RATOS

Annual Report 2001

Directors' Report

Analysis

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Information

Information policy

Ratos provides open, accurate, continuous and timely information. The aim is to make it easier for shareholders and other capital market players to understand and evaluate Ratos's activities.

www.ratos.se

The fastest way to obtain information about Ratos is to visit the www.ratos.se website. The site contains information about Ratos's activities and organisation, holdings, recent interviews and presentations, a description of the private equity market, share data, press releases, calendar and picture bank. Ongoing financial data on the holdings is also available in downloadable excel files. Printed information can be ordered under Investor Relations.

Annual General Meeting

The Annual General Meeting of Ratos AB (publ) will be held at 5.30 p.m. on Wednesday, 10 April 2002 in Berwaldhallen, Dag Hammarskjölds väg 3, Stockholm.

Participation

To be entitled to participate in the business of the Meeting, shareholders must

- be recorded in the register of shareholders maintained by VPC AB no later than 28 March 2002,
- notify the company of their intention to attend no later than 4 p.m. on 5 April 2002.

Notification of attendance may be made by writing to Ratos AB (publ), Box 1661, SE-111 96 Stockholm, or calling +46 8 700 17 00, or via www.ratos.se under Shareholder Service.

In order to be entitled to participate in the meeting and exercise their voting rights, shareholders whose shares are registered in the name of a nominee must temporarily re-register their shares in their own names. Such registration must be effected at VPC by Thursday, 28 March 2002. Shareholders are requested to inform their nominees in good time prior to this date.

Financial calendar

10 April	Annual General Meeting
13 May	Interim Report, January-March
26 August	Interim Report, January-June
13 November	Interim Report, January-September
February 2003	Year-end report 2002

Publications are issued in Swedish and English. Information is sent directly to shareholders who have notified Ratos that they wish to receive financial information from the company. Others who wish to receive such information should give their name and address to Ratos via

post: Ratos AB, Box 1661, SE-111 96 Stockholm
fax: +46 8 24 22 26 or
e-mail info@ratos.se

Publications can also be ordered via the website under Investor Relations.

www.ratos.se

Ratos AB (publ) Corporate Identity Number 556008-3585

2001 Highlights

- The Group's pre-tax profit amounted to SEK 1,926m (1,977).
- Earnings per share amounted to SEK 22.07 (23.50).
- Net asset value was SEK 8,495m at 31 December 2001, corresponding to SEK 108 per share.
- The total return on Ratos shares was 27% (16).
- Proposed dividend for 2001 is SEK 6.25 (5.50).
- Investments in holdings totalled SEK 3,793m (1,319).
- Sales – exits – amounted to SEK 2,450m (722).
- Acquisition of Atle, Lindab and Dynal Biotech.
- Holdings in Scandic Hotels, Telelogic and Sweden On Line sold.

Several investments

The offer made by Ratos and the British company 3i for Atle was completed in February.

The acquisition of Atle added 13 holdings to Ratos's portfolio: Arcorus, Atle Industri, DIAB, Gadelius, Haendig, Haglöfs, Hilding Anders, HL Display, Intervect, Kronans Droghandel, Martinsson, Programmera and Sweden On Line.

In addition, Ratos participated in a buyout of Lindab from the stock exchange at the end of the first half. Ratos invested in Dynal Biotech in the autumn.

Major exit

In April, Ratos sold its entire holding in Scandic Hotels to the British company Hilton Group. The holding in Sweden On Line and the remaining shareholding in Telelogic were also sold in the autumn.

Unchanged consolidated earnings

The Ratos Group's pre-tax profit amounted to SEK 1,926m (1,977). Earnings per share amounted to SEK 22.07 (23.50). This result includes write-downs of SEK 248m relating to the holdings in DataVis, Programmera and Q-Labs.

Ratos's share of current profits in its holdings amounted to SEK 203m (320). Dahl, Capona, Hilding Anders, Arcorus and Lindab provided the largest earnings contributions.

The exit result from the holdings amounted to SEK 1,852m (726). The largest component, SEK 1,751m, was an exit gain from the sale of Scandic Hotels.

Key figures per share [1]

SEK	2001 [2]	2000	1999
Earnings	22.07	23.50	20.95
Dividend	6.25 [3]	5.50	4.50
Market price, 31 Dec	93.50	79	72
Total return, %	27	16	34
Net asset value	108	125	113

1) Definitions, see page 105.
2) Number of shares outstanding amounts to 78,958,226.
3) Board of Directors' proposal to the 2002 AGM.

SEKm	2001	2000	1999
Profit/share of profits	203	320	128
Write-downs	-248	–	–
Exit gain	1,852	726	696
Dividends other companies	10	–	–
Asset management	234	1,008	1,023
Central income and expenses, net	-125	-77	-86
Consolidated pre-tax profit	1,926	1,977	1,761
Net asset value	8,495	9,896	9,192
of which unlisted	81 %	28 %	18 %

Varying results in the holdings

The largest improvements in earnings (EBITA) during the year were shown by Arcorus, Camfil, Dahl, Dynal Biotech, Hilding Anders and HL Display. Negative earnings were reported by DataVis, Exceed, Kronans Droghandel, Martinsson, Programmera and Q-Labs. Other companies achieved a profit, the majority on a par with the previous year.

Business concept, objectives and strategy

Business concept

Ratos is a listed private equity company. Ratos's business concept is to generate, over time, the highest possible return through the professional, active and responsible exercise of its ownership role in a number of selected companies and investment situations, where Ratos provides stock market players with a unique investment opportunity. Added value is created in connection with acquisition, development and divestment of companies.

Objectives

- The return on each individual investment (IRR) to exceed 20%, i.e. the average annual return during the period of ownership.
- Total return on Ratos shares to be higher than the average on the Stockholm Stock Exchange over time.
- An assertive dividend policy
- Ratos is to be perceived as one of the best owner companies in Sweden.
- Ratos aims to provide open, accurate, continuous and timely information.

Strategy

Holding normally 20-50%
Ratos is normally the principal owner.

Investment size SEK 250-1,500m
Ratos does not invest in early phases of companies' life cycles. Typical investment situations are generation succession, capital-intensive growth phases, structural changes, internationalisation phases or bridging financing.

15-20 holdings
Ratos's portfolio should normally comprise 15 to 20 holdings of varying size.

Sector generalist
Ratos's core competence is not sector-specific, and since added value can be created in most sectors, Ratos has chosen to be sector-neutral.

Nordic acquisitions – global exits
The entry point for investments is the Nordic region with the main emphasis on Sweden, while exits (divestments) can be effected globally.

Ownership period 3-7 years
Ratos's involvement as an active owner in each individual company – from acquisition via development to divestment – is normally for 3-7 years.

Own deal flow
Ratos regards it as important to build up its own deal flow with potential investments and at the same time establish networks with co-investors.

- In addition, the companies in which Ratos invests must have competitive advantages in their sector and strong management. There is a clear exit strategy for every investment Ratos makes. Ratos makes active efforts to ensure that the companies in which it invests have incentive strategies for boards and senior executives.

