

Interim report

January – March 2010

Q1

- **Profit before tax SEK 247m (150)**
- **Earnings per share before dilution SEK 0.81 (0.56)**
- **Overall satisfactory development in the holdings**
- **Total return on Ratos shares +29%**

Ratos in summary

SEKm	2010 Q 1	2009 Q 1	2009
Profit/share of profits	273	99	1,295
Profit from holdings	273	99	1,295
Central income and expenses	-26	51	80
Profit before tax	247	150	1,375

Important events

- EuroMaint's acquisition of the German company RSM Group was completed in January. The purchase price amounted to SEK 166m. Ratos provided the entire amount
- Ratos acquired an additional 5.4% of Medisize for EUR 6.2m (SEK 59.8m)
- In the holdings, add-ons during the quarter included investments in Bisnode and Inwido
- Leif Johansson, formerly Investment Director at Ratos, was appointed as the new Deputy CEO and Chief Operating Officer in January

Events after the end of the period

- Karl Molander has been employed as Head of Debt Management. He will start on 30 August taking over from Barbro Wallin who is retiring. He joins Ratos from Nordea where he has been a Director within Debt Capital Markets since 2000
- Dividend decided in Hafa Bathroom Group of SEK 90m, to be paid in the second quarter of 2010

More information about important events in the holdings is provided on pages 6-11.

RATOS

CEO's comments

At the start of 2010 there were many signs of continued increased underlying economic activity. Actual development, however, was negatively affected by temporary factors such as the harsh winter, a negative Easter effect and the European flight shutdown.

Overall, the year started satisfactorily for Ratos's holdings. Since the Ratos portfolio is less cyclically sensitive than the economy on average, the holdings also developed relatively well during 2009. For the same reason, development in the holdings during 2010 will be less dramatic than in some companies previously under considerable pressure. The action taken during 2008 and 2009, however, laid the foundation for a continued improvement in earnings.



Arne Karlsson

Further CEO comments at www.ratos.se

Business environment and market

At the start of 2010 there were many signs of continued increased underlying economic activity. Actual development, however, was negatively affected by temporary factors such as the harsh winter, a negative Easter effect and the European flight shutdown.

The recovery is showing patterns that are often seen during dramatic turning points for economic development, which can be compared to what happens in a Norwegian fjord when ebb and flow meet. The average water level rises (in the present situation), while the surface is extremely turbulent with wave crests and troughs side by side.

Many companies are now experiencing a normalised or even strong market, while others still find themselves in the recession. It can be worth noting that the real economic recovery will be more drawn out than the fast comeback in the financial markets and that the recovery, as previously pointed out, will take place from a low level where the trend is positive but the level in global terms remains low.

Our main macroeconomic scenario ahead of 2010, ROLWB (Recession Over, Long Way Back) looks stable at present. There are risks, however, which should not be underestimated – for example the crisis for Greece and the euro and the at times hard exchange of opinions relating to trade issues between China and the US – which is why development must continue to be carefully monitored and alternative scenarios and action plans put in place.

Overall, the year started satisfactorily for Ratos's holdings. Development has not been dramatic – Ratos has a less cyclically sensitive portfolio which also developed relatively well during 2009 – but the foundation for a continued improvement in earnings has been laid.

Combined sales for the underlying portfolio of companies decreased by 4% compared with the previous year. Taking Ratos's different ownership stakes into account, sales were unchanged. The corresponding figures for operating profit (EBITA) were +9% and +12% respectively and for profit before tax +60% and +92% respectively.

As always, the percentage changes for the first quarter of the year should be interpreted with caution. For the portfolio as a whole most of the earnings ability (in proportional terms) lies after the first quarter. This means that small changes in absolute numbers can have major effects on percentage changes.

With regard to earnings development in the first quarter it can be noted that three holdings – AH Industries, EuroMaint and Superfos – did not meet expectations for different reasons. For AH Industries the result was due to a continued very weak European wind power market, even though opportunities for a stronger second quarter are good. Superfos was affected by sharp increases in raw material prices, which will gradually be compensated for on the price side during the year. EuroMaint's strong underlying development was overshadowed by several temporary problems mainly related to the harsh winter. (If these

Performance Ratos's holdings

	2010 Q 1	
	100%	Ratos's share
Sales	-4%	0%
EBITA	+9%	+12%
EBT	+60%	+92%

To facilitate analysis, an extensive table is provided on page 11 with key figures for Ratos's holdings. A summary of income statements, statements of financial position, etc., for Ratos's associates and subsidiaries is available in downloadable Excel files at www.ratos.se.

Ratos's results

SEKm	2010 Q 1	2009 Q 1
Profit/share of profits before tax ¹⁾		
AH Industries (66%)	-7	15
Anticimex (85%)	20	25
Arcus Gruppen (83%)	-21	-41
Bisnode (70%)	98	16
Camfil (30%)	23	9
Contex Group (99%)	15	-25
DIAB (94%)	44	18
EuroMaint (100%)	-40	7
GS-Hydro (100%)	10	12
Hafa Bathroom Group (100%)	21	10
Haglöfs (100%)	18	19
HL Display (29%)	7	5
Inwido (96%)	5	-84
Jøtul (61%)	-14	23
Lindab (22%)	-3	-1
MCC (100%)	22	29
Medisize (98%)	28	5
SB Seating (85%)	32	29
Superfos (33%)	15	28
Other holdings ²⁾	0	0
Total profit/share of profits	273	99
Total exit gains	0	0
Profit from holdings	273	99
Central income and expenses	-26	51
Consolidated profit before tax	247	150

¹⁾ Subsidiaries' profits included with 100% and associates' profits with respective holding percentage.

²⁾ Relates to subsidiary BTJ Group.

three companies are eliminated from the earnings comparison, operating profit (EBITA) for the remaining 17 holdings increased by +34% (+36% taking Ratos's ownership stakes into account).

