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INTERIM REPORT January-June 2003

LISTEN TO CEO ARNE KARLSSON'S COMMENTS ON THIS REPORT www.ratos.se
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- Holding in Capona sold – exit gain SEK 195m
- Refinancing of Dahl released SEK 928m
- Pre-tax profit SEK 315m (397)
- Earnings per share SEK 2.83 (3.41)

Important events

During the period Ratos sold its entire holding in Capona for a total of SEK 512m. Most of the shares were purchased by Choice Hotels Sweden. The definite exit gain amounts to SEK 195m (initially estimated at SEK 172m). In connection with this deal Ratos acquired 2 million shares in Choice Hotels Scandinavia for SEK 56m.

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, 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.

Giga Consulting sold its Windows infrastructure and project management operations to Martinsson. Starting in the second quarter, Giga Consulting is no longer reported as a holding in Ratos's portfolio. The number of holdings thereafter amounts to 19.

Lindab made a decision to set up manufacturing operations in the Czech Republic in response to growing demand in central and eastern Europe. The new production facility is expected to go into operation during 2004.

After the end of the period, Ratos received a dividend of SEK 56m from Arcorus.

Business environment and market

The modest upturn in the global economy continued in the first half of 2003. However, in view of the exposure to different regions and sectors which exists in Ratos's current combination of holdings, the weaker trend that started at the end of the first quarter continued at the beginning of the second quarter. Some recovery was noted, however, particularly in June.

The general economic trend is also reflected in the overall earnings trend for Ratos's underlying portfolio.

Combined sales for the underlying portfolio at the end of the period increased by 1% compared with the first half of the previous year. Taking Ratos's different ownership stakes into account, sales rose by 1%. The corresponding changes in operating profit (EBITA = profit before net financial items, tax and goodwill amortisation) were -10% and -9% respectively, while profit before tax (EBT) was -15% and -3% respectively.

Most of the negative development in the portfolio during the second quarter occurred in April, while a levelling out at a low level took place in May and a recovery was noted in June.

The positive trend in the exit market intensified in the first six months of the year. The number of spontaneous notices of interest in Ratos's portfolio companies was high and several of the factors that have subdued activities in the past one to two years have noticeably improved.

While the earnings trend in the portfolio companies in the first half of the year can be designated as neutral – despite the negative change figures the foundations are being laid for a favourable future development through the many change programmes being conducted in the companies – and the exit market has been positive, work on new acquisitions has not resulted in any closed deals. The number of acquisition processes has been considerable, however, and with its large cash base and strong financial position, Ratos can act when the right occasion arises.

The previous assessment that all in all conditions exist for a continued improvement in earnings in the underlying portfolio in 2003 still stands.

To facilitate analysis an extensive table is provided on page 18 with key figures for all the Ratos 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 in downloadable Excel files.

Ratos's results

The Group's profit before tax amounted to SEK 315m (397). This result includes profits from the holdings of SEK 328m, of which exits accounted for SEK 203m (483, of which exits SEK 353m). The exit gain of SEK 203m is mainly attributable to the sale of Capona.

Goodwill

Total goodwill amortisation – including Ratos's share of holdings' goodwill – amounted to SEK 155m (157). If Ratos had not carried out any goodwill amortisation, current earnings would increase by a corresponding amount as shown in the table below.

SEKm	2003 Q 1-2	2002 Q 1-2
Profit before tax and goodwill amortisation (EBTA)	470	554
Total goodwill amortisation	-155	-157
Profit before tax (EBT)	315	397

For Ratos's holdings at 30 June total goodwill amortisation amounted to SEK 329m (see table below).

SEKm	2003 Q 1-2	2002 Q 1-2
Profit before tax and goodwill amortisation (EBTA)	650	668
Total goodwill amortisation	-329	-290
Profit before tax (EBT)	321	378

Central income and expenses

Ratos's net income and expenses amounted to SEK -13m (-86) of which personnel costs amounted to SEK 24m (21). Other management costs, including costs for acquisition and exit processes not carried out, amounted to SEK 23m (30). Net financial items amounted to SEK 34m (-35).