CEO'S COMMENTS

A memorable year for Ratos

2001 was a memorable year for Ratos in several ways:

- we completed the strategic changeover from a traditional Swedish investment company to a fully invested private equity company
- in February we made the biggest acquisition in Ratos's 135-year history…
- … followed two months later, in April, by our largest ever exit
- we finalised a number of other deals which will have great significance for our future development.

Strategic changeover completed

More than three years have now passed since Ratos revised its strategy to focus, within the fiscal framework for investment companies, on becoming one of Sweden's leading players in the private equity market – the market for investments in unlisted companies. Since then we have been constantly on the move, not only with a high level of business activity but also on a journey from one strategic position to another. Now that we have completed our strategic changeover, it can be worth comparing our plans of three years ago with the situation today:

✔ with the aid of our Black Box analysis (presented in the 1998 annual report) we established the strategic goal of becoming a fully invested private equity company. This goal has now been achieved

✔ we started with nearly 10% unlisted companies in the portfolio but announced that our aim over time was to have a proportion of between 60 and 90%. At the end of 2001 the actual figure was 81%

✔ at the end of 1998, 45% of our capital was invested in what we then called "Active Holdings", while the rest was placed in Asset Management. Our goal was to totally discontinue Asset Management over time and invest the released capital in the core business. Today 99% of our capital is invested in holdings

✔ we expected that our transformation would take two to four years to complete. The goal was reached after about two and a half years

✔ one reason why we did not wish to move forward too fast was that we wanted our profitability to remain good during the changeover – we did not want to be pressurised into doing deals for their own sake. Our pre-tax profit was SEK 1.8 billion in 1999, SEK 2.0 billion in 2000 and SEK 1.9 billion in 2001

✔ we wanted to create one of the very best private equity organisations in the market. In 1999 we were 21 employees, seven of whom worked within the core business. Today we are 26 employees, with 15 in the core business. Of these 15, 12 were employed after 1 January 1999. In other words we have had a rare opportunity to shape the organisation as we wanted without any drama

✔ it was decided that Ratos's information policy should be to provide open, accurate, continuous and timely information in order to make Ratos transparent for market players, despite the portfolio mainly comprising unlisted companies. To judge from external comments and views we hear today, we have made great progress with this aim

✔ we felt that our shareholders should not have to wait two to four years for a positive share price development. We hoped that historical experience would prove to apply in this case as well, i.e. that it is the journey which is profitable – when the target is reached the stock market has already discounted this development some time ago. The total return on Ratos shares between 1 January 1999 and 31 December 2001 was 97%, while the benchmark (Six Return Index) rose 29%.

Major deals

Within the space of two months in 2001, Ratos carried out both the biggest acquisition and the biggest exit the company has made in 135 years.

> **"in 2001, Ratos carried out both the biggest acquisition and the biggest exit the company has made in 135 years"**

In February, together with the British company 3i, one of the largest private equity companies in the world, we made an offer for our industry colleague Atle. The offer was worth a total of SEK 8.3 billion, of which Ratos's share was about SEK 3.2 billion. The purely practical consequence of the deal was that we acquired 13 new companies at once and became a fully invested private equity company at a stroke. Moreover, we strengthened our organisation with another Senior Investment Manager. This deal also gave us a new co-investment partner. Today, 3i is co-owner of ten of Ratos's portfolio companies.

In April, the British company Hilton Group made an offer for Scandic Hotels, an offer which had been negotiated by Ratos together with Scandic's board and management. For Ratos this deal strengthened the cash balance by SEK 2.2 billion and provided an exit gain of SEK 1.7 billion. One-fourth of the purchase price was received in Hilton shares which as of today's date have increased somewhat in value, despite the difficult situation in the travel industry.

For Ratos, this deal marked the end of an 18-year journey together with Scandic. A fantastic journey that started with Esso Motorhotell and via Scandic developed into a concept which qualified for inclusion in the Hilton Group. I would very much like to take this opportunity to thank Scandic's management, headed by Roland Nilsson, for an exceptional contribution to Swedish business.

In addition to this we completed a number of deals which will have great significance for Ratos's development in future years:

- together with the Sixth AP Fund and Skandia we made an offer for Lindab. Ratos invested just over SEK 1 billion for a 49% stake in the company, making this deal also one of Ratos's largest ever. We are highly optimistic about the prospects for a powerful expansion of the company in a few years into a far larger player than it is today, although this may weaken the profit trend in the short term. The Lindab investment is comparable in many ways to the buyout of Dahl nearly three years ago, an investment which has so far proved highly successful
- in autumn 2001 we completed the acquisition of 25% of the Norwegian biotechnology company Dynal Biotech for NOK 242 million. Our partner in this investment is Nordic Capital. Dynal is a biotechnology company which is already profitable and cash-generating in its existing business. Our acquisition calculation is based solely on an anticipated strong growth in this existing business. In addition there are several exciting projects in Dynal's R&D portfolio, which are often found in companies of this type
- in November, we sold our last shareholding in Telelogic, after four years of exciting and dynamic growth with a stock market listing as an important milestone. Overall, the average annual return on Ratos's investment in Telelogic amounted to over 100%.

New goals

So, does all this mean that we are pleased with our development and present situation? Both yes and no. Naturally, we are happy about what has been achieved thus far and the market's response. At the same time, we have only come half way on our journey. There are many companies that have carried out a successful change in their operations but then been unable to show a long-term and sustainable profitability with their new focus.

However, we have no intention of sitting back. On the contrary, a key task now is to continue to develop our strategic position, set up new goals and at the same time ensure that the organisation works at the same high pressure as before.

Business climate

In general, 2001 offered an unusually mixed business climate, with an overweight on the negative side. This also affected parts of Ratos's portfolio where the development for several holdings proved disappointing. At the same time, however, the trend for other companies of ours was even better, which is why overall we could note a positive operating profit trend. Our companies' total EBITA (earnings before net financial items, goodwill amortisation, items affecting comparability and tax) rose pro forma by 22% during the year. On the basis of Ratos's stakes in each company, the increase was 6%.

This, given the circumstances, favourable development is a result of both luck and our own efforts. Luck, to the extent that we had a geographic and sector exposure which meant that the portfolio as a whole suffered less than average from the economic decline. Our own efforts, in the form of action taken at an early stage – both cost rationalisation and work on capital, organisational and logistics structures – in the companies where this was necessary.

In the longer term, normal economic downturns have a limited impact on our ability to generate a good return – if used right downturns can even create extra opportunities (it becomes easier to implement necessary changes, good acquisition opportunities can arise, and so on). Structural problems, however, of the type Japan has been battling with over the last decade and which hit Sweden at the beginning of the 1990s, can put serious difficulties in the way of our business. On the other hand, in our opinion the present recession is cyclical and the general economic conditions for a continued attractive development are therefore in place.

"a key task now is to continue to develop our strategic position"

A look ahead

Today, Ratos has an attractive portfolio with many companies with development potential. We also have a strong brand which contributes to our business opportunities, a customised and hand-picked organisation and the capital we need, in our capacity as an industrially oriented financial player, to conduct the deals of the new era on a stable foundation of good Swedish ownership tradition. I therefore expect that the next three years will also provide opportunities for positive and profitable development.