Ratos's results

Profit before tax for the first quarter of 2010 amounted to SEK 247m (150). The higher result is mainly explained by improved earnings in the underlying holdings. The result includes profit/profit shares from the holdings of SEK 273m (99) and exit gains of SEK 0m (0).

Central income and expenses

Ratos's central income and expenses amounted to SEK -26m (+51), of which personnel costs amounted to SEK 30m (26). The variable portion of personnel costs amounted to SEK 3m (0). Other management costs were SEK 54m (9). Net financial items amounted to SEK +58m (+86).

Tax

Ratos's consolidated tax expense comprises subsidiaries' and Ratos's share of tax in associates. The tax rate in the consolidated income statement is affected, among other things, by the parent company's investment company status.

Financial position

Cash flow from operating activities and investing activities was SEK -424m (-700) and the Group's cash and cash equivalents at the end of the quarter amounted to SEK 4,498m (6,707), of which short-term interest-bearing investments amounted to SEK 10m (3,027). Interest-bearing liabilities including pension provisions amounted to SEK 14,128m (17,419).

Parent company

The parent company's loss before tax amounted to SEK 43m (+208). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 2,502m (4,659). Taking into account financial transactions agreed but not yet carried out, at today's date Ratos has a liquid investment capacity of approximately SEK 1 billion. In addition, there is an existing credit facility of SEK 3.2 billion and authorisation from the 2010 Annual General Meeting to issue 30 million Ratos B shares as payment for acquisitions.

Ratos's equity ¹⁾

SEKm	31 March 2010	% of equity
AH Industries	385	3
Anticimex	842	5
Arcus Gruppen	753	5
Bisnode	1,186	8
Camfil	210	1
Contex Group	1,007	7
DIAB	1,092	7
EuroMaint	636	4
GS-Hydro	-51	0
Hafa Bathroom Group	249	2
Haglöfs	168	1
HL Display	301	2
Inwido	1,931	13
Jøtul	314	2
Lindab	650	4
MCC	649	4
Medisize	760	5
SB Seating	1,034	7
Superfos	598	4
Other holdings ²⁾	187	1
Total	12,901	85
Other net assets in central companies	2,252	15
Equity (attributable to owners of the parent)	15,153	100
Equity per share, SEK	95	

¹⁾ Holdings are shown at consolidated figures, which correspond to the Group's share of the holdings' equity, any residual values on consolidated surplus and deficit values minus any intra-group profits. Shareholder loans and interest on such loans are also included.

²⁾ Other holdings include the subsidiary BTJ Group and the holdings in Overseas Telecom and IK Investment Partners.

Risks and uncertainties

A description of the Group's and parent company's material risks and uncertainties is provided in the Directors' report and in Note 31 and 38 in the 2009 Annual Report. An assessment for the coming months is provided in the *Business environment and market* section on page 2.

Related-party transactions

The parent company received dividends from subsidiaries and associates of SEK 3m (162). During the quarter Ratos provided EuroMaint with capital of SEK 166m for the acquisition of RSM Group.

Ratos shares

Earnings per share before dilution amounted to SEK 0.81 (0.56). The total return on Ratos shares in the first quarter was +29%, compared with the performance of the SIX Return Index which was +9%.

Buy-backs and number of shares

No shares were repurchased during the quarter. The number of call options exercised corresponded to 576,200 shares. At the end of March, Ratos owned 2,661,047 B shares (corresponding to 1.6% of the total number of shares) repurchased at an average price of SEK 121. At 31 March the total number of shares in Ratos (A and B shares) was 161,852,892 and the number of voting rights was 54,280,966. The number of shares outstanding totals 159,191,845. The average number of B treasury shares owned by Ratos in the first quarter of 2010 was 3,130,520 (3,276,077 in 2009).

Equity

At 31 March 2010 Ratos's equity (attributable to owners of the parent) amounted to SEK 15,153m (SEK 15,302m at 31 December 2009) corresponding to SEK 95 per outstanding share (SEK 96 at 31 December 2009).

Credit facilities

The parent company has a five-year rolling credit facility of SEK 3.2 billion including a bank overdraft facility. The purpose of the facility is to be able to use it when bridge financing is required for acquisitions, and to be able to finance dividends and day-to-day running costs in periods of few or no exits. The parent company should normally be unleveraged. The credit facility was unutilised at the end of the quarter.

Conversion of shares

The 2003 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. No conversions took place during the quarter.

Other

Annual General Meeting decisions

Election of the Board of Directors

The Meeting resolved in accordance with the Nomination Committee's proposal to re-elect Board members Olof Stenhammar, Lars Berg, Staffan Bohman, Arne Karlsson (CEO), Annette Sadolin, Jan Söderberg, Per-Olof Söderberg and Margareth Øvrum. Olof Stenhammar was elected as Chairman of the Board. A more detailed presentation of the members of the Board can be found at www.ratos.se.

Dividend

The Meeting resolved on an ordinary dividend of SEK 9.50 (9.00) per A and B share. The record date for dividends was set at 20 April and payments were made on 23 April.

Buy-backs

The Annual General Meeting gave the Board a mandate to decide, during the period before the next Annual General Meeting, on repurchase of a maximum number of shares so that the company's holding of treasury shares does not exceed 7% of all the shares in the company.

At a subsequent statutory meeting, the Board decided to give the CEO, in consultation with the Chairman, a mandate to carry out repurchases in accordance with the mandate given to the Board by the Annual General Meeting.

Incentive programme

The Meeting resolved to issue a maximum of 650,000 call options on repurchased Ratos shares to be transferred at a market price to key people within Ratos. The Meeting further resolved to transfer a maximum of 650,000 shares in the company in conjunction with exercise of the above mentioned options.

The Meeting also resolved, as in the previous year, on a cash-settled option programme related to Ratos's investments in the holdings. The programme will be carried out through issuance of synthetic options which key people within Ratos will be entitled to acquire.