Tax

Ratos's consolidated tax expense currently comprises subsidiaries' and Ratos's share of tax in associated companies. The tax rate in the consolidated profit and loss account is affected, among other things, by the parent company's investment company status and non-deductible goodwill amortisation.

Ratos's results January– June 2003

SEKm	Ratos's holding, %	Profit/share of profits Q 1-2 2003	Of which Ratos's goodwill amortisation Q1-2 2003	Profit/share of profits Q 1-2 2002
Arcorus	77	19	-3	13
Atle Industri	50	2	-4	-13
Camfil	30	13	-4	14
Capona ¹⁾		23	-1	25
Dahl	41	47	15	60
DataVis	44	-1	-	-3
DIAB	48	-5	-14	-1
Dynal Biotech	25	7	-	27
Gadelius	50	1	-	0
Giga Consulting	39	-1	-	-4
Haendig	49	7	-2	4
Haglöfs	100	-7	-2	-5
Hilding Anders	27	38	-3	26
HL Display	29	-3	-4	5
Intervect	50	-14	-1	0
Lindab	48	-14	-	0
Martinsson	50	-3	-1	-2
Overseas Telecom	9	-	-	-
Q-Labs	48	0	-	-7
Superfos	33	-5	-1	16
Esselte				24
Exceed		-		-7
Kronans Droghandel			-	-57
Total profit/share of profits		104	-25	115
Exit gains				
Capona		195		
Esselte				98
Exceed				90
Hilton				50
Industri Kapital		8		5
Kronans Droghandel				110
Total exit gains		203		353
Dividends from other companies		21		15
Profit from holdings		328		483
Net expenses		-13		-86
Consolidated profit before tax		315		397

¹⁾ Holding sold 30 June 2003.

Ratos's reporting of subsidiaries' earnings and share of profits of associated companies is affected, among other things, by changed accounting principles, ownership duration, ownership stake and financial structure, which makes comparability between the years difficult. To facilitate analysis, a table is provided on page 18.

Financial position

Cash flow from operating activities and investing activities was SEK 1,039m (835) and the Group's liquid assets at the end of the period amounted to SEK 1,583m (1,084 at 31 December 2002), of which short-term fixed-income investments comprised SEK 1,368m.

Ratos shares

Earnings per share amounted to SEK 2.83 (3.41). A dividend totalling SEK 531m or SEK 6.75 per share was paid in April 2003. The total return on Ratos shares amounted to 3%. In the same period, the SIX Return Index amounted to 11%.

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). During 2003 until and including 30 June, 160,800 Ratos shares have been repurchased. Since 2000, a total of 2,835,786 B shares have been repurchased, of which 657,800 have been cancelled. Ratos thus owns 2,177,986 B shares, which corresponds to 2.8% of the total number of shares outstanding.

Reported net asset value (NAV)

SEKm	30 June 2003	% of NAV
Arcorus	499	6
Atle Industri	457	6
Camfil	440	6
Dahl	-120	-2
DataVis	9	0
DIAB	644	8
Dynal Biotech	269	4
Gadelius	105	1
Haendig (incl. convertible)	168	2
Haglöfs	103	1
Hilding Anders	473	6
HL Display	180	2
Industri Kapital	470	6
Intervect	193	3
Lindab	1,038	14
Martinsson	150	2
Overseas Telecom	64	1
Q-Labs	45	1
Superfos	347	5
Total holdings	5,534	72
Share trading	75	1
Parent company's property	60	1
Liquid assets/liabilities (net) in central companies	1,970	26
Net asset value (NAV)	7,639	100
NAV per share	97	

Net asset value

At 30 June 2003, Ratos reported a net asset value (NAV) of SEK 7,639m corresponding to SEK 97 per share (SEK 105 at 30 June 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 holdings. 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 381m (258). The parent company's liquid assets including short-term investments amounted to SEK 1,446m (984 at 31 December 2002). Interest-bearing liabilities amounted to SEK 133m (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 operations in periods of few or no exits. At the end of the period the credit facility was unutilised.

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. Ownership stakes 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 of each holding according to the equity method. In addition, information about the company is reported for each holding.

