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## INTERIM REPORT January-March 2003

LISTEN TO CEO ARNE KARLSSON'S COMMENTS ON THIS REPORT [www.ratos.se](http://www.ratos.se)  
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- Good earnings trend in underlying portfolio
- Refinancing of Dahl released SEK 928m
- Pre-tax profit SEK 21m (45)
- Strong financial position

### Important events

At year-end 2002, a new capital structure was created in Dahl. Refinancing of owners' holdings in Dahl released a total of SEK 2.1 billion. In February 2003, Ratos received a cash payment of SEK 928m but still has a 41% stake in the company. This refinancing was made possible by the highly positive development of Dahl's cash flow and operations in recent years.

After the end of the period, Giga Consulting sold its Windows infrastructure and project management operations to Martinsson. Starting in the second quarter, Giga Consulting will no longer be reported as one of the holdings in Ratos's portfolio. The number of holdings will then total 20.

The Annual General Meeting held on 9 April 2003 decided on a dividend of SEK 6.75 per share, representing a total amount of SEK 531m. The parent company's liquid assets amounted to SEK 1,359m adjusted for dividends paid in April.

### Business environment and market

The global economy continued to show weak development in the first quarter of 2003, although there are still major differences between regions and sectors. Despite this, Ratos's holdings overall showed a satisfactory earnings trend.

Combined sales for the underlying portfolio at the end of the period rose 3% compared with the first quarter of the previous year. Taking Ratos's different ownership stakes into account, sales rose 4%. The corresponding changes in operating profit (EBITA = profit before net financial items, tax and goodwill amortisation) were +1% and +9% respectively, while profit before tax (EBT) increased by +49% (Ratos's share from loss to profit).

These improved figures, particularly at EBT level, should not be over-interpreted for a number of reasons:

- Since some of Ratos's largest earnings contributors – primarily Arcorus, Dahl, Lindab and, to some extent, Hilding Anders – have most of their earning capacity after the first quarter, the absolute numbers are still relatively small and can lead to large percentage differences.
- Earnings in 2003 were impacted by the Easter effect, since Easter was in March in 2002 and in April in 2003, which meant more working days in the first quarter of 2003 and therefore had a positive net effect on the portfolio companies' operations.

This positive earnings performance was achieved despite many of the holdings operating in a tough market. In several of the companies this is due to the fact that the extensive action programmes initiated in 2001 and 2002 have had the desired impact, although the full effect of rationalisation measures taken in several companies will not be achieved until 2004.

Ratos's basic scenario for the economy in the immediate future is a continued, subdued upturn.

To facilitate analysis an extensive table is provided on page 18 with key figures for all the holdings. A summary of profit and loss accounts and balance sheets for Ratos's unlisted associated companies and subsidiaries is available at [www.ratos.se](http://www.ratos.se) in downloadable Excel files.

### Ratos's results

The Group's profit before tax amounted to SEK 21m (45). This result includes profits from the holdings of SEK 21m, of which exits accounted for SEK 8m (70, of which exits SEK 49m). The exit gain of SEK 8m is attributable to capital gains from the holdings in Industri Kapital.

#### Goodwill

Total goodwill amortisation – including Ratos's share of holdings' goodwill – amounted to SEK 77m (81).

SEKm	2003 Q 1	2002 Q 1
Profit before tax and goodwill amortisation(EBTA)	98	126
Total goodwill amortisation	-77	-81
Profit before tax (EBT)	21	45

#### Central income and expenses

Ratos's net expenses amounted to SEK 0m (-25), of which personnel costs amounted to SEK 11m (7). Other management costs, including costs for acquisition and exit processes, amounted to SEK 10m (12). Net financial items amounted to SEK 21m (-6).

#### Tax

Ratos's consolidated tax expense currently comprises subsidiaries' and Ratos's share of tax in associated companies. The high tax rate in the consolidate profit and loss account is due to goodwill amortisation, which is not deductible for tax purposes.

**Ratos's results, 31 March 2003**

SEKm	Ratos's holding, %	Profit/share of profits Q 1 2003	Of which Ratos's goodwill amortisation Q 1 2003	Profit/share of profits Q 1 2002
Arcorus	77	3	-2	-4
Atle Industri	50	5	-2	-14
Camfil	30	2	-2	4
Capona	49 <sup>1)</sup>	10	-	10
Dahl	41	13	7	13
DataVis	44	0	-	0
DIAB	48	-3	-7	0
Dynal Biotech	25	6	-	4
Gadelius	50	1	-	-2
Giga Consulting	39	-1	-	-2
Haendig	49	1	-1	-2
Haglöfs	100	0	-	-1
Hilding Anders	27	22	-1	18
HL Display	29	0	-2	2
Intervect	50	-16	-1	1
Lindab	48	-22	-	-18
Martinsson	50	-2	-	-1
Overseas Telecom	9	-	-	-
Q-Labs	48	-1	-	-5
Superfos	33	-5	-	0
Esselte				24
Exceed				-5
Kronans Droghandel				-1
<b>Total profit/share of profits</b>		<b>13</b>	<b>-11</b>	<b>21</b>
Exit gains				
Industri Kapital		8		
Hilton				49
<b>Total exit gains</b>		<b>8</b>		<b>49</b>
<b>Profit from holdings</b>		<b>21</b>		<b>70</b>
Net expenses		0		-25
<b>Consolidated profit before tax</b>		<b>21</b>		<b>45</b>