Authorisation for new issues to be used at acquisitions

The Meeting resolved to authorise the Board in conjunction with company acquisitions, on one or several occasions, against cash payment, through set-off or non-cash, to make a decision on a new issue of Ratos shares. The authorisation shall comprise a maximum of 30 million B shares.

Holdings

AH Industries

- Sales SEK 94m (181) and EBITA SEK -4m (21)
- Weak sales and earnings development due to low market activity and continued stock reductions at customers, primarily in the Flanges business area
- Continued uncertain market situation in the short term with mixed signals from customers
- Some signs of increased order activity among wind power manufacturers in general and recently published market assessments confirm a continued positive market outlook in the longer term
- Despite an uncertain market situation in the short term opportunities for improved earnings in the second quarter are good

Ratos's holding in AH Industries amounted to 66% and the consolidated book value in Ratos was SEK 385m at 31 March 2010.

AH Industries is a Danish leading supplier of metal components and services to the wind power, offshore and marine industries. The company is specialised in the manufacture and machining of heavy metal components with high precision requirements. Operations are conducted in four business areas: AH Flanges, AH Components, AH Projects and AH Transport.

Anticimex

- Sales SEK 432m (435) and EBITA SEK 37m (44)
- Lower sales due to decreased activity within energy inspections for blocks of flats, which according to law had to be carried out during 2009
- The cold and snowy winter led to high insurance claims which had a negative impact on earnings. Positive earnings development for operations outside Sweden
- Strong operating cash flow

Ratos's holding in Anticimex amounted to 85% and the consolidated book value in Ratos was SEK 842m at 31 March 2010.

Anticimex is a service company that offers a broad range of services for healthy and safe indoor environments. Services include pest assurance, hygiene assurance, insurance, dehumidifying, fire protection as well as property transfer and energy inspections. The Group is currently represented in Sweden, Finland, Denmark, Norway, Germany and the Netherlands.

Arcus Gruppen

- Sales SEK 405m (357) and EBITA SEK -18m (-32)
- Good sales growth (+13% in local currency) driven by wine in Sweden and Norway and exports of spirits
- The early Easter had a positive impact on the first quarter compared with the previous year
- Positive earnings development due to higher volumes and a strengthening of the Norwegian and Swedish krona against the euro

Ratos's holding in Arcus Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 753m at 31 March 2010.

Arcus Gruppen is Norway's leading spirits producer and wine supplier and also has a strong position in the other Nordic countries. The group's best-known brands include Braastad Cognac, Vikingfjord Vodka, Løiten and Linie Aquavit.

Bisnode

- Sales SEK 1,162m (1,244) and EBITA SEK 139m (147)
- Weak sales trend (adjusted for currency -5%) where Marketing Solutions in particular showed a continued weak development
- Continued good cash flows
- Bilfakta was acquired and Office Team sold in April

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,186m at 31 March 2010.

Bisnode is a leading European provider of digital business information with services within market, credit and product information with information about consumers and companies. Operations are conducted in 18 countries in Europe.

Camfil

- Sales SEK 1,119m (1,065) and EBITA SEK 111m (75)
- Positive sales trend in Europe, Asia and within Power Systems
- Improved profitability in all regions and product areas due to completed action programmes and higher sales
- Dividend of SEK 85m, of which Ratos's share is SEK 25m (paid in April)

Ratos's holding in Camfil amounted to 30% and the consolidated book value in Ratos was SEK 210m at 31 March 2010.

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 in 23 plants on four continents and the Group is represented by subsidiaries and agents in over 50 countries.

Contex Group

- Sales SEK 178m (195) and EBITA SEK 28m (1)
- Positive sales development, +7% in reported currency, primarily within Contex A/S
- Highest first-quarter result since 2007 due to extensive cost-cutting programmes in 2008 and 2009

Ratos's holding in Contex Group amounted to 99% and the consolidated book value in Ratos was SEK 1,007m at 31 March 2010.

The Danish company Contex Group is a world-leading developer and manufacturer of innovative 2D and 3D digital imaging solutions. The company has three operating areas: Contex A/S is the world's largest manufacturer of wide-format scanners, Z Corporation manufactures 3D printers, Vidar Systems Corporation manufactures products for medical imaging.

DIAB

- Sales SEK 355m (356) and EBITA SEK 54m (49)
- Sales rose 12% in local currencies. Continued strong wind market in Asia but weaker development in Europe as well as North and South America
- Marine segment showing growth once again
- Profitability improvements due to efficiency gains

Ratos's holding in DIAB amounted to 94% and the consolidated book value in Ratos was SEK 1,092m at 31 March 2010.

DIAB is a world-leading company that manufactures and develops core materials for composite structures including blades for wind turbines, hulls and decks for boats, and components for aircraft, trains, buses and rockets. The material has a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

EuroMaint

- Sales SEK 846m (579) and EBITA SEK -12m (28)
- Positive sales development. Adjusted for the acquisitions of RSM and EISAB, organic growth was 16%
- Earnings were charged by substantially increased costs for repairs to extensive winter damage to trains
- The recession continued into the first quarter for EuroMaint Industry, although demand increased during the quarter
- EuroMaint Rail signed a contract for extension of the maintenance agreement for SJ's (Swedish Railways) passenger carriages, RC locomotives and X2000 rolling stock. The agreement is worth about SEK 680m per year
- After the end of the period, EuroMaint Rail signed a contract with Stockholm Public Transport (SL) to rebuild railway carriages for Roslagsbanan. The agreement will run for four years and is worth approximately SEK 400m

Ratos's holding in EuroMaint amounted to 100% and the consolidated book value in Ratos was SEK 636m at 31 March 2010.

EuroMaint is one of Sweden's leading maintenance companies and offers advanced maintenance services to manufacturing industry and the rail transport sector. Operations are conducted in two subsidiaries: EuroMaint Rail and EuroMaint Industry. EuroMaint conducts operations at 18 locations in Sweden, as well as in Germany, Belgium, Poland, the Netherlands, Latvia and the US.