Dilution effect of options

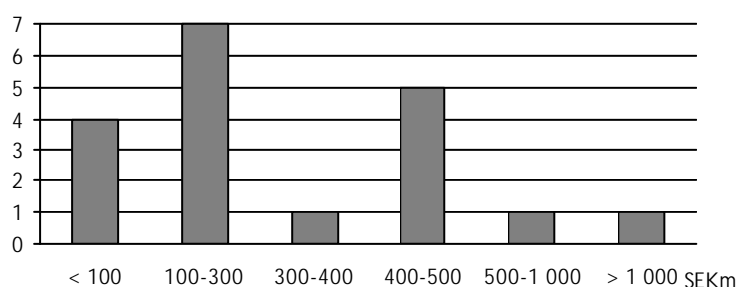
The dilution effect of share option programmes on earnings per share is calculated on the basis of net profit after tax divided by the present number of shares, and with an estimated number of shares taking outstanding options into account. Calculation of the number of shares is based on the difference 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.)

Conversion of shares

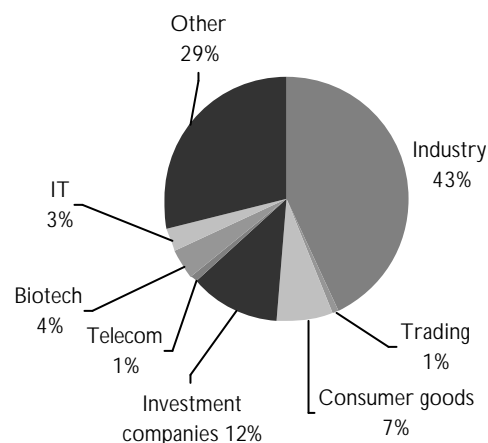
The Annual General Meeting resolved that a conversion clause allowing conversion of A shares to B shares should be added to the articles of association. This means that owners of A shares have an ongoing right to convert them to B shares. At 30 June, 1,368 A shares had been submitted for conversion into B shares.

Holdings, size breakdown, NAV

Number of companies



Holdings, sector breakdown, % of NAV



Holdings

Arcorus

- Sales SEK 673m (695) and EBITA SEK 36m (34)
- Continued strong earnings improvement and good order bookings for Hägglunds Drives while GS Hydro notes lower demand from the marine sector
- GS Hydro acquires the Austrian company RTG Reichelt with annual sales of SEK 20m
- After the end of the period, Ratos received a dividend totalling SEK 56m

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 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 499m at 30 June 2003.

Atle Industri

- Sales SEK 1,208m (1,141) and EBITA SEK 41m (10)
- Continued strong sales trend for the largest company, Envac
- Improved earnings despite a weak market trend in several markets

Atle Industri comprises a portfolio of 17 companies, of which 15 are wholly owned. The portfolio was created when Ratos acquired Atle. The companies in the portfolio operate in the engineering industry, trading, waste management and IT/technology sectors. Seven of the companies account for more than three-quarters of Atle Industry'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 Industry amounts to 50% and the consolidated book value in Ratos was SEK 457m at 30 June 2003.

Camfil

- Sales SEK 1,369m (1,568) and EBITA SEK 96m (115)
- Lower sales due to currency effects, disposals and weak development for gas turbine filters
- Excluding a non-cash flow affecting non-recurring expense of SEK 5m, the EBITA margin was 7.3%
- Continued growth within comfort filters

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 440m at 30 June 2003.

Capona

- Rental income SEK 142m (146) and EBITA SEK 92m (98)
- Holding sold during the period
- Definite exit gain SEK 195m (initial estimate SEK 172m).

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.

Following the sale, Ratos has no holding in Capona.

Dahl

- Sales SEK 5,949m (5,683) and EBITA SEK 267m (237)
- Favourable development in all markets
- Improved margins due to efficiency enhancements
- Cash flow remains positive, SEK +140m
- Refinancing of owners' holdings where Ratos released SEK 928m through a new capital structure

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 -120m at 30 June 2003.

DataVis

- Sales SEK 77m (100) and EBITA SEK 0m (-3)
- Focus on sales, capacity utilisation and control of costs

DataVis is a Swedish IT company that offers qualified solutions within systems development and technology related services. DataVis has some 150 employees and the largest offices are in Sundsvall and Stockholm.

Ratos's holding in DataVis amounts to 44% and the consolidated book value was SEK 9m at 30 June 2003.