<sup>1)</sup> Excluding share buy-backs.

**Financial position**

Cash flow from operating activities and investing activities was SEK 952m (490) and the Group's liquid assets at 31 March totalled SEK 1,989m (1,084 at 31 December 2002), of which short-term fixed-income investments comprised SEK 1,805m.

**Ratos shares**

Earnings per share amounted to SEK -0.13 (-0.03). A dividend of SEK 6.75 per share was paid in April 2003. The total return on Ratos shares amounted to -2%. The SIX Return Index amounted to -7% in the same period.

**Share buy-backs**

The 2003 Annual General Meeting gave the Board a mandate to acquire up to 7% of the company's shares until the next Annual General Meeting on 1 April 2004. Share repurchases are to be effected on the Stockholm Stock Exchange (Stockholmsbörsen). 5,000 Ratos shares have been repurchased in 2003. Since 2000, a total of 2,679,986 B shares have been repurchased, of which 657,800 have been cancelled. Ratos thus owns 2,022,186 B shares, which corresponds to 2.6% of the total number of shares outstanding.

**Reported net asset value (NAV)**

SEKm	31 March 2003	% of NAV
Arcorus	505	6
Atle Industri	464	6
Camfil	441	5
Capona	428	5
Dahl	-104 <sup>1)</sup>	-1
DataVis	10	0
DIAB	653	8
Dynal Biotech	303	4
Gadelius	116	1
Giga Consulting	1	0
Haendig	176	2
Haglöfs	111	1
Hilding Anders	475	6
HL Display	162	2
Industri Kapital	472	6
Intervect	191	2
Lindab	1,051	13
Martinsson	151	2
Overseas Telecom	64	1
Q-Labs	44	1
Superfos	355	4
Total holdings	6,069	74
Share trading	41	0
Parent company's property	60	1
Liquid assets/liabilities (net) in central companies	1,973	25
<b>Net asset value (NAV)</b>	<b>8,143</b>	<b>100</b>
<b>NAV per share<sup>2)</sup></b>	<b>103</b>	

<sup>1)</sup> After refinancing of holding.

<sup>2)</sup> Number of shares outstanding at 31/3 was 78,720,440.

**Net asset value**

At 31 March 2003, Ratos reported a net asset value (NAV) of SEK 8,143m corresponding to SEK 103 per share (106 at 31 December 2002). The calculation of net asset value is based on the consolidated book value of the unlisted holdings and the market value of the listed holding. The unlisted holdings in Industri Kapital's funds are reported at the market value estimated by Industri Kapital.

**Parent company**

The parent company's pre-tax profit amounted to SEK 35m (62). The parent company's liquid assets including short-term investments amounted to SEK 1,890m (984 at 31 December 2002). Interest-bearing liabilities amounted to SEK 135m (234 at 31 December 2002).

**Credit facilities**

The parent company has a five-year loan facility which amounts to SEK 1.3 billion including an overdraft facility. Normally, the parent company should be unleveraged. The purpose of the facility is to be able to use it when bridging financing is required for acquisitions, and to be able to finance dividends and day-to-day operating costs in periods of few or no exits.

### Accounting principles

This interim report is prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20. The Group applies the Council's recommendations with effect from 2003. These have not had any effect on the Group's interim report. Otherwise, the Group applies the same accounting principles and calculation methods as those used in the 2002 Annual Report.

#### Segment reporting according to RR25

The business conducted by Ratos means that Ratos owns 15-20 holdings. Holdings are normally 20-50% and the ownership period is 3-7 years. Ratos is sector-neutral with the Nordic region as its base.

Operations are controlled and reported based on the holdings contained in Ratos's portfolio. Both internal and external accounts present the earnings and consolidated value according to the equity method of each holding. In addition, information about the company is reported for each holding.

#### Dilution effect of options

The dilution effect of share option programmes on earnings per share is calculated on the basis of net profit after tax divided by the present number of shares, and with an estimated number of shares taking outstanding options into account. Calculation of the number of shares is based on the difference between the discounted exercise price for all outstanding options and the present market value of a corresponding number of shares. This difference corresponds, at the present market price for Ratos shares, to a certain number of shares. These shares, together with the present number of shares, provide an estimated number of shares which is used to obtain the dilution effect. (According to RR18, Earnings per share.)