GS-Hydro

- Sales SEK 319m (395) and EBITA SEK 22m (28)
- Weak order bookings and sales development due to reduced investment by customers. Some stabilisation occurred, however, in the Offshore segment
- Additional savings measures carried out to adjust operations to lower volumes
- Pekka Frantti took over as the new CEO on 1 February 2010

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK -51m at 31 March 2010 (following refinancing in 2008).

GS-Hydro is a leading supplier of non-welded piping systems. Products are mainly used in the marine and offshore industries as well as in the pulp and paper, metals and mining, automotive and aerospace, and defence industries. The head office is located in Finland.

Hafa Bathroom Group

- Sales SEK 120m (98) and EBITA SEK 21m (13)
- Positive sales development due to increased demand driven by low interest rates, the "ROT-avdrag" (tax reductions on renovations and extensions) and a long-term positive renovation trend in homes and bathrooms
- Stronger earnings due to sales increase and good control of costs
- Launch of campaign focused on the professional market
- Dividend decided of SEK 90m, to be paid during the second quarter

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 249m at 31 March 2010.

Hafa Bathroom Group with the Hafa and Westerbergs brands is one of the Nordic region's leading bathroom furnishings companies.

Haglöfs

- Sales SEK 163m (165) and EBITA SEK 19m (21)
- Good underlying sales trend (6% adjusted for currency). Currency effects and minor delivery delays affect comparison with previous year
- Continued good development in most markets and product segments
- Good order book ahead of autumn 2010

Ratos's holding in Haglöfs amounted to 100% and the consolidated book value in Ratos was SEK 168m at 31 March 2010.

Haglöfs is a Nordic market leader in equipment and clothes for an active outdoor life. The company develops and markets high-quality clothing, sleeping bags, footwear, and backpacks. The company is currently represented in 19 countries, in Europe plus Japan.

HL Display

- Sales SEK 406m (353) and EBITA SEK 28m (18)
- Sales increased by 15%. Excluding the acquisition of PPE (December 2009) sales were unchanged
- Improved earnings due to completed cost-cutting programmes. EBITA margin amounted to 6.8% (5.0%)
- Integration of PPE proceeding according to plan

Ratos's holding in HL Display amounted to 29% and the consolidated book value in Ratos was SEK 301m at 31 March 2010.

HL Display is a global, market leading supplier of products and systems for merchandising and in-store communication with operations in 33 countries. Manufacture takes place in China, the UK, Sweden and the US. HL Display is listed on NASDAQ OMX Stockholm, Small Cap list.

Inwido

- Sales SEK 1,098m (940) and EBITA SEK 29m (-27)
- EBITA before non-recurring costs amounted to SEK 50m (-27). Increased sales, improved cost efficiency and high capacity utilisation contributed to the positive earnings development
- Continued stabilisation of the market situation, mainly in the Nordic markets
- Increased market shares in the Nordic region in the past year
- Acquisition of 34% of the Danish subsidiary where DKK 25m will be paid in 2010, DKK 71m no later than 2012. In addition there is a possible earn-out of a maximum of DKK 17m to be paid in 2013. Following this acquisition the holding in Denmark amounts to 95%

Ratos's holding in Inwido amounted to 96% and the consolidated book value in Ratos was SEK 1,931m at 31 March 2010.

Inwido develops, manufactures and sells a full range of windows and doors to consumers, construction companies and modular home manufacturers. Operations are conducted in all the Nordic countries as well as in the UK, Ireland, Poland and Russia. The company's brands include Elitfönster, SnickarPer, Tiivi, KPK, Lyssand and Allan Brothers.

Jøtul

- Sales SEK 206m (230) and EBITA SEK 6m (4)
- Improved sales in Norway and the US while sales in France weakened due to reduced subsidies. Adjusted for currency, sales decreased by 3%
- EBITA was positively affected by changed pension rules, but negatively by lower sales, higher raw material prices and currency fluctuations
- Following conversion into shares of the capital contribution made in 2009, Ratos's holding amounts to 61%

Ratos's holding in Jøtul amounted to 61% and the consolidated book value in Ratos was SEK 314m at 31 March 2010

The Norwegian company Jøtul is Europe's largest manufacturer of stoves and fireplaces with production facilities in Norway, Denmark, France, Poland and the US. The company dates back to 1853 and the products are sold worldwide, primarily through speciality stores, but also through the DIY trade.

Lindab

- Sales SEK 1,234m (1,771) and EBITA SEK 28m (28)
- The economic downturn and the cold and long winter had a negative impact on demand in the first quarter
- An agreement for sale and leaseback of a property created a cash flow of SEK 285m and a capital gain of SEK 75m
- Acquisition of the Finnish ventilation company IVK-Tuote Oy

Ratos's holding in Lindab amounted to 22% and the consolidated book value in Ratos was SEK 650m at 31 March 2010.

Lindab is a leading European company within development, production, marketing and distribution of systems and products in sheet metal and steel for the construction industry. The group is established in 31 countries. Approximately 60% of sales go to countries outside the Nordic region. Lindab is listed on NASDAQ OMX Stockholm, Large Cap List.

Medisize

- Sales SEK 293m (301) and EBITA SEK 37m (22)
- Sales growth in reporting currency 7%, primarily from the Drug Delivery Devices segment driven by extended production of components for insulin pens for sanofi-aventis which started during the third quarter of 2009
- Sales in the Primary Pharmaceutical Packaging segment improved during the quarter
- Ratos acquired an additional 5.4% of Medisize for EUR 6.2m (SEK 59.8m)

Ratos's holding in Medisize amounted to 98% and the consolidated book value in Ratos was SEK 760m at 31 March 2010.

Medisize is an international contract manufacturer specialised in medical devices for delivery and administration of drugs and pharmaceutical packaging (Development & Manufacturing) as well as development, manufacture and distribution of single-use plastic products for anaesthesia and intensive care (Airway Management).