Arne Karlsson

Ratos shares total return +27%

Ratos shares are listed on the O list (Attract 40) of the Stockholm Stock Exchange.

Share capital and number of shares

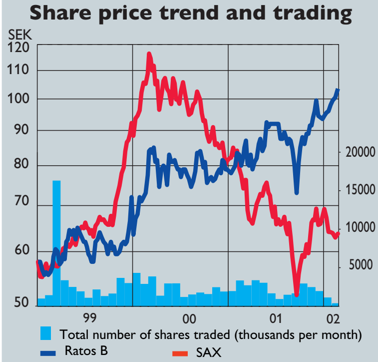
Following the decision taken at the Annual General Meeting on 5 April 2001 to reduce the share capital by SEK 8,222,500 corresponding to 657,800 class B shares, at year-end 2001 the share capital amounted to SEK 1,008.3m represented by 80,662,626 shares. The share capital is divided into 21,641,127 class A shares and 59,021,499 class B shares. After the reduction of the share capital, the number of repurchased shares is 1,704,400, which means there are 78,958,226 shares outstanding. Each Ratos A share carries one vote and each Ratos B share 0.1 vote. A round lot amounts to 100 shares. The par value is SEK 12.50 per share. In the event of full exercise of existing stock options, the number of shares will rise by 530,000, which corresponds to an increase in the share capital of SEK 7m.

Total return +27%

In 2001 the total return (price development including reinvested dividends) for Ratos B shares amounted to +27% compared with the SIX Return Index which fell 15%.

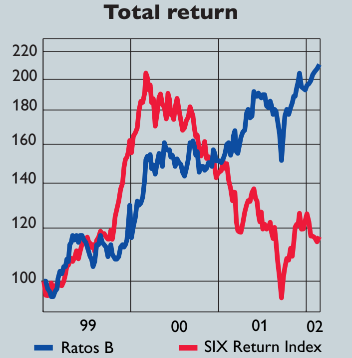
Ratos B shares rose 18% in 2001 which can be compared with the SAX Index which fell 17% in the same period. The highest quotation, SEK 99.50 (all time high), occurred in December. The lowest quotation, SEK 73, was noted in September. Ratos's total market capitalisation amounted to SEK 7,383m at year-end.

Share price trend and trading



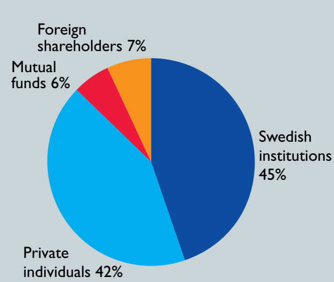
Source: SIX

Total return



Source: SIX

Distribution of Ratos's shareholders



Source: SIS Shareholder Service

Definitions, see page 105.

Trading

A total of 25.7 million Ratos shares were traded at a value of SEK 2.2 billion. Corresponding values for 2000 were 27.2 million shares and SEK 2.1 billion respectively. An average of 102,630 shares were traded per day, a decrease of 5% compared with 2000.

Dividend SEK 6.25

Ratos has an assertive dividend policy. The Board of Directors proposes a dividend for 2001 of SEK 6.25 (5.50) per share, which corresponds to a dividend yield of 6.7% based on the last price paid at year-end.

Share buy-back

A decision was made at the Annual General Meeting that up to 7% of the company's shares may be acquired until the next Annual General Meeting on 10 April 2002. Between the 2001 Annual General Meeting and 21 February 2002, Ratos has acquired 100,400 of its class B shares. The buy-backs were effected at an average price of SEK 82.10 per share.

Ownership structure

At year-end 2001, the number of Ratos shareholders totalled 18,909.

The ten largest shareholders accounted for 80% of the voting rights and 60% of the share capital. Swedish institutions owned 45% of the capital while 42% was owned by Swedish private individuals. Foreign ownership totalled 7%.

63% of Ratos shareholders owned 500 shares or less and together accounted for 3% of the share capital.

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Key figures per share [1]

SEK	2001	2000	1999	1998
Earnings [1]	22.07	23.50	20.95	9.78
Dividend	6.25 [2]	5.50	4.50	3.50
Dividend as % of earnings	28.3	23.4	21.5	35.8
Net asset value [1]	108	125	113	87
Average no. of shares outstanding	79,029,299	80,350,723	81,320,426	81,320,426
No. of shares outstanding at year-end	78,958,226	79,155,626	81,320,426	81,320,426

[1] Dilution effect of outstanding options is negligible.

[2] Proposed dividend.

Data per share

SEK	2001	2000	1999	1998
Market value at year end, B	93.50	79	72	57
Market price/NAV, %	87	63	64	65
Dividend yield, %	6.7 [1]	7.0	6.3	6.1
Total return, %	27	16	34	-12
P/E ratio	4.2	3.3	3.4	5.8
Highest/lowest price paid, B	99.50/73	87.50/63	72/55	88.50/55
Average number of Ratos shares traded per day, thousands	103	108	149	85
Number of shareholders	18,909	16,065	16,091	14,765

[1] Proposed dividend.

Breakdown by class of share

Class	Number of shares	% of voting rights	% of capital
A	21,641,127	79	27
B	59,021,499	21	73
	80,662,626	100	100

Ratos shareholders

31 December 2001	Number A shares	Number B shares	Share of votes, %	Share of capital, %
Söderberg family	11,411,002	3,547,179	41.3	17.0
Söderberg foundations	6,428,720	5,740,460	25.4	15.1
Foreign shareholders	1,736,432	3,635,172	7.4	6.0
Skandia		3,943,815	1.4	4.9
AMF Pension		3,932,000	1.4	4.9
SEB mutual funds		3,759,875	1.4	4.7
Confederation of Swedish Enterprise		1,820,000	0.7	2.3
Third AP Fund		1,776,923	0.6	2.2
SEB-Trygg Försäkring		1,442,700	0.5	1.8
Montgomery family	1,006	859,450	0.3	1.1
HQ.SE mutual funds		667,200	0.2	0.8
Björn Håkansson	664,984		2.4	0.8
Share buy-backs [1]		1,704,400	0.8	2.8
Others	1,398,983	26,192,325	16.2	35.6
Total	21,641,127	59,021,499	100.0	100.0

[1] At 21 February 2002.