### Decisions at Annual General Meeting, etc.

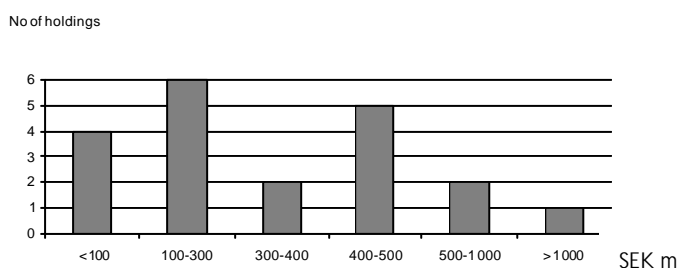
Ratos's Annual General Meeting held in Stockholm on 9 April approved the dividend of SEK 6.75 per share (6.25). Olof Stenhammar (Chairman), Lars Berg, Peggy Bruzelius, Göran Grosskopf, Arne Karlsson (CEO), Jan Söderberg and Per-Olof Söderberg were re-elected as members of the Board. Björn Fernström was newly elected as auditor and Per Hedström was newly elected as deputy auditor for the period until the 2007 Annual General Meeting has been held. Auditor Thomas Thiel and deputy auditor Helene Willberg were elected at the 2002 Annual General meeting until the 2006 Annual General Meeting has been held.

The Meeting resolved that a conversion clause allowing conversion of A shares to B shares is to be added to the articles of association. This means that owners of A shares have an ongoing right to carry out a conversion to B shares.

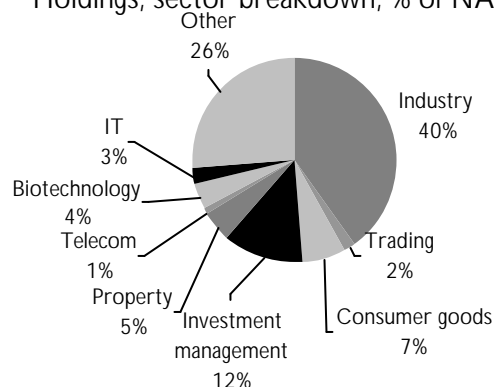
The Meeting also resolved to issue a maximum of 510,000 call options on shares already issued. The call options will be offered to a maximum of 20 key people.

After publication of the 2002 Annual Report, the terms regarding remuneration to the CEO have been changed. With effect from 1 January 2003 a basic salary of approximately SEK 3.8m will be paid. Pension premiums will be paid with 20% of basic salary and the pensionable portion of variable remuneration. The CEO's right to trigger severance pay in the event of a change of owner has been removed.

#### Holdings, size breakdown, NAV



#### Holdings, sector breakdown, % of NAV



## Holdings

### Arcorus

- Sales SEK 323m (306) and EBITA SEK 15m (2)
- Strong earnings improvement for Hägglunds Drives while GS Hydro's profits weakened somewhat
- Weak demand in North America, Japan and France was compensated by good sales in most other European markets

*Arcorus is a group comprising the subsidiaries Hägglunds Drives, GS Hydro and Lidan Marine. The subsidiaries are leading international suppliers of complete hydraulic drive systems, hydraulic motors and piping systems. The main customer base is in the industrial, marine and offshore segments.*

Ratos's holding in Arcorus at the end of the period was 77% and the consolidated book value in Ratos was SEK 505m at 31 March 2003.

### Atle Industri

- Sales SEK 621m (528) and EBITA SEK 29m (-7)
- Earnings recovery in most companies due to completed action programmes and strong sales trend in the largest unit, Envac

*Atle Industri comprises a portfolio of 16 companies, of which 14 are wholly owned. The portfolio was created when Ratos acquired Atle. The companies in the portfolio operate in the engineering industry, and the trading, waste management and IT/technology sectors. Seven of the companies account for more than three-quarters of Atle Industri's consolidated book value in Ratos. These are Elpress (electrical connectors), Envac (waste management systems), Moving (materials handling systems), Nordhydraulic (hydraulic valves), Näsström (hydraulic products wholesaler), Pressmaster Tool (crimping tools) and Tempcold (distributes cooling products).*

Ratos's holding in Atle Industri amounts to 50% and the consolidated book value in Ratos was SEK 464m at 31 March 2003.