Mobile Climate Control (MCC)

- Sales SEK 226m (348) and EBITA SEK 31m (48)
- Reduced sales due to lower demand in the military segment and currency effects. Clear signs of a recovery in the off-road vehicles segment
- Stable EBITA margin 14% (14) despite lower sales
- Earn-out of SEK 43m paid attributable to acquisition of ACME in 2008

Ratos's holding in MCC amounted to 100% and the consolidated book value in Ratos was SEK 649m at 31 March 2010.

Mobile Climate Control (MCC) offers complete climate comfort systems for three main customer segments: buses, off road and military vehicles. Approximately 80% of the company's sales take place in North America and 20% in Europe. Major production plants are located in Toronto (Canada), Goshen (USA), Norrtälje (Sweden), and Wrocław (Poland).

SB Seating

- Sales SEK 327m (359) and EBITA SEK 57m (33)
- The late cyclical office chair market continued to be affected by weak demand
- Substantially improved EBITA margin, 17% (9). Earnings development is explained by reduced costs combined with the effects of completed integration programmes
- HÅG won an international design prize, the red dot design award, for the new office chair HÅG Futu

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 1,034m at 31 March 2010.

SB Seating develops and produces ergonomic seating solutions in Scandinavian design for companies and public environments. The group markets three strong brands: HÅG, Rh and Rbm which are mainly sold through retail outlets. The group is represented today in Norway, Sweden, Denmark, Germany, the UK, Benelux and France.

Superfos

- Sales SEK 769m (794) and EBITA SEK 54m (93)
- Sales in reporting currency increased by 7%. The improved economic situation led to a strong recovery in the paint, building materials and chemicals segments. The food segment, which is more independent of the economic climate, saw stable development
- The decline in earnings compared with the corresponding quarter in the previous year is mainly explained by a sharp rise in raw material prices
- Several new products were launched which led to orders in new user segments during the quarter

Ratos's holding in Superfos amounted to 33% and the consolidated book value in Ratos was SEK 598m at 31 March 2010.

Superfos is an international Danish group with operations in 20 countries mainly in Europe. The company develops, produces and sells injection moulded packaging for the food, paint and chemical industries.

Other holdings

- BTJ's sales amounted to SEK 144m (166) and EBITA was SEK om (0). Lower sales in Sweden and Finland were compensated by reduced operating expenses following completion of action programmes
- Continued tough competition in the market for Overseas Telecom

The total consolidated book value for Other holdings in Ratos was SEK 187m at 31 March 2010.

Other holdings comprise three holdings: BTJ Group, IK Investment Partners and Overseas Telecom.

Ratos's holdings at 31 March 2010

SEKm	Net sales			EBITA			EBT ^{A)}		
	2010 Q 1	2009 Q 1	2009	2010 Q 1	2009 Q 1	2009	2010 Q 1	2009 Q 1	2009
AH Industries	94	181	523	-4	21	8	-7	15	-19
Anticimex	432	435	1,803	37	44	197	28	32	148
Arcus Gruppen	405	357	1,829	-18	-32	83	-22	-41	50
Bisnode	1,162	1,244	4,741	139	147	593	121	40	324
Camfil ¹⁾	1,119	1,065	4,503	111	75	417	103	58	376
Contex Group	178	195	698	28	1	11	15	-25	-71
DIAB	355	356	1,322	54	49	156	44	29	97
EuroMaint	846	579	2,510	-12	28	133	-32	15	70
GS-Hydro	319	395	1,495	22	28	113	10	11	58
Hafa Bathroom Group	120	98	390	21	13	51	21	12	40
Haglöfs	163	165	590	19	21	65	18	19	57
HL Display	406	353	1,360	28	18	86	27	18	84
Inwido	1,098	940	5,026	29	-27	348	5	-72	189
Jøtul	206	230	1,044	6	4	89	-4	33	112
Lindab	1,234	1,771	7,019	28	28	265	-15	-6	119
MCC	226	348	1,085	31	48	128	22	29	85
Medisize	293	301	1,358	37	22	134	28	5	103
SB Seating	327	359	1,203	57	33	56	56	49	76
Superfos	769	794	3,128	54	93	292	47	71	230
Other holdings ²⁾	144	166	863	0	0	-16	0	0	-18
Total	9,896	10,332	42,488	668	613	3,208	466	292	2,112
Change	-4%			9%			60%		

SEKm	Depreciation ^{B)} 2010 Q 1	Investments ^{C)} 2010 Q 1	Cash flow ^{D)} 2010 Q 1	Equity ^{E)} 31 Mar 2010	Interest-bearing net debt ^{E)} 31 Mar 2010	Average no. employees 2009	Consolidated value	Ratos's holding
							31 Mar 2010	31 Mar 2010
AH Industries	9	3	2	569	393	210	385	66%
Anticimex	10	31	24	970	575	1,178	842	85%
Arcus Gruppen	8	4	-173	960	-202	463	753	83%
Bisnode	37	22	137	2,238	2,575	3,167	1,186	70%
Camfil ¹⁾	32	34	1	1,892	500	3,249	210	30%
Contex Group	13	17	-3	1,026	744	335	1,007	99%
DIAB	21	12	14	1,242	811	1,132	1,092	94%
EuroMaint	14	10	29	636	750	1,909	636	100%
GS-Hydro	7	3	20	349	699	623	-51	100%
Hafa Bathroom Group	1	1	-24	138	24	166	249	100%
Haglöfs	1	0	-23	312	63	119	168	100%
HL Display	10	9	-14	560	147	906	301	29%
Inwido	32	17	-235	2,213	2,150	3,604	1,931	96%
Jøtul	15	19	-29	590	635	717	314	61%
Lindab	44	18	96	2,889	2,286	4,586	650	22%
MCC	4	45	-48	676	596	591	649	100%
Medisize	11	4	20	787	312	891	760	98%
SB Seating	11	3	26	1,115	926	457	1,034	85%
Superfos	54	36	-35	1,771	450	1,452	598	33%
Other holdings ²⁾	3	3	-12	54	35	279	11	66%

^{A)} Earnings with restored interest expenses on shareholder loan.