Source: SIS Shareholder Service

Range analysis

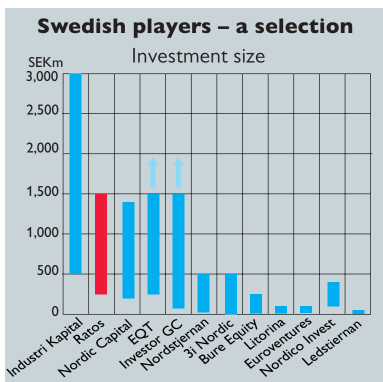
Number of shares	Number of shareholders	% of total number of shares
1 – 500	11,827	3.0
501 – 1,000	3,172	3.3
1,001 – 2,000	1,755	3.5
2,001 – 5,000	1,301	5.5
5,001 – 10,000	406	3.8
10,001 – 20,000	195	3.6
20,001 – 50,000	139	5.6
50,001 – 100,000	47	4.2
100,001 –	67	67.6
	18,909	100.0

Development of share capital

At year-end	Transaction	A shares	B shares	C shares	Preference	Share capital, SEKm
1983	Bonus issue 1:4, split 2:1	5,437,507	3,506,242		100,000	452
1985	Bonus issue 2:5	5,437,507	7,083,740		100,000	631
1988	Bonus issue 1:1	5,437,507	19,604,987		100,000	1,257
1990		5,437,507	19,604,987		100,000	1,257
1996	Redemption preference shares	5,437,507	19,604,987			1,257
1997	Split 4:1, redemption A and B shares	21,727,060	68,550,544			1,128
1998	Redemption A and B shares, Issue C shares	21,641,127	59,679,299	9,027,760		1,129
1999	Redemption C shares	21,641,127	59,679,299			1,016
2001	Reduction	21,641,127	59,021,499			1,008

The private equity market

Ratos operates in the private equity market – the market for investments in unlisted companies. Investments in this market are characterised by the fact that, in addition to being made in unlisted companies, ownership involvement is active and for a limited period. The investing company contributes capital, expertise and business development support. The return is profit shares from the owned companies and any gain that is made at exit, when the holding is divested. This can take the form of a sale to an industrial player or a stock market listing.



Source: Swedish Venture Capital Association

Global growth

The sector has grown rapidly over the past decade and growth is global. An increased number of players have gradually built up more extensive capital resources. The sector is playing a more and more significant role in the national economy.

The private equity sector was developed in the US where it achieved its breakthrough in the 1970s. In Europe, the sector became firmly established in the 1980s. The European market has shown strong growth in recent years. In the period 1989-1996 EUR 41 billion was allocated for private equity investments. Between 1997 and 2000 the corresponding amount was EUR 114 billion. Most of this capital went to private equity funds.

The Swedish private equity market was established at an early stage and has seen strong growth in recent years. In a European perspective this is reflected in the high proportion of GDP which comprises private equity investments. In 2000, such investments amounted to over SEK 19 billion, or 0.9% of GDP. In 2000 alone, more than SEK 30 billion was allocated to private equity investments in Sweden.

A new profession

In 2000, the Swedish Venture Capital Association had more than 150 active corporate members, which was three times more than in 1998. A large proportion of the new members have an investment focus on newly started small companies primarily in the technology, IT and biotechnology sectors.

There has also been a marked increase in the number of investment managers in Sweden in recent year. At the end of 2000 there were 314 investment managers employed in the Swedish Venture Capital Associations' member companies. A general reflection is that it is positive for Sweden as a nation that a new profession is now emerging dedicated to exercising active ownership. This new group can make a positive contribution to the development of Swedish prosperity.

Consolidation

The strong growth of recent years in both investment capital and the number of players will probably lead to consolidation within the industry. In particular the more venture-capital oriented segment of the market can be expected to undergo major changes as valuation levels and investor focus change. A number of deals were completed in the Nordic market in 2001 which confirm this trend.

Ratos's segment

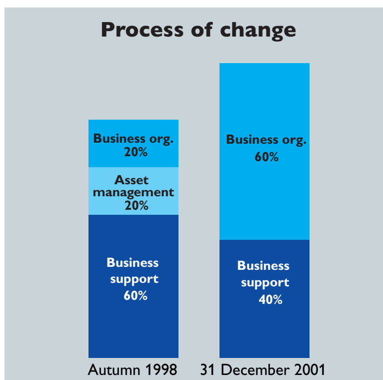
The segment of the private equity industry in which Ratos operates has remained relatively stable in terms of competitive scenario and valuation levels. The size of Ratos's initial investment is SEK 250-1,500m. In Sweden today there are only a few domestic players operating within this niche of the private equity market. These include Industri Kapital, EQT and Nordic Capital. Setting up a new organisation in this segment requires considerable resources in the form of qualified employees and networks as well as a good track record.

Organisation and working methods

Ratos's organisation has successively changed in step with the company's transformation from a traditional pure investment company to a private equity company with mainly unlisted holdings. Today, Ratos has a tailor-made organisation in place which is well able to meet the demands of the role of active owner.

Extended and adapted organisation

Between autumn 1998 and 1 January 2002, the number of employees has risen from 21 to 26. The division between the business organisation and business support has also changed. Today, 60% of Ratos's employees work in the business organisation compared with 40% in 1998. A more detailed presentation of the business organisation is provided on page 22.



Teams handle the business process

The business organisation carries out work as part of Ratos's business process, i.e. acquisition, development and divestment of companies. These operations are carried out in teams consisting of one senior investment manager and one investment manager for each holding. Work throughout the entire business process is based on close co-operation between the team and the management/board of the holding concerned. The senior investment manager and/or investment manager always represents Ratos on the company's board.

Business organisation

- CEO, deputy CEO
- 3 Senior Investment Managers
- 7 Investment Managers
- CFO
- 2 IR/Communications

Business support

- 11 other functions

Creating value at every stage

Ratos works actively with business development and value creation in all three stages: acquisition, development and divestment.

Ratos conducts ongoing assessments of different potential investments which are generated by a continuous deal flow. Prior to an acquisition a business plan is drawn up which forms the basis for future development work and the design of governance and incentive systems. In addition, Ratos performs profitability and risk analyses which form the basis for both investment and financing decisions as well as risk management.

In the development stage Ratos contributes with expertise in analysis, strategy and structural development as well as financial issues. Ratos continuously functions as a sounding board for the company's management.

Divestment of a holding takes place when the investment targets are achieved and/or when Ratos's ownership is no longer generating value. Exits are carried out in a responsible manner taking the company's long-term development into account.

Summarised and simplified, Ratos's role in the business process can be compared to that of a management consultant but with a wider brief and direct responsibility for profitability.

“Today Ratos is a fully invested private equity company”

Arcorus

Arcorus was formed in spring 2000 and comprises Hägglunds Drives, GS-Hydro and Lidan Marine. The Group is a leading international supplier of complete hydraulic drive systems, hydraulic motors and pipe laying systems. The main customer base is in the industrial, marine and offshore segments.

Read more about Arcorus on page 54.

Hägglunds Drives' deliveries include hydraulic systems for sugar crushing machines.

	31 Dec 2001
Sales	SEK 1,469m
Pre-tax profit	SEK 97m
CEO	Anders Lindblad
Ratos's holding [1)]	49%
Contribution to Ratos's earnings	SEK 44m
Book value in Ratos	SEK 339m

www.arcorus.com

1) Not yet transferred from Atle to Ratos.

Atle Industri

Atle Industri comprises a portfolio of 17 companies, of which 14 are wholly owned. The portfolio was acquired when Ratos and the British company 3i took over Atle. The companies in the portfolio operate in the engineering industry, trading, waste management and IT/technology.

Read more about Atle Industri on page 56.

	31 Dec 2001
Sales	SEK 2,384m
Pre-tax loss	SEK -28m
CEO	Bo Ulván
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -23m
Book value in Ratos	SEK 573m

Companies in the engineering industry account for approximately half of the group's book value.

Camfil

Camfil Farr is the 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 local agents in some 55 countries.