### Camfil

- Sales SEK 658m (759) and EBITA SEK 34m (49)
- Lower sales due to sale of Engine and currency effects
- Excluding a non-cash flow affecting, non-recurring expense of SEK 10m, the operating margin improved to 6.7% (6.5)
- Continued weak demand in cleanroom segment

*Camfil is a world leader in clean air technology and air filters. The Group's products and services contribute to a good indoor climate and protect sensitive manufacturing processes and the surrounding environment. Manufacture takes place on three continents and the Group is represented by subsidiaries and agents in some 55 countries.*

Ratos's holding in Camfil is 30% and the consolidated book value was SEK 441m at 31 March 2003.

### Capona

- Rental income SEK 70m (69) and EBITA SEK 43m (42)
- Continued weak development in Sweden, Norway and Denmark, while Finland is stable
- Successful sale of property in Trondheim, capital gain SEK 10m

*Capona, which owns and actively manages hotel properties, is one of the leading hotel property companies in the Nordic region. The portfolio comprises some 40 properties, mostly located in Sweden. Capona is listed on the Stockholm Stock Exchange.*

Ratos's holding in Capona amounts to 49%. The market value of the Capona holding was SEK 428m at 31 March 2003.

#### Dahl

- Sales SEK 2,863m (2,620) and EBITA SEK 109m (72)
- Refinancing of owners' holdings where Ratos released SEK 928m through a new capital structure at year-end 2002
- Higher market shares in stable markets
- Positive earnings impact from efficiency enhancement measures
- Cash flow remains positive SEK +179m

*Dahl is the Nordic region's leading wholesaler and trading company for products within heating, ventilation & sanitation. The Group has operations in Denmark, Sweden, Norway, Finland, Poland and Estonia. Dahl is the market leader in Sweden, Denmark, Norway and Poland, and number two in Finland and Estonia.*

Ratos's holding in Dahl amounts to 41% and the consolidated book value of the holding, following refinancing, was SEK -104m at 31 March 2003.

#### DataVis

- Sales SEK 41m (54) and EBITA SEK 2m (0)
- Convertible debenture loan matures – Ratos received SEK 63m
- Satisfactory earnings despite weak market

*DataVis is a Swedish IT company that offers qualified solutions within systems development, systems integration and technical development. The largest offices are in Sundsvall, Stockholm and Gothenburg/Malmö.*

Ratos's holding in DataVis amounts to 44% and the consolidated book value was SEK 10m at 31 March 2003.

#### DIAB

- Sales SEK 167m (173) and EBITA SEK 10m (16)
- The sales decline was mainly due to delivery problems to one major customer
- New CEO– Anders Paulsson – took over on 1 January 2003
- Extensive action programme initiated within production and logistics

*DIAB is a world-leading niche company within the manufacture of sandwich products based on composite materials. Key applications are hulls and decks for large pleasure boats, blades 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 653m at 31 March 2003.

#### Dynal Biotech

- Sales SEK 163m (152) and EBITA SEK 49m (47)
- Stable growth with good profitability
- Continued focus on R&D – new Chief Scientific Officer (CSO) employed

*The Norwegian company Dynal Biotech is a world leader in research, development and production of magnetic and non-magnetic micro particles, Dynabeads® and Dynaspheres®. 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 303m at 31 March 2003.

#### Gadelius

- Sales SEK 166m (209) and EBITA SEK 6m (6)
- Continued weak Japanese economy with low industrial activity had negative impact on sales
- Positive development within service and aftermarkets while demand for investment goods was lower
- Cash flow remains strong, SEK +23m

*Gadelius is a technology oriented, modern distributor of selected high-tech products for professional niche markets in Japan and Europe. Customers include the IT, medical technology, construction, packaging, food and engineering/electronics industries.*

Ratos's holding in Gadelius amounts to 50% via a Dutch holding company. The consolidated book value in Ratos was SEK 116m at 31 March 2003. This value excludes the holding company.

#### Giga Consulting

- Operations within Windows infrastructure and project management sold to Martinsson after the end of the period

Ratos's holding in Giga Consulting amounted to 39% at 31 March 2003 and the consolidated book value in Ratos on the same date was SEK 1m. With effect from the second quarter of 2003, Giga Consulting will no longer be reported as a holding in Ratos's portfolio.

*Giga Consulting is a Stockholm-based IT consulting company focused on IT infrastructure. The company works within three competence areas: Windows infrastructure, Internet infrastructure and Project management.*

#### Haendig

- Sales SEK 275m (288) and EBITA SEK 10m (6)
- Weak market situation explains slightly lower sales
- Improved earnings due to better gross margins and completed action programmes
- Acquisition of trading company Bevini AB

*Haendig is an active owner of small and medium-sized wholesalers with a focus on the DIY market and the professional sector in the Nordic region. The Group includes the subsidiaries HDF-Bolagen, Markt, Hafa, Duri, Sven Svenssons and Penope.*

Ratos's holding in Haendig amounts to 49% and the consolidated book value in Ratos was SEK 176m at 31 March 2003.