DIAB

- Sales SEK 332m (352) and EBITA SEK 23m (31)
- Lower sales due to currency effects
- Decreased earnings attributable to an uneven capacity utilisation between the plants, restructuring costs and a negative currency effect
- Continued internal efforts with a new organisational structure, a new strategic direction and focused product development

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 644m at 30 June 2003.

Dynal Biotech

- Sales SEK 303m (296) and EBITA SEK 99m (100)
- Continued stable growth – adjusted for currency effects sales rose 10%
- Weak development for Tissue Typing

The Norwegian company Dynal Biotech is a world leader in research, development and manufacture 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 269m at 30 June 2003.

Gadelius

- Sales SEK 299m (407) and EBITA SEK 11m (10)
- Continued weak Japanese economy with low investment activity. Currency effects had a -10% impact on sales
- Focus on aftermarket products had positive impact on margins
- Cash flow remains strong, SEK +43m

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 105m at 30 June 2003. This value excludes the holding company.

Haendig

- Sales SEK 588m (621) and EBITA SEK 32m (28)
- Weak market situation continues
- Favourable earnings trend for bathroom company Hafa while Penope (wood processing machines) had a weak start to the year

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 168m at 30 June 2003.

Haglöfs

- Sales SEK 146m (136) and EBITA SEK -4m (-2)
- Continued good growth in export markets, while subsidiary Alfa's sales were lower than in the previous year
- Continued strong order bookings expected to provide a better full-year result than last year

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 103m at 30 June 2003.

Hilding Anders

- Sales SEK 1,703m (1,646) and EBITA SEK 207m (208)
- Positive sales trend in the Nordic region but slightly lower demand in rest of Europe
- Continued good margins – efficiency enhancement programme initiated within purchasing and production
- Strong cash flow, SEK +99m

Hilding Anders is Europe's largest bed manufacturer. 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 473m at 30 June 2003.

HL Display

- Sales SEK 567m (587) and EBITA SEK 8m (40)
- Weak market, particularly in the UK and France
- Reasons for weak earnings trend include non-recurring costs in conjunction with relocation of production from Lesjöfors to Falkenberg

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 180m at 30 June 2003.

Industri Kapital

- Agreement concluded on acquisition of CEVA, which develops, produces and distributes health products for animals

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 470m where the value of unlisted holdings is based on Industri Kapital's own calculations.

Intervect

- Sales SEK 510m (563) and EBITA SEK 6m (14)
- Favourable trend in Singapore and Australia while development in large areas of Europe was weak
- Action programme will lead to substantial extraordinary expenses in the full-year result while laying the foundation for positive long-term development

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 193m at 30 June 2003.

Lindab

- Sales SEK 2,502m (2,489) and EBITA SEK 75m (131)
- Decision to set up production in the Czech Republic to meet strong demand growth in central and eastern Europe
- Stable development in the Nordic region and the US despite low activity in construction industry while the German market is very weak
- Lower earnings mainly due to higher raw material prices

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 1,038m at 30 June 2003.

Martinsson

- Sales SEK 639m (296) and EBITA SEK 6m (1)
- Sales increase due to acquisition of IMS
- Stronger market position in continued weak market
- Acquisition of parts of Giga Consulting's operations completed

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 150m at 30 June 2003.

Overseas Telecom

- Favourable development in portfolio companies
- Sale of Indian holding Bharti Mobile completed – distribution of proceeds to owners started
- New CEO – Anders Ekman – took over on 1 July 2003

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% of the capital and, following a change in June, 19% of the voting rights. The consolidated book value in Ratos was SEK 64m at 30 June 2003.

Q-Labs

- Sales SEK 64m (95) and EBITA SEK 0m (-10)
- Improved earnings due to better profitability in France, Sweden and the US

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 45m at 30 June 2003.

Superfos

- Sales SEK 1,667m (1 767) and EBITA SEK 75m (148)
- Earnings in the Packaging business area were negatively affected by higher and fluctuating raw material prices as well as higher freight costs due to disruptions from relocation of manufacture and closure of production units
- Delayed approval by regulatory authorities for a new product, which replaces a phased out product, had a negative impact on earnings for Aerosols compared with 2002
- Good earnings development for USA Division

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 347m at 30 June 2003.