Read more about Camfil on page 58.

	31 Dec 2001
Sales	SEK 3,237m
Pre-tax profit	SEK 96m
CEO	Alan O´Connell
Ratos's holding	30%
Contribution to Ratos's earnings	SEK 21m
Book value in Ratos	SEK 478m

www.camfil.com

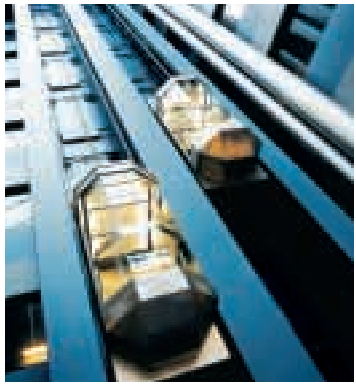
The Hi-Flo air filter is one of Camfil's leading products.

Capona

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 hotel properties, most of them located in Sweden.

Capona is listed on the Stockholm Stock Exchange.

Read more about Capona on page 60.



Capona focuses on hotel properties in Nordic metropolitan regions. Pictured here is the Airport Hotel Bonus Inn outside Helsinki.

	31 Dec 2001
Rental income	SEK 291m
Pre-tax profit	SEK 128m
CEO	Olle Persson
Ratos's holding	47%
Contribution to Ratos's earnings	SEK 58m
Book value in Ratos	SEK 332m

www.capona.se

Dahl

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

Dahl is the market leader in Denmark, Sweden and Norway and number two in Finland.

Read more about Dahl on page 62.

In its role as a wholesaler Dahl acts as a link between 2,000 suppliers and 50,000 customers.

	31 Dec 2001
Sales	SEK 11,660 m
Pre-tax profit	SEK 351m
CEO	Per-Olof Söderberg
Ratos's holding	44%
Contribution to Ratos's earnings	SEK 147m
Book value in Ratos	SEK 695m

www.dahlinternational.com

DataVis

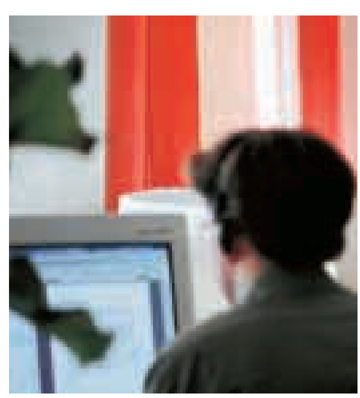
DataVis has three operating areas: Consulting, Technology and Education. The consulting services focus on systems development and systems integration.

The largest offices are located in Sundsvall, Stockholm and Gothenburg.

Read more about DataVis on page 64.

	31 Dec 2001
Sales	SEK 215m
Pre-tax loss	SEK -131m
CEO	Johan Örtenblad
Ratos's holding	44%
Contribution to Ratos's earnings	SEK -62m
Book value in Ratos	SEK 110m

www.datavis.se



DataVis has operations throughout Sweden.

DIAB

DIAB is a world-leading niche company within the manufacture of sandwich products based on composite materials. The key applications are hulls and decks for large pleasure boats, blades for wind power stations and components for trains, buses, aircraft and space rockets.

Read more about DIAB on page 66.

	31 Dec 2001
Sales	SEK 693m
Pre-tax profit	SEK 76m
CEO	Bo Ljungberg
Ratos's holding [1]	48%
Contribution to Ratos's earnings	SEK 5m
Book value in Ratos	SEK 688m
www.diabgroup.com	

[1] Not yet transferred from Atle to Ratos.

DIAB supplied core materials to "illbruck" which is taking part in the Volvo Ocean Race.

Dynal Biotech

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

Read more about Dynal Biotech on page 68.

Separating human liver cells with the aid of Dynabeads®.

	31 Dec 2001
Sales	NOK 420m
Pre-tax profit	NOK 80m
CEO	Vigdis Heggeli
Ratos's holding	25%
Contribution to Ratos's earnings	SEK -7m
Book value in Ratos	SEM 280m
www.dynalbiotech.com	

Esselte

Esselte is one of the world's leading suppliers of office products. The Group has subsidiaries in 26 countries and sales in more than 120 countries. Strong brands include Dymo, Pendaflex, Leitz and Esselte.

Esselte is listed on the stock exchanges in Stockholm and London.

Read more about Esselte on page 70.

LabelPOINT 100 is one of DYMO's successful labelling products.

	31 Dec 2001
Sales	SEK 10,853m
Pre-tax profit	SEK 84m
CEO	Anders Igel
Ratos's holding	32% of votes 17% of capital
Contribution to Ratos's earnings	SEK 14m
Book value in Ratos	SEK 371m
www.esselte.com	

Exceed

Exceed is a forwarding company specialised in intercontinental air and sea freight.

The Group has operations in Sweden, Denmark and Finland and sales through agents worldwide.The group is one of the leading forwarding companies in the Nordic region.

	31 Dec 2001
Sales	SEK 1,351m
Pre-tax loss	SEK -25m
CEO	Peter Larsen
Ratos's holding	100%
Contribution to Ratos's earnings	SEK -32m
Book value in Ratos	SEK 74m

www.exceed.se

Exceed has a strong market position within air and sea freight in the Nordic region.

Read more about Exceed on page 72.

Gadelius

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 and food industries, and purchasers of mechanical and electronic components.

	31 Dec 2001
Sales	SEK 1,025m
Pre-tax profit	SEK 34m
CEO	Hans Porat
Ratos's holding [1]	50%
Contribution to Ratos's earnings	SEK 6m
Book value in Ratos	SEK 138m

www.gadelius.com

[1] Not yet transferred from Atle to Ratos.

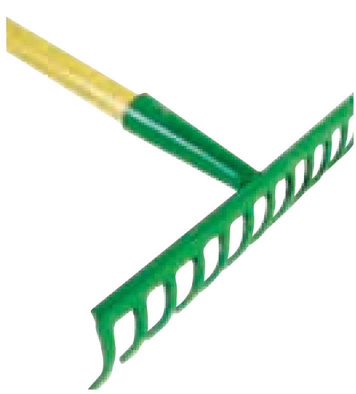
Gadelius offers much more than import and export services.

Read more about Gadelius on page 74.

Haendig

The Group was formed in 2000 through a merger between HDF-Bolagen and Markt & Co.

Haendig is a Nordic distributor to end users in the DIY market and industry. Sales are conducted via retailers in the building and hardware sectors, hypermarkets, heating, ventilation & sanitation suppliers, as well as agricultural suppliers in Sweden, Finland, Norway, Denmark and Poland.



Haendig offers a comprehensive range to the DIY market.

	31 Dec 2001
Sales	SEK 1,204m
Pre-tax profit	SEK 14m
CEO	Thomas Holmgren
Ratos's holding [1]	49%
Contribution to Ratos's earnings	SEK 3m
Book value in Ratos	SEK 169m

www.hdf.se

[1] Not yet transferred from Atle to Ratos.

Read more about Haendig on page 76.

Haglöfs

Haglöfs develops, produces and markets equipment and clothing for active outdoor life. The products include rucksacks, sleeping bags, tents, shoes and clothes. The Group is market leader in Sweden and also holds strong positions in the other Nordic countries.