#### Haglöfs

- Sales SEK 88m (73) and EBITA SEK 1m (1)
- Continued success in export markets and Textiles
- Sales unit in Germany incorporated

*Haglöfs develops, produces and markets equipment and clothing for an active outdoor life. The product range includes rucksacks, sleeping bags, tents, footwear and clothes. The Group is market leader in Sweden and also holds strong positions in the other Nordic countries.*



Ratos's holding in Haglöfs amounts to 100% and the consolidated book value in Ratos was SEK 111m at 31 March 2003.

#### Hilding Anders

- Sales SEK 917m (884) and EBITA SEK 118m (121)
- New CEO – Anders Pålsson – took over on 1 January 2003
- Unchanged market share in stable market
- Continued good margins
- Focus on efficiency enhancement measures within purchasing and production

*Hilding Anders is one of Europe's largest bed manufacturers. The Group has expanded considerably in recent years through organic growth and acquisitions and has its own operations in 14 European countries. Products are marketed under different national brands and as private labels.*

Ratos's holding in Hilding Anders amounts to 27% and the consolidated book value in Ratos was SEK 475m at 31 March 2003.

#### HL Display

- Sales SEK 286m (284) and EBITA SEK 8m (19)
- Weak development of operating profit mainly due to lower growth than planned
- Production in Lesjöfors relocated to Falkenberg
- Cash flow remains good, SEK +17m

*HL Display is among Europe's leading suppliers of products and systems for merchandising and in-store communication. The company has sales companies in 24 countries. Manufacture takes place in Sweden, the UK and the US. HL Display is listed on the Stockholm Stock Exchange.*

Ratos's holding in HL Display amounts to 29%. The market value of Ratos's holding in HL Display was SEK 162m at 31 March 2003.

#### Industri Kapital

- Completion of sale of Paroc Group provided Ratos with a capital gain of SEK 8m

*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 more than 40 investments in four funds within different sectors in Europe, mainly in the engineering, wholesale & retail and service industries. Ratos has invested in four funds: 1989, 1994, 1997 and 2000.*

The market value of Ratos's holding in Industri Kapital amounts to SEK 472m where the value of unlisted holdings is based on Industri Kapital's own calculations.

#### Intervect

- Sales SEK 232m (277) and EBITA SEK -4m (9)
- New CEO – Petter Arvidsson – took over on 1 May 2003
- Lower earnings attributable to continued weak market
- Improved order bookings during the period

*Intervect is a world leader in development, manufacture and sales of rack and pinion driven equipment for vertical access – hoists and platforms for customers in the construction, offshore and other industries. The company was formed in 2001 when the Swedish company Alimak acquired the Dutch company HEK International.*

Ratos's holding in Intervect amounts to 50% and the consolidated book value in Ratos was SEK 191m at 31 March 2003.

#### Lindab

- Sales SEK 1,158m (1,152) and EBITA SEK 9m (29)
- New CEO – Kjell Åkesson – took over on 1 January 2003
- Low activity in construction industry and cold winter had negative impact on sales
- Investment in production facilities in the Czech Republic, operations to start in 2004

*Lindab is a world leader in circular ventilation ducts and accessories and is also a leading manufacturer of thin sheet-metal building materials. Production takes place in 21 countries and is concentrated to thin sheet-metal products. Approximately 70% of sales go to countries outside Sweden. In 2001, 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 buy-out company, Lindab Intressenter.*

Ratos's holding in Lindab amounts to 48% and the consolidated book value in Ratos was SEK 1,051m at 31 March 2003.

#### Martinsson

- Sales SEK 280m (126) and EBITA SEK 1m (-1)
- Stronger market position in continued weak market
- Acquisition of parts of Giga Consulting's operations completed after end of period

*Martinsson is a nationwide player within server and server-related services. The company offers its own consulting services and products from world-leading suppliers.*

Ratos's holding in Martinsson amounts to 50% and the consolidated book value in Ratos was SEK 151m at 31 March 2003.

#### Overseas Telecom

- Favourable development in portfolio companies
- Total number of subscribers rose 38% compared with the first quarter of 2002

*Overseas Telecom acquires, develops and sells telecom licences, primarily for mobile telephony, and communications networks in developing countries. Portfolio companies are located in Sri Lanka, India, Hong Kong, Uganda and Namibia.*

Ratos's holding in Overseas Telecom amounts to 9% and the consolidated book value in Ratos was SEK 64m at 31 March 2003.

#### Q-Labs

- Sales SEK 30m (50) and EBITA SEK -2m (-6)
- Lower sales due to closure of the UK operations in 2002
- Stable development in France while the German market remains weak

*Q-Labs is a consulting company that provides services for quality assurance of software development processes. The company has operations in Europe and the US.*

Ratos's holding in Q-Labs amounts to 48% and the consolidated book value in Ratos was SEK 44m at 31 March 2003.