Stockholm, 27 August 2003
Ratos AB (publ)

Arne Karlsson
CEO

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

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Financial calendar from Ratos:

Interim Report January-September 2003	12 November 2003
Year-end Report 2003	23 February 2004
Annual General Meeting 2004	1 April 2004
Interim Report January-March 2004	12 May 2004
Interim Report January-June 2004	25 August 2004
Interim Report January-September 2004	12 November 2004

Consolidated profit and loss account

SEKm	2003 Q 2	2002 Q 2	2003 Q 1-2	2002 Q 1-2	2002 Full year
Holdings					
Profit/loss from subsidiaries	9	3	12	-3	71
Exit gains, subsidiaries		90	-	90	90
Share of profits of associated companies	82	91	92	118	326
Exit gains, associated companies	195	208	195	208	206
Write-downs, associated companies	-	-	-	-	-45
Dividends, other companies	21	15	21	15	14
Exit gains, other holdings	-	6	8	55	68
Profit from holdings	307	413	328	483	730
Central income and expenses					
Management costs	-26	-32	-47	-51	-109
Financial items	13	-29	34	-35	13
Net expenses	-13	-61	-13	-86	-96
Profit before tax	294	352	315	397	634
Tax	-59	-80	-90	-127	-262
Minority share of net profit	-2	-1	-2	-1	-9
Profit after tax	233	271	223	269	363
Earnings per share, SEK					
- before and after dilution	2.96	3.43	2.83	3.41	4.60
Number of shares outstanding (millions)					
- average before dilution	78.7	79.0	78.7	79.0	78.9
- average after dilution	78.8	79.0	78.8	79.0	78.9
- at the end of the period	78.6	78.9	78.6	78.9	78.6

Consolidated balance sheet

SEKm	30 June 2003	30 June 2002	31 Dec 2002
ASSETS			
Fixed assets			
Intangible	334	344	335
Tangible	205	226	224
Financial	4,764	5,957	5,375
Total fixed assets	5,303	6,527	5,934
Current assets			
Inventories	395	409	363
Current receivables	1,078	1,811	1,522
Short-term investments, equities	23	18	22
Short-term investments, other	1,368	-	911
Cash and bank balances	215	116	173
Total current assets	3,079	2,354	2,991
Total assets	8,382	8,881	8,925
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7,504	7,907	8,037
Minority interests	114	108	118
Provisions	75	87	85
Long-term liabilities			
- non-interest bearing	6	3	3
- interest-bearing	129	116	69
Current liabilities			
- non-interest bearing	331	363	319
- interest-bearing	223	297	294
Total shareholders' equity and liabilities	8,382	8,881	8,925
Changes in shareholders' equity			
	2003	2002	2002
	Q1-2	Q1-2	Full year
Opening shareholders' equity according to previously adopted balance sheet	8,037	8,177	8,177
Dividends paid	-531	-493	-493
New issue	6	-	-
Buy-back of own shares	-14	-2	-27
Option premiums	3	4	6
Effect of associated companies' buy-back of own shares	1	-	1
Translation difference in associated companies and subsidiaries	-228	-98	-46
Effect of hedging	12	4	10
Accumulated translation difference in sold associated company	-5	46	46
Net profit for the period	223	269	363
Closing shareholders' equity	7,504	7,907	8,037

Consolidated cash flow statement

SEKm	2003 Q 1-2	2002 Q 1-2	2002 Full year
Operating activities			
Consolidated profit before tax	315	397	634
Adjustment for items not included in cash flow	-198	-341	-480
	117	56	154
Paid tax	-27	0	-29
Cash flow from operating activities before change in working capital	90	56	125
Cash flow from change in working capital			
Increase (-) in inventories	-32	-9	36
Increase (-) in operating receivables	-428	-976	-9
Decrease (-) in operating liabilities	-3	22	-32
Cash flow from operating activities	-373	-907	120
Investing activities			
Acquisition of subsidiaries	-	-381	-381
Sale of subsidiaries	-	142	142
Sales, holdings	603	1,896	1,932
Purchases, holdings	-236	-164	-369
Purchase of other tangible fixed assets	-19	-11	-25
Change, financial assets	1,064	260	211
Cash flow from investing activities	1,412	1,742	1,510
Financing activities			
Buy-back of own shares	-14	-2	-27
Option premium	3	4	4
Decrease (-) in interest-bearing liabilities	-4	-285	-87
New issue	6		
Dividends paid	-531	-493	-493
Cash flow from financing activities	-540	-776	-603
Cash flow for the period	499	59	1,027
Cash and cash equivalents, opening balance	1,084	57	57
Cash and cash equivalents, closing balance	1,583	116	1,084