^{B)} Depreciation includes depreciation and impairment of property, plant and equipment as well as internally generated and directly acquired intangible assets. Depreciation and impairment are included in EBITA.

^{C)} Investments excluding company acquisitions.

^{D)} Cash flow refers to cash flow from operating activities including paid interest and investing activities before acquisition and divestment of companies.

^{E)} Equity includes shareholder loan. Interest-bearing debt excludes shareholder loan.

¹⁾ Ratos refinanced its holding in Camfil in 2008 and has an interest-bearing net debt at 31 March 2010 of SEK 491m, which is not included in Camfil's income statement and statement of financial position. Ratos's consolidated book value has been adjusted to take the refinancing into account.

²⁾ "Other holdings" include the subsidiary BTJ Group.

Telephone conference
6 May
10.00 CET

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CEO Arne Karlsson's
comments on
this report at
www.ratos.se

Financial calendar 2010

20 Aug Interim report Jan-June
4 Nov Interim report Jan-Sept

Stockholm, 6 May 2010



Arne Karlsson
CEO

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

Consolidated income statement

SEKm	2010 Q 1	2009 Q 1	2009
Net sales	6,370	6,147	26,356
Other operating income	65	52	178
Change in inventories	88	89	-140
Raw materials and consumables	-2,420	-2,333	-9,663
Employee benefit costs	-2,187	-2,125	-8,469
Depreciation and impairment of property, plant and equipment and intangible non-current assets	-234	-243	-1,134
Other costs	-1,356	-1,305	-5,447
Capital gain from the sale of group companies			6
Capital gain from the sale of associates			-6
Share of profits of associates	50	57	358
Operating profit	376	339	2,039
Financial income	81	84	328
Financial expenses	-210	-273	-992
Net financial items	-129	-189	-664
Profit before tax	247	150	1,375
Tax	-90	-60	-441
Profit for the period	157	90	934
Profit for the period attributable to:			
Owners of the parent	129	89	842
Non-controlling interests	28	1	92
Earnings per share, SEK			
– before dilution	0.81	0.56	5.32
– after dilution	0.81	0.56	5.32

Summary consolidated statement of comprehensive income

SEKm	2010 Q 1	2009 Q 1	2009
Profit for the period	157	90	934
Other comprehensive income:			
Translation differences for the period	-428	165	-266
Change in hedging reserve for the period	11	-4	64
Change in fair value reserve for the period	-7	97	94
Tax attributable to other comprehensive income	-3	-1	-7
Other comprehensive income for the period	-427	257	-115
Total comprehensive income for the period	-270	347	819
Total comprehensive income for the period attributable to:			
Owners of the parent	-213	324	777
Non-controlling interests	-57	23	42

Summary consolidated statement of financial position

SEKm	31 March 2010	31 March 2009	31 Dec 2009
ASSETS			
Non-current assets			
Goodwill	18,217	19,063	18,507
Other intangible assets	1,786	2,132	1,875
Property, plant and equipment	3,604	4,115	3,702
Financial assets	2,698	2,700	2,807
Deferred tax assets	505	535	500
Total non-current assets	26,810	28,545	27,391
Current assets			
Inventories	2,804	3,195	2,617
Current receivables	5,781	6,081	5,661
Cash and cash equivalents	4,498	6,707	4,999
Assets held for sale			190
Total current assets	13,083	15,983	13,467
Total assets	39,883	44,528	40,858
EQUITY AND LIABILITIES			
Equity including non-controlling interests	16,384	17,702	16,802
Non-current liabilities			
Interest-bearing liabilities	11,602	14,462	12,040
Non-interest bearing liabilities	472	439	415
Pension provisions	416	537	451
Other provisions	627	621	607
Deferred tax liabilities	764	747	779
Total non-current liabilities	13,881	16,806	14,292
Current liabilities			
Interest-bearing liabilities	2,110	2,420	2,014
Non-interest bearing liabilities	6,976	7,066	7,167
Provisions	542	534	579
Liabilities attributable to Assets held for sale			4
Total current liabilities	9,628	10,020	9,764
Total equity and liabilities	39,893	44,528	40,858

Summary statement of changes in consolidated equity

SEKm	31 March 2010			31 March 2009			31 Dec 2009		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
Balance at 1 January	15,302	1,500	16,802	15,825	1,465	17,290	15,825	1,465	17,290
Adjusted for changed accounting principle	-25		-25						
Adjusted equity	15,277	1,500	16,777						
Total comprehensive income for the period	-213	-57	-270	324	23	347	777	42	819
Dividend		-5	-5				-1,423	-11	-1,434
New issue							89	102	191
Transfer of treasury shares (at acquisitions) in associates	10		10						
Purchase of treasury shares in associates							2		2
Transfer of treasury shares (exercise call options)	80		80	14		14	14		14
Option premiums							18		18
Acquisition of non-controlling interests		-208	-208		-9	-9		-158	-158
Divestment of non-controlling interests	-1	1							
Non-controlling interests at acquisition					60	60		60	60
Closing equity	15,153	1,231	16,384	16,163	1,539	17,702	15,302	1,500	16,802

Consolidated statement of cash flows

SEKm	2010 Q 1	2009 Q 1	2009
Operating activities			
Profit before tax	247	150	1,375
Adjustment for non-cash items	244	268	1,033
	491	418	2,408
Income tax paid	-58	-60	-285
Cash flow from operating activities before change in working capital	433	358	2,123
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-2	-28	475
Increase (-)/Decrease (+) in operating receivables	85	89	144
Increase (+)/Decrease (-) in operating liabilities	-708	-630	-239
Cash flow from operating activities	-192	-211	2,503
Investing activities			
Acquisition, group companies	-236	-331	-516
Divestment, group companies	186	4	205
Acquisition, shares in associates and other holdings			-20
Divestment, shares in associates and other holdings	3	6	31
Acquisition other intangible/tangible assets	-183	-203	-974
Sale, other intangible/tangible assets	14	41	163
Investment, financial assets	-26	-6	-28
Sale, financial assets	10		36
Cash flow from investing activities	-232	-489	-1,103
Financing activities			
Exercise of options	80	14	-23
Option premiums			19
Non-controlling interest in issue/capital contribution		1	102
Acquisition of non-controlling interests	-77		
Dividends paid			-1,423
Dividends paid/redemption, non-controlling interests	-5		-11
Loans raised	400	434	474
Amortisation of loans	-453	-606	-3,070
Cash flow from financing activities	-55	-157	-3,932
Cash flow for the period	-479	-857	-2,532
Cash and cash equivalents at beginning of the year	4,999	7,485	7,485
Exchange differences in cash and cash equivalents	-22	79	46
Cash and cash equivalents at the end of the period	4,498	6,707	4,999