#### Superfos

- Sales SEK 806m (848) and EBITA 32m (62)

- Rising raw material prices and higher freight costs due to relocation of manufacture and closure of production units affected earnings for the Packaging business area
- Delayed official approval of a new product had a negative impact on the Aerosols business area
- Good earnings development for USA Division following action taken

*Superfos is a Danish international group with operations in 15 countries. Operations comprise two areas. Superfos Packaging develops, produces and sells thermoformed plastic packaging to the food, chemical-technical and pharmaceutical industries. Superfos Aerosols offers contract filling of aerosols.*

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 355m at 31 March 2003.

Stockholm, 12 May 2003  
Ratos AB (publ)

Arne Karlsson  
CEO

This report has not been reviewed by Ratos's auditors.

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Financial calendar

Interim report Jan-June      27 August 2003

Interim report Jan-Sept      12 November 2003

**Consolidated profit and loss account**

SEKm	2003 Q 1	2002 Q 1	2002 Full year
<b>Holdings</b>			
Profit/loss from subsidiaries	3	-6	71
Exit gains, subsidiaries	-	-	90
Share of profits of associated companies	10	27	326
Exit gains, associated companies	-	-	206
Write-downs, associated companies	-	-	-45
Dividends, other companies	0	-	14
Exit gains, other holdings	8	49	68
Profit from holdings	21	70	730
<b>Central income and expenses</b>			
Management costs	-21	-19	-109
Financial items	21	-6	13
Net expenses	0	-25	-96
Profit before tax	21	45	634
Tax	-31	-47	-262
Minority share of net profit	0	-	-9
Loss/profit after tax	-10	-2	363
Earnings per share, SEK			
- before and after dilution	-0.13	-0.03	4.60
Number of shares outstanding (millions)			
- average before dilution	78.6	79.0	78.9
- average after dilution	78.8	79.0	78.9
- at the end of the period	78.7	79.0	78.6

**Consolidated balance sheet**

SEKm	31/03/2003	31/03/2002	31/12/2002
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible	330	124	335
Tangible	214	44	224
Financial	5,188	7,270	5,375
<b>Total fixed assets</b>	<b>5,732</b>	<b>7,438</b>	<b>5,934</b>
<b>Current assets</b>			
Inventories	392	83	363
Current receivables	660	426	1,522
Short-term investments, equities	29	70	22
Short-term investments, other	1,805	-	911
Cash and bank balances	184	614	173
<b>Total current assets</b>	<b>3,070</b>	<b>1,193</b>	<b>2,991</b>
<b>Total assets</b>	<b>8,802</b>	<b>8,631</b>	<b>8,925</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	7,946	8,101	8,037
Minority interests	115	-	118
Provisions	83	15	85
Long-term liabilities			
- non-interest bearing	3	6	3
- interest-bearing	85	73	69
Current liabilities			
- non-interest bearing	349	249	319
- interest-bearing	221	187	294
<b>Total shareholders' equity and liabilities</b>	<b>8,802</b>	<b>8,631</b>	<b>8,925</b>
<b>Changes in shareholders' equity</b>			
	2003	2002	2002
	Q 1	Q 1	Full year
Opening shareholders' equity according to previously adopted balance sheet	8,037	8,177	8,177
Dividends paid	-	-	-493
New issue	6	-	-
Buy-back of own shares	0	-	-27
Option premiums	-	-	6
Effect of associated companies' buy-back of own shares	-	-	1
Translation difference in associated companies and subsidiaries	-92	-74	-46
Effect of hedging	5	-	10
Accumulated translation difference in sold associated companies	-	-	46
Net profit for the period/year	-10	-2	363
<b>Closing shareholders' equity</b>	<b>7,946</b>	<b>8,101</b>	<b>8,037</b>

**Consolidated cash flow statement**

SEKm	2003 Q 1	2002 Q 1	2002 Full year
<b>Operating activities</b>			
Consolidated profit before tax	21	45	634
Adjustment for items not included in cash flow	23	-35	-480
	44	10	154
Paid tax	-20	0	-29
Cash flow from operating activities before change in working capital	24	10	125
Cash flow from change in working capital			
Decrease (+) in inventories	-27	-7	36
Increase (-) in operating receivables	-33	-37	-9
Decrease (-) in operating liabilities	29	7	-32
Cash flow from operating activities	-7	-27	120
<b>Investing activities</b>			
Acquisition of subsidiaries	-	-	-381
Sale of subsidiaries	-	-	142
Sale, holdings	76	614	1,932
Purchases, holdings	-185	-93	-369
Purchases of other tangible fixed assets	-5	-3	-25
Change, financial assets	1,073	-1	211
Cash flow from investing activities	959	517	1,510
<b>Financing activities</b>			
Buy-back of own shares	0	-	-27
Decrease (-) in interest-bearing liabilities	-47	67	-83
Dividends paid	-	-	-493
Cash flow from financing activities	-47	67	-603
Cash flow for the period	905	557	1,027
Cash and cash equivalents, opening balance	1,084	57	57
Cash and cash equivalents, closing balance	1,989	614	1,084