Consolidated key figures

	2003 Q 1-2	2002 Q 1-2	2002 Full year
Return on equity, %			4,5
Equity ratio, %			
- visible	91	89	90
- including hidden reserve	91	90	90
Interest-bearing receivable (+) ¹⁾	1,458	298	1,882
Key figures per share			
Total return, %	3	21	8
Earnings, SEK	2.83	3.41	4.60
Dividend paid, SE	-	-	6.75
Market price, SEK	91.50	107.00	95.50
Yield, %	-	-	7.1
NAV, SEK ²⁾	97	105	106
Number of shares outstanding	78,564,640	78,942,226	78,645,440
Average number of shares before dilution ³⁾	78,664,016	78,957,872	78,867,216
Average number of shares after dilution ³⁾	78,788,919	78,957,872	78,867,216

¹⁾ Excluding receivable from Woodrose related to transfer of Atle company.

²⁾ Unlisted associated companies are included in NAV at consolidated book values.

³⁾ Taking share buy-backs and new issues into account.

Parent company profit and loss account

SEKm	2003 Q 2	2002 Q 2	2003 Q 1-2	2002 Q 1-2	2002 Full year
Holdings					
Exit gains, subsidiaries		9	-	9	8
Dividends, associated companies	33	39	44	49	49
Exit gains, associated companies	288	175	288	175	569
Write-downs, associated companies	-1	-36	-1	-36	-356
Dividends, other companies	21	15	21	15	14
Exit gains, other holdings		6	8	54	68
Profit from holdings	341	208	360	266	352
Central income and expenses					
Management costs	-25	-30	-44	-46	-103
Financial items	30	19	65	39	99
Net expenses	5	-11	21	-7	-4
Profit before tax	346	197	381	259	348
Tax		-1	-	-1	-
Profit after tax	346	196	381	258	348

Parent company balance sheet

SEKm	30 June 2003	30 June 2002	31 Dec 2002
ASSETS			
Fixed assets			
Tangible	16	18	17
Financial	5,667	6,530	5,930
Total fixed assets	5,683	6,548	5,947
Current assets			
Current receivables	727	1,472	1,189
Short-term investments	1,368	-	911
Cash and bank balances	78	27	73
Total current assets	2,173	1,499	2,173
Total assets	7,856	8,047	8,120
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	7,691	7,782	7,846
Provisions	4	5	6
Long-term liabilities			
- non-interest bearing	2	3	3
- interest-bearing	126	141	144
Current liabilities			
- non-interest bearing	30	35	37
- interest-bearing	3	81	84
Total shareholders' equity and liabilities	7,856	8,047	8,120

Parent company cash flow statement

SEKm	2003 Q 1-2	2002 Q 1-2	2002 Full year
Operating activities			
Profit before tax	381	259	348
Adjustment for items not included in cash flow	-294	-201	-285
	87	58	63
Paid tax	-1	-2	0
Cash flow from operating activities before change in working capital	86	56	63
Cash flow from change in working capital			
Increase (-) in operating receivables	-439	-1,019	-69
Decrease (-) in operating liabilities	-8	13	13
Cash flow from operating activities	-361	-950	7
Investing activities			
Acquisition of subsidiaries	-	-462	-462
Sale of subsidiaries	-	156	156
Sales, holdings	603	1,896	2,870
Purchases, holdings	-236	-164	-369
Purchase of other tangible fixed assets	0	-2	-3
Sales, financial assets	1,091	272	-668
Cash flow from investing activities	1,458	1,696	1,524
Financing activities			
Buy-back of own shares	-14	-2	-27
Options premium	3	4	4
Decrease (-) in interest-bearing liabilities	-99	-251	-54
New issue	6	-	-
Dividends paid	-531	-493	-493
Cash flow from financing activities	-635	-742	-570
Cash flow for the period	462	4	961
Cash and cash equivalents, opening balance	984	23	23
Cash and cash equivalents, closing balance	1,446	27	984