Read more about Haglöfs on page 78.

Haglöfs markets its range under the slogan "outstanding outdoor equipment".

	31 Dec 2001
Sales	SEK 275m
Pre-tax profit	SEK 10m
CEO	Mats Hedblom
Ratos's holding	100%
Contribution to Ratos's earnings	SEK 5m
Book value in Ratos	SEK 109m

www.haglofs.se

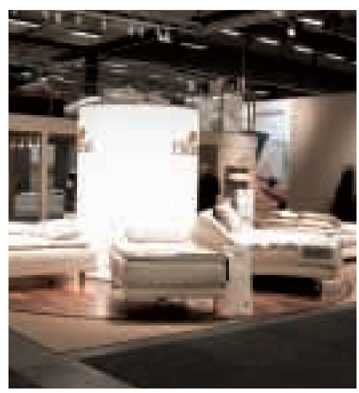
Hilding Anders

Hilding Anders is Europe's largest bed manufacturer. The Group has expanded considerably through acquisitions in recent years and has its own operations in 14 countries in Europe. Products are marketed under different national brands and private labels.

Read more about Hilding Anders on page 80.

	31 Dec 2001
Sales	SEK 3,100m
Pre-tax profit	SEK 289m
CEO	Bengt Adolfsson
Ratos's holding	27%
Contribution to Ratos's earnings	SEK 56 m
Book value in Ratos	SEK 413m

www.hildinganders.se



Eken is one of Hilding Anders' best known brands.

Hilton Group

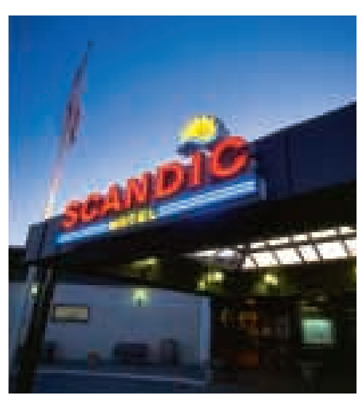
Hilton Group plc is a worldwide British group. Operations are divided into Hilton International, a hotel business with some 400 hotels in close to 70 countries, and Ladbroke Betting and Gaming.

Hilton shares are listed on the London Stock Exchange.

Read more about Hilton Group on page 82.

	31 Dec 2001
Year-end report	28 February 2002
CEO	David Michels
Ratos's holding	1%
Book value in Ratos	SEK 565m

www.hiltongroup.com



Hilton is broadening its operations in the Nordic region through its purchase of Scandic Hotels in 2001.

HL Display

HL Display is one of Europe's leading suppliers of products and systems for merchandising and in-store communication. The company has subsidiaries in 17 countries in Europe. Manufacture is carried out in Sweden, the US, the UK and the Netherlands.

HL Display is listed on the Stockholm Stock Exchange.

Read more about HL Display on page 84.

The retail trade and its suppliers are HL Display's largest customer segment.

	31 Dec 2001
Sales	SEK 1,072m
Pre-tax profit	SEK 82m
CEO	Anders Remius
Ratos's holding	29%
Contribution to Ratos's earnings	SEK 15m
Book value in Ratos	SEK 238m
www.hl-display.com	

Industri Kapital

Industri Kapital is an unlisted private equity company with assets under management of more than EUR 3 billion. Since its formation in 1989, the company has completed some 40 investments in four funds within different sectors in Europe, mainly within engineering, trading and service industries.

Read more about Industri Kapital on page 86.

Industri Kapital has more than EUR 3 billion in managed assets.

	31 Dec 2001
CEO	Björn Savén
Contribution to Ratos's earnings	SEK 46m
Book value in Ratos	SEK 359m
www.industrikapital.com	

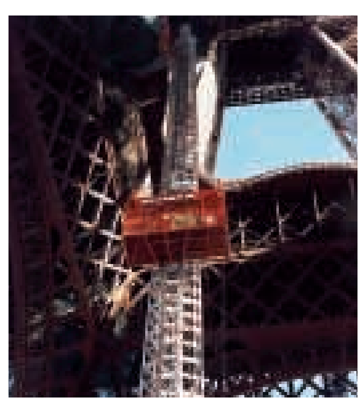
Intervect

Intervect is the world leader within development, manufacture and sales of lifts and platforms for the construction and mining industries and other industrial applications.

The company was formed in 2001 when the Swedish company Alimak acquired the Dutch company HEK International. Sales are conducted in 14 sales companies and through some 30 agencies throughout the world.

	31 Dec 2001
Sales	SEK 1,166m
Pre-tax loss	SEK -29m
CEO	Anders Nordwall
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -15m
Book value in Ratos	SEK 213m
www.alimak.com www.hek.com	

Read more about Intervect on page 88.



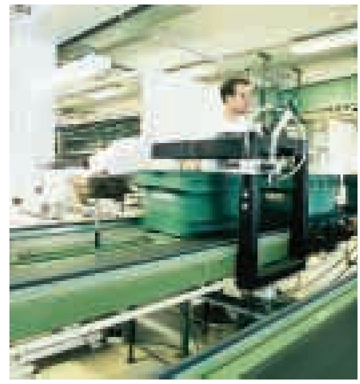
Alimak supplied the lifts when the Eiffel Tower was renovated.

Kronans Droghandel

Kronans Droghandel is one of the largest distributors in the healthcare market in the Nordic region. A pure-play logistics company, Kronans Droghandel's product range includes pharmaceuticals and medical devices.

	31 Dec 2001
Sales	SEK 14,788m
Pre-tax loss	SEK -33m
CEO	Ralph Nilsson
Ratos's holding	49%
Contribution to Ratos's earnings	SEK -15m
Book value in Ratos	SEK 404m

www.kronans-droghandel.se



Kronans Droghandel stocks, picks, packs and distributes goods to the Nordic healthcare market.

Read more about Kronans Droghandel on page 90.

Lindab

Lindab is a leading manufacturer of building materials made of thin sheet-metal. Operations are divided into two business areas: Ventilation and Profile.

Manufacture takes place in 21 countries and concentrates on thin sheet-metal products. Approximately 70% of sales are to countries outside Sweden.

Read more about Lindab on page 92.

Lindab's products were represented in several buildings that attracted considerable attention in the Bo01 housing fair in Malmö, Sweden.

	31 Dec 2001
Sales	SEK 5,160 m
Pre-tax profit	SEK 233m
CEO	Carl-Gustaf Sondén
Ratos's holding	49%
Contribution to Ratos's earnings	SEK 44m
Book value in Ratos	SEK 1,081m

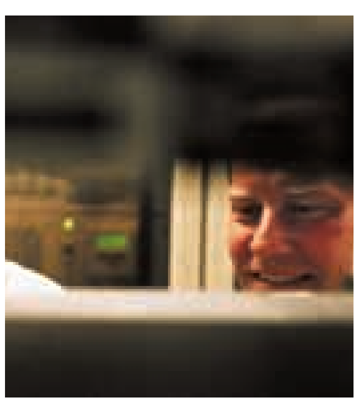
www.lindab.se

Martinsson

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

In February 2002, Martinsson made a public offer for its competitor IMS Data.