Consolidated key figures

	2010 Q 1	2009 Q 1	2009
Return on equity, %			5
Equity ratio, %	41	40	41
Key figures per share			
Total return, %	29	-7	47
Dividend yield, %			5.1
Market price, SEK	239.50	125.25	185.00
Dividend, SEK			9.5
Equity attributable to owners of the parent, SEK	95	102	96
Earnings per share before dilution, SEK	0.81	0.56	5.32
Average number of shares outstanding			
– before dilution	158,722,372	157,953,024	158,124,369
– after dilution	159,127,665	158,019,422	158,186,343
Total number of registered shares			
Number of shares outstanding	161,852,892	161,349,252	161,852,892
– of which A shares	42,328,530	42,328,530	42,328,530
– of which B shares	116,863,315	115,783,475	116,287,115

Parent company income statement

SEKm	2010 Q 1	2009 Q 1	2009
Other operating income			11
Other external costs	-45	-9	-60
Personnel costs	-30	-22	-158
Depreciation of property, plant and equipment	-1	0	-4
Other operating expenses	-2	-1	-2
Operating profit/loss	-78	-32	-213
Capital gain from sale of participations in group companies			310
Dividends from group companies	3	25	25
Impairment of shares in group companies			-57
Capital gain from sale of interests in associates			-1
Dividends from associates		137	198
Result from other securities and receivables accounted for as non-current assets	35	68	262
Other interest income and similar profit/loss items	3	22	50
Interest expenses and similar profit/loss items	-6	-12	-28
Profit/loss after financial items	-43	208	546
Tax	-	-	-
Profit/loss for the period	-43	208	546

Parent company statement of comprehensive income

SEKm	2010 Q 1	2009 Q 1	2009
Profit/loss for the period	-43	208	546
Other comprehensive income:			
Change in fair value reserve for the period	-7	94	99
Other comprehensive income for the period	-7	94	99
Comprehensive income for the period	-50	302	645

Summary parent company balance sheet

SEKm	31 March 2010	31 March 2009	31 Dec 2009
ASSETS			
Non-current assets			
Property, plant and equipment	89	60	90
Financial assets	11,326	10,217	11,124
Total non-current assets	11,415	10,277	11,214
Current assets			
Current receivables	151	156	119
Cash and cash equivalents	2,502	4,659	2,776
Total current assets	2,653	4,815	2,895
Total assets	14,068	15,092	14,109
EQUITY AND LIABILITIES			
Equity	13,351	14,304	13,321
Non-current provisions			
Pension provisions	2	2	2
Other provisions	135	179	168
Non-current liabilities			
Interest-bearing liabilities to group companies	200	203	197
Non-interest bearing liabilities	86	130	136
Current provisions			
		63	10
Current liabilities			
Non-interest bearing liabilities	294	211	275
Total equity and liabilities	14,068	15,092	14,109
Pledged assets and contingent liabilities	none	none	none

Summary statement of changes in parent company's equity

SEKm	31 March 2010	31 March 2009	31 Dec 2009
Opening equity, 1 January	13,321	13,988	13,988
Comprehensive income for the period	-50	302	645
Dividend			-1,423
New issue			89
Transfer of treasury shares (exercise call options)	80	14	14
Option premiums			8
Closing equity	13,351	14,304	13,321

Parent company cash flow statement

SEKm	2010 Q 1	2009 Q 1	2009
Operating activities			
Profit/loss before tax	-43	208	546
Adjustment for non-cash items	-4	-67	-456
	-47	141	90
Income tax paid	-	-	-
Cash flow from operating activities before change in working capital	-47	141	90
Cash flow from change in working capital			
Increase (-)/Decrease (+) in operating receivables	-12	13	24
Increase (+)/Decrease (-) in operating liabilities	-28	-76	-250
Cash flow from operating activities	-87	78	-136
Investing activities			
Investment, shares in subsidiaries	-257	-551	-2,360
Sale and redemption, shares in subsidiaries	19		1,157
Investment, shares in associates and other holdings			-20
Sales, shares in associates and other holdings		6	6
Acquisition, property, plant and equipment	-1	-23	-59
Investment, financial assets	-31	-538	-165
Sales, financial assets			85
Cash flow from investing activities	-270	-1,106	-1,356
Financing activities			
Transfer of treasury shares (exercise call options)	80	14	14
Option premiums			8
Dividends paid			-1,423
Loans raised	3		
Amortisation of loans		-27	-31
Cash flow from financing activities	83	-13	-1,432
Cash flow for the period	-274	-1,041	-2,924
Cash and cash equivalents at the beginning of the year	2,776	5,700	5,700
Cash and cash equivalents at the end of the period	2,502	4,659	2,776

