, setting up operations in new markets and acquisitions. Licence and maintenance revenues accounted for approximately 64% of sales and consulting revenues for the remainder. The operating loss excluding goodwill amortisation amounted to SEK 75m. The loss after tax amounted to SEK 104m (30 loss). Ratos's holding in Telelogic amounts to 7%. The market value of Ratos's holding in Telelogic was SEK 328m on 31 March.

Telia Overseas

The mobile operator Telia Overseas reported sales of SEK 95m (97) in the first quarter. The total number of subscribers rose by 106,000 and amounted to 946,000 (448,000). At the end of the period the operating profit amounted to SEK 430m (117 loss). Development of subscriber growth and market penetration is good in most of the markets in which the company holds licences today. In February, the holding in the Brazilian company TESS was sold to Telecom Americas. The Slovenian company SI Mobile was sold in March to the Austrian company Mobikom. The Group now includes the subsidiary Suntel Ltd in Sri Lanka and associated companies in Hong Kong, India, Namibia and Uganda.

Accounting principles

This interim report is prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation no. 20 Interim Reports, which applies from 2001.

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 position with the exception of Recommendation no. 9 Income Taxes. This effect has been reported as a changed accounting principle at the beginning of 2000 in accordance with RR 5 Reporting of change of accounting principle. This principle has subsequently been applied.

Otherwise the same accounting principles and calculation methods have been used in this interim report as in the most recent annual report.

Tax

The parent company is taxed according to the rules for investment companies. This means, among other things, that 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 on 31 December 2000. The possibility to offset these against future gains 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 of 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.

Stockholm, 9 May 2001
RATOS AB (publ)

Arne Karlsson
CEO

This report has not been reviewed by the auditors of RatOS AB (publ).

Financial calendar 2001:	
24 August 2001	Six-month report
13 November 2001	Nine-month report

RatOS is a listed private equity company. The business concept is to maximise shareholder value over time by investing in, developing and divesting primarily unlisted companies. RatOS thus offers stock market players a unique investment opportunity. The net asset value of RatOS's investments is approximately SEK 9 billion. RatOS's holdings include Camfil, Capona, Dahl, DataVis, Esselte, Exceed, Industri Kapital, Q-Labs, Superfos, Telelogic and Telia Overseas, as well as the recently acquired former Atle holdings: Arcorus, DIAB, Gadelius KK, Haendig, Haglöfs, Hilding Anders, HL Display, Intervect, Kronans Droghandel, Martinsson Gruppen, Programmera, Sweden On Line and a jointly owned portfolio of small holdings.

Consolidated Profit and Loss Account SEKm	2001 Q1	2000 Q1	2000 full year
Active holdings			
Result from subsidiaries	3	0	14
Exit results, subsidiaries	-	-	-
Share of profits of associated companies	63	44	306
Exit results, associated companies	-	595	638
Exit results, other active holdings	-	-	88
Profit from active holdings	66	639	1 046
Asset management			
Dividends	4	1	103
Capital gains	-27	161	905
Profit/loss from asset management	-23	162	1 008
Central income and expenses			
Management costs	-19	-14	-88
Financial income and expenses	0	1	11
Net expenses	-19	-13	-77
Profit before tax	24	788	1 977
Tax	-29	-25	-89
Profit/loss after tax	-5	763	1 888
Earnings per share, SEK			
- before and after dilution	-0.06	9.38	23.85
Number of shares outstanding			
before and after dilution, (million)			
- at the end of the period	79.1	81.3	79.2
- average	79.1	81.3	80.4

Consolidated Balance Sheet

SEKm	31 March 2001	31 March 2000	31 Dec 2000
ASSETS			
Fixed assets			
Intangible	70	30	75
Tangible	29	20	29
Financial	5,322	5,523	6,684
Total fixed assets	5,421	5,573	6,788
Current assets			
Current receivables	274	120	226
Short-term investments	93	419	81
Cash and bank balances	1,630	337	59
Total current assets	1,997	876	366
Total assets	7,418	6,449	7,154
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	6,814	6,194	6,778
Provisions	42	81	41
Long-term liabilities			
- non-interest-bearing	5	3	5
- interest-bearing	23	-	40
Current liabilities			
- non-interest-bearing	243	143	239
- interest-bearing	291	28	51
Total shareholders' equity and liabilities	7,418	6,449	7,154
Change in Shareholders' Equity			
	2 001 Q1	2 000 Q1	2 000 full year
Opening shareholders' equity according to previously adopted balance sheet	6,780	5,437	5,437
Effect of change of accounting principle in associated companies*	-2	28	28
Opening shareholders' equity adjusted according to the new principle	6,778	5,465	5,465
Dividends paid			-366
Buy-back of own shares	-8		-175
Effect of associated companies' share buy-back	-7		-69
Translation difference, associated companies	59	-34	35
Translation difference, subsidiaries	-3		
Profit/loss after tax for the year/period	-5	763	1,888
Closing shareholders' equity	6,814	6,194	6,778

* The effect shown per 2001 comprises the net effect of the introduction of RR9 on profit after tax 2000, -33, and on shareholders' equity, 31. The effect of the changed accounting principle is based on interim reports provided by associated companies.

Consolidated Cash Flow Statement	2001	2000	2000
SEKm	Q1	Q1	full year
Operating activities			
Consolidated profit before tax	24	788	1,977
Adjustment for items not included in cash flow	-4	-798	-1,863
	20	-10	114
Paid tax	-	-	-3
Cash flow from operating activities before change in working capital	20	-10	111
Cash flow from change in working capital			
Increase (-) in operating receivables	-28	195	165
Decrease (-) in operating liabilities	4	-8	-25
Cash flow from operating activities	-4	177	251
Investing activities			
Divestments, active holdings	-	625	722
Investments, active holdings	-90	-392	-1,319
Divestments, asset management	1,540	532	4,151
Investments, asset management	-91	-446	-3,444
Purchase of other tangible assets	-	-	-12
Cash flow from investing activities	1,359	319	98
Financing activities			
Share buy-back	-8	-	-175
Increase (+) in interest-bearing liabilities	224	-32	24
Dividends paid	-	-	-366
Cash flow from financing activities	216	-32	-517
Cash flow for the period	1,571	464	-168
Liquid assets, opening balance	59	227	227
Liquid assets, closing balance	1,630	691	59
	2001	2000	2000
Consolidated Key Figures	Q1	Q1	full year
Return on equity, %	-	-	31
Return on capital employed, %	-	-	32
Equity ratio, %			
- visible	92	96	95
- including hidden reserve	94	98	96
Net receivable (+), SEKm	1,312	650	-35
Key Figures per share			
Total return, %	5	13	16
Earnings, SEK	-0.06	9.38	23.85
Dividend paid, SEK	-	-	5.50
Market price, SEK	83.00	81.00	79.00
Yield, %	-	-	7.0
Net asset value, SEK ¹	113	128	125
Number of shares outstanding	79,058,626	81,320,426	79,155,626
Average number of shares ²	79,074,637	81,320,426	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 March 2001, Ratios had repurchased 2,261,800 shares.