Read more about Martinsson on page 94.



Martinsson's network solutions minimise the number of breakdowns and safeguard the operation of IT systems.

	31 Dec 2001
Sales	SEK 482m
Pre-tax loss	SEK -6m
CEO	Lars Pettersson
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -1m
Book value in Ratos	SEK 156m

www.martinsson.se

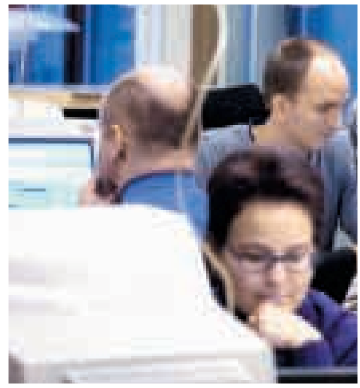
Programmera

Programmera is a Stockholm-based IT company with competence in systems development, quality assurance and administration.

The merger with the Giga Group in autumn 2001 strengthened the Group's focus on the banking, financial services and insurance sectors.

	31 Dec 2001
Sales	SEK 88m
Pre-tax loss	SEK -29m
CEO	Anne Kruge
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -15m
Book value in Ratos	SEK 20m

www.programmera.se



Programmera focuses on IT services for the banking, financial services and insurance sectors.

Read more about Programmera on page 96.

Q-Labs

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

	31 Dec 2001
Sales	SEK 221m
Pre-tax loss	SEK -47m
CEO	Peter Rodholm
Ratos's holding	40%
Contribution to Ratos's earnings	SEK -26m
Book value in Ratos	SEK 60m

www.q-labs.com

Software errors in the automotive industry can result in the recall of vehicles which leads to high costs.

Read more about Q-Labs on page 98.

Superfos

Superfos is a Danish group with operations in 15 countries. The Group is divided into two operating areas. Superfos Packaging develops, produces and sells thermoformed packaging to the food, chemical-technical and pharmaceutical industries. Superfos Aerosols offers contract filling of aerosols.

Superfos is market leader in Europe in thermoformed plastic packaging.

	31 Dec 2001
Sales	DKK 2,348m
Pre-tax loss	DKK -87m
CEO	Kim R. Andersen
Ratos's holding	33%
Contribution to Ratos's earnings	SEK -37m
Book value in Ratos	SEK 317m

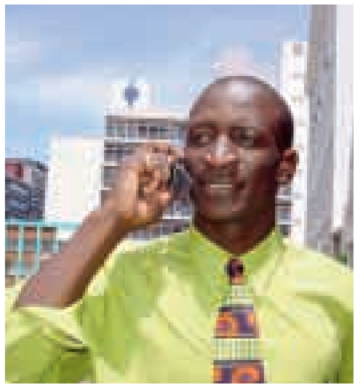
www.superfos.com

Read more about Superfos on page 100.

Telia Overseas

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

Read more about Telia Overseas on page 102.



Development in Telia Overseas' holding in Namibia was favourable during the year.

	31 Dec 2001
Sales	SEK 418m
Pre-tax profit	SEK 2,460m
CEO	Per O. Pedersen
Ratos's holding	9%
Book value in Ratos	SEK 328m

www.telia.se

Business organisation

Bo Jungner Anna Ahlberg Arne Karlsson Per Frankling Thomas Mossberg Berit Lind Henrik Blomé

Anna Ahlberg
Investment Manager.

Born 1970. Master in Accounting.
Employed by Ratos since 2001.
Sjunnesson & Krook Corporate Finance 2000-2001.
PricewaterhouseCoopers Corporate Finance 1994, 1996-2000.

Shareholding in Ratos: 0
Number of options in Ratos: 0

Henrik Blomé
Investment Manager.

Born 1974. Master of Science in Business Administration and Economics.
Employed by Ratos since 2001.
Bain & Co. 1998-2001.

Shareholding in Ratos: 0
Number of options in Ratos: 0

Clara Bolinder-Lundberg
Corporate Communications and Investor Relations.

Born 1958. BSc in Business Administration and Economics.
Employed by Ratos since 2001.
Project Manager Askus and Intellecta 1995-1998.
Head of Corporate Communications, Bank Support Authority 1994-1995.
Hägglöf & Ponsbach 1988-1992.
Handelsbanken 1983-1988.

Shareholding in Ratos: 3,000 B shares
Number of options in Ratos: 0

Anna-Karin Celsing
Head of Corporate Communications.

Born 1962. Degree in Economics and Business Administration from the Stockholm School of Economics.
Employed by Ratos since 1999.
Head of IR, FöreningsSparbanken 1993-1999.
Öhman Corporate Finance 1989-1993.
Wildeco Ekonomisk Information 1986-1989.

Shareholding in Ratos: 0
Number of options in Ratos: 60,000

Magnus Dahlbeck
Investment Manager.

Born 1968. Master of Science in Business and Economics.
Employed by Ratos since 1995.
CEFA 1998/99, Stockholm School of Economics Executive Education Program.

Shareholding in Ratos: 1,000 B shares
Number of options in Ratos: 70,000

Hans Ekelund
Chief Financial Officer.

Born 1948. Degree in Economics and Business Administration from the Stockholm School of Economics.
Employed by Ratos since 1992.
President, Executive Vice President and CFO of Sea-Link 1987-1991.
Control and finance positions in the process, engineering and construction industries 1973-1986.

Shareholding in Ratos: 9,218 B shares
Number of options in Ratos: 70,000

Per Frankling
Investment Manager.

Responsible for the holding in Programmera.

Born 1971. Master of Science, Business and Economics. Master of Science, Electrical Engineering.
Employed by Ratos since 2000.
McKinsey & Company 1999-2000.
Arkwright 1996-1999.

Shareholding in Ratos: 0
Number of options in Ratos: 22,000

Thomas Hofvenstam
Investment Manager.

Born 1969. Bachelor of Science in Business Administration and Economics.
Employed by Ratos since 2001.
Booz-Allen & Hamilton 1996-2001.
Arla 1995-1996.
Enskilda Strategy 1994-1995.

Shareholding in Ratos: 0
Number of options in Ratos: 0

Bo Jungner
Senior Investment Manager.

Responsible for the holdings in Capona, DataVis, Esselte, Hilding Anders, Intervect and Q-Labs.

Born 1960. Degree in Economics and Business Administration from the Stockholm School of Economics.
Employed by Ratos since 1998.
Brummer & Partners 1996-1998.
SEB/Enskilda 1983-1996.

Shareholding in Ratos: 3,170 B shares
Number of options in Ratos: 100,000

Stig Karlsson Hans Ekelund Clara Bolinder-Lundberg Magnus Dahlbeck

Mats Lönnqvist Anna-Karin Celsing Kristina Patek Thomas Hofvenstam

Arne Karlsson
CEO, Senior Investment Manager.

Responsible for the holding in Superfos Industries.

Born 1958. Degree in Economics and Business Administration from the Stockholm School of Economics.
Employed by Ratos since 1999.
President of Atle Mergers & Acquisitions 1996-1998.
Chief Analyst and member of Group Management of Atle 1993-1998.
President of Hartwig Invest 1988-1993.
Financial Analyst, Aktiv Placering 1982-1988.