Ratos's holdings at 30 June 2003

SEKm	NET SALES			EBITA			EBT			items affecting comparability		Jan-June 2003												
	Q 1-2 03	Q 1-2 02	2002	Q 1-2 03	Q 1-2 02	2002	Q 1-2 03	Q 1-2 02	2002	Q 1-2 03	Q 1-2 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 share of capital, %	
Arcorus	673	695	1 456	36	34	109	23	21	87	0	0	5	18	18	10	493	179	140	788	499	2001	462	77	
Atle Industri ¹⁾	1 208	1 141	2 454	41	10	67	15	-15	17	0	0	18	19	7	-5	646	189	144	1 430	457	2001	616	50	
Camfil	1 369	1 568	2 960	96	115	250	57	60	149	-5	-7	24	42	57	-14	1 047	627	682	2 635	440	2000	450	30	
Dahl ²⁾	5 949	5 683	12 063	267	237	632	78	55	220	-8	0	81	53	140	1 405	3 207	2 756	3 300	-120	1999	neg	41	41	
DataVis	77	100	192	0	-3	-23	0	-5	-26	-1	0	1	1	0	-2	49	-4	35	211	9	2000	191	44	
DIAB ³⁾	332	352	694	23	31	48	20	28	41	0	0	0	18	15	-10	285	143	1	665	644	2001	688	48	
Dynal Biotech ⁴⁾	303	296	599	99	100	174	24	47	30	0	0	47	17	23	46	1 082	458	1 157	283	269	2001	292	25	
Gadelius ⁵⁾	299	407	812	11	10	1	5	4	-11	-1	-5	4	2	0	43	127	167	38	183	105	2001	140	50	
Haendig ⁶⁾	588	621	1 241	32	28	58	18	12	24	0	0	5	8	8	-10	207	376	120	410	168	2001	167	49	
Haglöfs	146	136	306	-4	-2	14	-6	-4	9	0	0	0	2	1	-34	47	84	4	110	103	2001	104	100	
Hilding Anders ⁶⁾	1 703	1 646	3 656	207	208	529	137	110	365	0	0	42	36	69	99	1 399	1 284	1 112	2 414	473	2001	378	27	
HL Display	567	587	1 154	8	40	78	5	32	65	0	0	1	24	0	-6	306	n/a	2	925	233	2001	229	29	
Intervect ⁷⁾	510	563	1 120	6	14	-5	2	-31	0	0	0	2	19	18	-31	280	395	48	840	193	2001	227	50	
Lindab	2 502	2 489	5 235	75	131	326	-31	0	83	0	0	59	87	83	-189	2 151	2 137	1 907	3 766	1 038	2001	1 061	48	
Martinsson	639	296	856	6	1	14	-4	-2	2	0	0	9	2	6	-33	224	-35	129	353	150	2001	156	50	
Overseas Telecom	156	207	389	112	101	199	114	6	104	0	0	0	38	17	n/a	990	-351	3	392	64	1996	64	9	
Q-Labs	64	95	187	0	-10	-19	0	-9	-23	0	0	0	1	n/a	n/a	86	-53	0	151	45	2000	188	48	
Superfos ⁸⁾	1 667	1 767	3 413	75	148	139	-15	42	-65	-1	1	28	128	166	-96	997	2 211	943	2 359	347	1999	485	33	
Total ⁹⁾	18 596	18 442	38 398	978	1 092	2 392	321	378	936															
Change	1%			-10%			-15%																	

¹⁾ Atle Industri is not a legal group.

²⁾ Dahl's EBT figures for Q 1 and 2 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.

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

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

⁵⁾ Gadelius is owned by a Dutch holding company. These figures exclude the holding company.

⁶⁾ Changed accounting principles. Comparative figures have been adjusted.

⁷⁾ Adjusted year-end accounts 2002.

⁸⁾ Comparative figures for Superfos include acquisition of Jotipac from 1 January 2002.

⁹⁾ 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.