**Consolidated key figures**

	2003 Q 1	2002 Q 1	2002 Full year
Return on equity, %			4,5
Equity ratio, %			
- visible	92	94	90
- including hidden reserve	92	94	90
Interest-bearing receivable (+) <sup>1)</sup>	1,902	427	1,882

**Key figures per share**

Total return, %	-2	24	8
Earnings, SEK	-0.13	-0.03	4.60
Dividend paid, SEK	-	-	6.75
Market price, SEK	93.50	116.00	95.50
Yield, %	-	-	7,1
Net asset value, SEK <sup>2)</sup>	103	109	106
Number of shares outstanding	78,720,440	78,958,226	78,645,440
Average number of shares before dilution <sup>3)</sup>	78,644,384	78,958,226	78,867,216
Average number of shares after dilution <sup>3)</sup>	78,810,256	78,958,226	78,867,216

<sup>1)</sup> Excluding receivable from Woodrose relating to planned transfer of Atle companies.

<sup>2)</sup> Unlisted associated companies are included in NAV at consolidated book values.

<sup>3)</sup> Taking share buy-backs and new issue into account.

**Parent company profit and loss account**

SEKm	2003 Q 1	2002 Q 1	2002 Full year
<b>Holdings</b>			
Exit gains, subsidiaries	-	-	8
Dividends, associated companies	11	10	49
Exit gains, associated companies	0	-	569
Write-downs, associated companies	-	-	-356
Dividends, other companies	0	-	14
Exit gains, other holdings	8	48	68
Profit from holdings	19	58	352
<b>Central income and expenses</b>			
Management costs	-19	-16	-103
Financial items	35	20	99
Net expenses	16	4	-4
Profit before tax	35	62	348
Tax	-	-	-
Profit after tax	35	62	348

**Parent company balance sheet**

SEKm	31/03/2003	31/03/2002	31/12/2002
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible	17	17	17
Financial	5,859	7,549	5,930
Total fixed assets	5,876	7,566	5,947
<b>Current assets</b>			
Current receivables	290	258	1,189
Short-term investments	1805	-	911
Cash and bank balances	85	591	73
Total current assets	2,180	849	2,173
Total assets	8,056	8,415	8,120
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
Shareholders' equity	7,887	8,077	7,846
Provisions	6	3	6
Long-term liabilities			
- non-interest bearing	2	3	3
- interest-bearing	125	140	144
Current liabilities			
- non-interest bearing	32	13	37
- interest bearing	4	179	84
Total shareholders' equity and liabilities	8,056	8,415	8,120



**Parent company cash flow statement**

SEKm	2003 Q 1	2002 Q 1	2002 Full year
<b>Operating activities</b>			
Profit before tax	35	62	348
Adjustment for items not included in cash flow	-8	-49	-285
	27	13	63
Paid tax	-		0
Cash flow from operating activities before change in working capital	27	13	63
Cash flow from change in working capital			
Increase (-) in operating receivables	-14	-15	-69
Increase (+) in operating liabilities	-5	-10	13
Cash flow from operating activities	8	-12	7
<b>Investing activities</b>			
Acquisition of subsidiaries	-		-462
Sales of subsidiaries	-		156
Sales, holdings	76	614	2,870
Purchases, holdings	-185	-93	-369
Purchases of other tangible fixed assets	0		-3
Sales, financial assets	1,100	22	-668
Cash flow from investing activities	991	543	1,524
<b>Financing activities</b>			
Buy-back of own shares	0		-28
Decrease (-) in interest-bearing liabilities	-99	37	-49
New issue	6	-	-
Dividends paid	-	-	-493
Cash flow from financing activities	-93	37	-570
Cash flow for the period	906	568	961
Cash and cash equivalents, opening balance	984	23	23
Cash and cash equivalents, closing balance	1,890	591	984