Operating segments

SEKm	Sales			EBT ¹⁾		
	2010 Q 1	2009 Q1	2009	2010 Q 1	2009 Q 1	2009
Holdings						
AH Industries	94	181	523	-7	15	-19
Anticimex	432	435	1,803	20	25	119
Arcus Gruppen	405	352	1,829	-21	-41	165
Bisnode	1,162	1,280	4,838	98	16	145
Camfil				23	9	80
Contex Group	178	195	698	15	-25	-73
DIAB	355	129	1,095	44	18	87
EuroMaint	846	574	2,510	-40	7	41
GS-Hydro	319	395	1,495	10	12	58
Hafa Bathroom Group	120	98	390	21	10	38
Haglöfs	163	165	587	18	19	58
HL Display				7	5	25
Inwido	1,098	940	5,026	5	-84	125
Jøtul	206	229	1,044	-14	23	74
Lindab				-3	-1	27
MCC	226	348	1,085	22	29	85
Medisize	293	301	1,358	28	5	103
SB Seating	327	359	1,203	32	29	-9
Superfos				15	28	184
Other holdings ²⁾	144	166	863	0	0	-18
Total holdings	6,368	6,147	26,347	273	99	1,295
Exit gains	0	0	0	0	0	0
Profit from holdings	6,368	6,147	26,347	273	99	1,295
Central income and expenses	2		9	-26	51	80
Consolidated profit before tax	6,370	6,147	26,356	247	150	1,375

¹⁾ Subsidiaries' profits included with 100% and associates' profits with respective holding percentage.

²⁾ Relates to subsidiary BTJ Group.

Accounting principles in accordance with IFRS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with IAS 34, Interim Financial Reporting. Pertinent regulations in the Swedish Annual Accounts Act and the Swedish Securities Market Act are also applied.

The parent company's interim report is prepared in accordance with the Annual Accounts Act and the Swedish Securities Market Act which are in accordance with the regulations in RFR 2.3 Accounting for Legal Entities.

Except where specified below, the accounting principles and basis of calculation are the same as those applied for the Group and the parent company in preparation of the most recent annual report.

New accounting principles for 2010

Revised IFRS 3 Business Combinations and amended IAS 27 Consolidated and Separate Financial Statements are applied as of 1 January 2010. These standards provide new rules for partial sales and partial acquisitions. How an acquisition/sale is recognised in the accounts depends on the size of the share acquired/sold.

■ If the partial acquisition results in control being obtained in the acquired company, the previously owned share is remeasured at fair value, and profit/loss recognised in profit or loss for the year. In a corresponding manner a sale, which results in a loss of control, is recognised as a capital gain or loss from the sale while the remaining share in the company is remeasured at fair value.

■ Acquisitions that take place after control has been obtained or in the event of a sale when control remains, are regarded as owner transactions, whereby any changes are recognised in equity.

■ Contingent considerations will be measured at fair value on the transaction date and in cases where the contingent consideration results in a liability it will be remeasured at fair value on each accounting date. Remeasurement is recognised as income/expense in profit or loss for the year.

■ Transaction costs that arise in conjunction with an acquisition are expensed immediately. Ratos has chosen to recognise transaction costs that arose in the Group during 2009 and where the acquisition was not completed until 2010 in retained earnings.

■ At acquisition of a "non-controlling interest" there are two alternative accounting methods either full goodwill or proportionate share of acquired net assets. The choice between these two methods will be made individually for every acquisition.

Other revised IFRS standards and interpretations from IFRIC have not had any effect on the performance, financial position or disclosures of the Group or the parent company.

Significant accounting and valuation principles

A brief summary of Ratos's key financial principles is provided below.

Purchase price allocations

Purchase price allocations (PPAs) are preliminary until adopted, which must take place within 12 months from the acquisition. In cases where a PPA is changed, income statements and balance sheets are adjusted for the comparative period. No PPAs were adopted during the period.

Goodwill and intangible assets

IFRS represents a requirement to identify and measure intangible assets at acquisition. To the extent intangible assets can be identified and measured, goodwill decreases corresponding.

Goodwill is not amortised but is subject to an annual test for impairment. Other intangible assets are amortised to the extent an amortisation period can be determined. In such cases, testing for impairment is only carried out when there is an indication of a decline in value. If the amortisation period cannot be determined and amortisation is therefore not effected, an annual impairment test must be performed regardless of whether or not there is any indication of impairment.

When testing for impairment goodwill and other intangible assets with an indeterminable useful life are attributable to cash-generating units, which constitute separate subsidiaries (holdings). All holdings' carrying amounts, including the value of goodwill and intangible non-current assets, attributable to the acquisition are tested by calculating the recoverable amount for the holdings. Holdings are tested for impairment annually regardless of whether or not there is any indication of impairment. Testing is conducted between annual periods if there is any indication of impairment.

Associates

As previously, Ratos applies the equity method for consolidation of associates. IFRS requires uniform accounting principles within a group. This requirement relates to both associates and subsidiaries.

Business combinations

Ratos increased its holding in Medisize by 5.4% to 98.4%. Consideration transferred amounted to SEK 59.8m (EUR 6.2m). Acquisition-related costs amount to SEK 1m and are recognised as other operating expenses in consolidated profit for the period.

Following conversion to shares of the capital contribution in Jøtul carried out in 2009, Ratos's holding amounts to 61% (63).

Acquisitions in group companies

Bisnode's investment in the French company Directinet was completed and amounted to SEK 86m. EuroMaint's acquisition of the German company Rail Service Management Group (RSM) was completed, whereby payment made for the acquisition combined with additional minor acquisitions amounted to SEK 176m. PPAs for each company are provided in the table below.

SEKm	Bisnode	EuroMaint	Total
Intangible assets	2	1	3
Property, plant and equipment	2	67	69
Deferred tax assets	1		1
Current assets	52	251	303
Cash and cash equivalents	12	1	13
Non-current liabilities and provisions	-3	-31	-34
Current liabilities	-59	-128	-187
Net identifiable assets and liabilities	7	161	168
Consolidated goodwill ^{*)}	72	15	87
Total	79	176	255
Minus seller promissory note	-7		-7
Consideration transferred	72	176	248

^{*)} EuroMaint's consolidated goodwill includes bargain purchase (negative goodwill) amounting to SEK 6m, which is recognised in profit for the period.

This information is disclosed pursuant to the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or requirements stipulated in the listing agreement.

RATOS

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