## Ratos's holdings at 31 March 2003

SEKrm	NET SALES			EBITA			EBT			Items affecting comparability		Q 1												
	Q 1-03	Q 1-02	2002	Q 1-03	Q 1-02	2002	Q 1-03	Q 1-02	2002	Q 1-03	Q 1-02	Goodwill amortisation	Other depreciation	Investments	Cash flow *	Shareholders' equity	Interest-bearing net debt	Goodwill	Average no. employees *	Consolidated value	Investment year	Total invested	Ratos's holding, %	
Arcorus	323	306	1 456	15	2	109	5	-5	87	0	0	3	9	5	9	499	187	132	788	505	2001	462	77	
Atle Industri <sup>1)</sup>	621	528	2 454	29	-7	67	16	-20	17	0	0	9	9	n/a	n/a	654	177	153	1 430	464	2001	616	50	
Canfil	658	759	2 960	34	49	250	13	21	149	-10	0	12	20	44	-21	1 045	669	732	2 635	441	2000	450	30	
Capona	70	69	297	43	42	213	22	22	128	0	0	0	8	16	-7	847	1 410	0	140	224	1998	224	49	
Dahl <sup>2)</sup>	2 863	2 620	12 063	109	72	632	14	-21	220	-3	0	40	28	26	179	1 462	3 183	2 837	3 300	-104	1999	neg	41	
DataVis	41	54	192	2	0	-23	1	-1	-26	0	0	1	1	0	-4	51	-6	36	211	10	2000	191	44	
DIAB <sup>3)</sup>	167	173	694	10	16	48	8	14	41	0	0	0	9	6	-11	290	138	1	665	653	2001	688	48	
Dynal <sup>4)</sup>	163	152	606	49	47	168	19	16	-11	0	0	24	6	13	15	1 144	511	1 243	283	303	2001	292	25	
Gadelius <sup>5)</sup>	166	209	812	6	6	1	4	2	-11	0	0	2	1	0	23	136	199	43	183	116	2001	140	50	
Giga Consulting <sup>6)</sup>	13	34	93	-1	-2	-28	-1	-4	-34	0	0	0	0	0	n/a	-5	2	4	49	1	2001	111	39	
Haendig <sup>7)</sup>	275	288	1 241	10	6	58	3	-1	24	0	0	3	4	6	-41	208	399	121	410	176	2001	169	49	
Hagljos	88	73	306	1	1	14	0	0	9	0	0	0	1	0	-25	55	76	4	110	111	2001	104	100	
Hilding Anders <sup>7)</sup>	917	884	3 656	118	121	529	80	74	365	0	0	22	18	30	68	1 401	1 360	1 143	2 414	475	2001	378	27	
HL Display	286	284	1 154	8	19	78	6	14	65	0	0	1	11	n/a	17	307	-	3	925	229	2001	229	29	
Intervect <sup>8)</sup>	232	277	1 120	-4	9	-5	-10	3	-31	0	0	1	10	23	-36	276	403	44	840	191	2001	227	50	
Lindab	1 158	1 152	5 235	9	29	326	-46	-37	83	0	0	29	43	23	-201	2 180	2 144	1 935	3 766	1 051	2001	1 061	48	
Martinson	280	126	856	1	-1	14	-3	-2	2	0	0	5	1	0	-47	225	-21	130	353	151	2001	156	50	
Overseas Telecom	81	97	392	49	36	200	34	41	104	0	0	0	20	n/a	n/a	1 205	-450	3	389	64	1996	64	9	
Q-Labs	30	50	187	-2	-6	-20	-1	-5	-23	0	0	0	1	n/a	n/a	84	-63	0	151	44	2000	188	48	
Superfos <sup>9)</sup>	806	848	3 413	32	62	139	-14	8	-65	-1	4	14	64	63	-46	1 020	2 179	964	2 359	355	1999	485	33	
<b>Total <sup>10)</sup></b>	<b>9 157</b>	<b>8 886</b>	<b>38 795</b>	<b>469</b>	<b>465</b>	<b>2 570</b>	<b>116</b>	<b>78</b>	<b>989</b>															
<b>Change</b>	<b>3%</b>			<b>1%</b>			<b>49%</b>																	

<sup>1)</sup> Atle Industri is not a legal group.

<sup>2)</sup> Dahl's EBT figures for Q1 2002 and the full year 2002 are calculated on a pro forma basis. Earnings were charged with goodwill amortisation and financial expenses for the new group which was formed at year-end 2002.

<sup>3)</sup> The planned transfer of the holding from Atle to Ratos had not been carried out at the end of the year, since the conditions for the transfer had not yet been met.

<sup>4)</sup> Changed accounting principles. Comparative figures have been adjusted on a pro forma basis.

<sup>5)</sup> Gadelius is owned via a Dutch holding company. These figures exclude the holding company.

<sup>6)</sup> Giga Consulting's figures for the previous year pertain to Yarrow.

<sup>7)</sup> Changed accounting principles. Comparative figures have been adjusted.

<sup>8)</sup> Adjusted year-end accounts 2002.

<sup>9)</sup> Comparative figures for Superfos include purchase of Jotipac from 1 January 2002.

<sup>10)</sup> Excluding Overseas Telecom which is not an associated company.

\* Cash flow refers to cash flow from operating and investing activities.

\* Average number of employees as of 2002.