Shareholding in Ratos: 26,400 B shares
Number of options in Ratos: 290,000

Stig Karlsson
Senior Investment Manager.

Responsible for the holdings in Arcorus, Gadelius, Haendig, Haglöfs, Hilton, HL Display and Kronans Droghandel.

Born 1952. Degree in Economics and Business Administration from the Örebro School of Economics.
Employed by Ratos since May 2001.
CEO Atle Tjänst & Handel 1996-2000.
CEO FylkInvest 1994-1996.
Skrinet Group 1984-1993.

Shareholding in Ratos: 800 B shares
Number of options in Ratos: 60,000

Berit Lind
Investment Manager.

Born 1961. Degree in Economics and Business Administration from the Stockholm School of Economics.
Employed by Ratos since 2000.
Own consulting company 1996-2000.
Öhman 1987-1996.

Shareholding in Ratos: 0
Number of options in Ratos: 0

Mats Lönnqvist
Senior Investment Manager.

Responsible for the holdings in Camfil, DIAB, Dynal Biotech, Lindab, Martinsson and Telia Overseas.

Born 1954. Degree in Economics and Business Administration from the Stockholm School of Economics.
Joined Ratos in May 2000.
Executive Vice President and CFO, Esselte 1997-2000.
Executive Vice President and CFO, Biacore International 1996-1997.
CFO, Securum 1995-1996.
Own consulting company since 1983.

Shareholding in Ratos: 9,500 B shares
Number of options in Ratos: 100,000

Thomas Mossberg
Deputy CEO, Senior Investment Manager.

Responsible for the holdings in Atle Industri, Dahl and Exceed, as well as for Ratos's investments in Industri Kapital Private Equity funds.

Born 1946. Doctor of Economics.
Employed by Ratos since 1977, Deputy CEO since 1988.
Chief Financial Officer, Ratos 1981-1988.
Controller, Ratos 1977-1981.
Teacher and research graduate at the Stockholm School of Economics and IFL 1970-1977.

Shareholding in Ratos: 200 A shares,
26,350 B shares
Number of options in Ratos: 120,000

Kristina Patek
Investment Manager.

Born 1969. Master of Science in Business Studies and Economics.
Employed by Ratos since 2001.
CEO Cell Innovation 2000-2001.
Cell Strategy 1999-2000.
Andersen Consulting 1995-1999.
Lagerkvist & Partners 1994-1995.

Shareholding in Ratos: 0
Number of options in Ratos: 0

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Directors' Report

The Board of Directors and the CEO of Ratos AB (publ) 556008-3585, hereby submit their report for 2001.

Changed strategic direction completed

During the year Ratos implemented its strategy to be a private equity company. The portfolio contains more than 20 holdings, most of which are unlisted. The asset management portfolio has been sold.

Earnings

The Ratos Group's pre-tax profit amounted to SEK 1,926m (1,977). This result includes profit from holdings of SEK 1,817m and profits from asset management of SEK 234m as well as management costs of SEK 106m and net financial items of SEK -19m.

Net asset value

Ratos's net asset value fell 9% in 2001 to SEK 108 per share, adjusted for dividends paid and share buy-backs. At year-end net asset value amounted to SEK 8,495m. The proportion of unlisted assets rose during the year from 28% to 81%.

Holdings

During the year, Ratos made new and follow-on investments for SEK 3,793m (1,319) in holdings. Exits from holdings were effected for SEK 2,450m (722). At the beginning of May, Ratos, together with the British company 3i, acquired Atle via a 50/50-owned company. The Atle holdings are transferred to the parties as conditions for the transfers are met. The financial implications of the agreements are that Ratos acquires shares in 12 companies. Some of these are owned by both Ratos and 3i. In addition, 3i alone acquires 85 holdings from Atle. The remaining Atle holdings are placed in Atle Industri, to be owned equally by Ratos and 3i. At the end of 2001 a few companies had not been transferred to Ratos and 3i since the conditions for these transfers had not yet been met. Other acquisitions included Lindab through Lindab Intressenter, where Ratos owns 49%, and 25% of the Norwegian company Dynal Biotech. The holding in Scandic Hotels was sold and provided a capital gain of SEK 1,751m. Sweden On Line, which was included in the Atle acquisition, was sold after the summer.

Asset management

Asset management's holdings were sold during the spring, among other things to finance the acquisition of Atle. Net sales during the year amounted to SEK 3,183m.

Financial position

Liquid assets in the Group amounted to SEK 57m (59) at year-end and the interest-bearing net debt was SEK 73m (35), excluding the receivable from Woodrose relating to the planned transfers of the remaining Atle companies.

The 2001 Annual General Meeting gave the Board a mandate to repurchase up to 7% of the company's shares in the period until the next annual general meeting. During the year B shares were repurchased for SEK 16m (nominal SEK 2.5m) corresponding to 0.2% of the total number of shares. Including previous years, share buy-backs total 3% and SEK 191m.

During the year the share capital was reduced by SEK 8.2m corresponding to 657,800 shares.

Share buy-backs have been carried out in order to give the Board greater freedom of action in its efforts to create value for the company's shareholders.

Future development

Ratos's strategy means that in the future the return to shareholders will mainly depend on the company's ability to acquire, develop and divest holdings, and take other action to create shareholder value. The general economic trend and stock market development are also significant factors.

The work of the Board of Directors

During the year, Ratos's Board of Directors consisted of nine members elected by the Annual General Meeting. In addition to the CEO, other senior executives attended Board meetings when required.

Day-to-day business is handled in accordance with a set plan. Other matters considered at the meetings are governed by the current business situation. Business activities during the year entailed a number of additional Board meetings.

The Board has appointed a Compensation Committee which comprises Peggy Bruzelius, Jan Söderberg, Arne Karlsson and Olof Stenhammar (Chairman). The committee deals with remuneration to the CEO and senior executives who report to the CEO as well as remuneration issues of a fundamental nature.

Other

The Group's unrestricted funds amounted to SEK 6,282m, of which no transfer to restricted equity is proposed.

Proposed distribution of profit

The following amounts are at the disposal of the AGM:

	SEKm
Profit brought forward	4,516
Net profit for the year	2,239
	6,755

The Board of Directors and the CEO propose the following distribution of profit:

Dividend to holders of	
A and B shares SEK 6.25 per share	493 [1]
To be carried forward	6,262

1) Based on the number of shares outstanding on 21 February 2002, 78,958,226. The number of repurchased shares on the same date was 1,704,400 after reduction of share capital, and this number may rise by the record date for dividends.

Stockholm, 21 February 2002

Olof Stenhammar Chairman	Lars Berg	Peggy Bruzelius
Harry Faulkner	Göran Grosskopf	Göran Lindahl
Jan Söderberg	Per-Olof Söderberg	Arne Karlsson CEO

Consolidated Profit and Loss Account

SEKm	Note 1	2001	2000
Holdings			
Profit/loss from subsidiaries	Note 2, 3	-27	14
Share of profits of associated companies	Note 2	230	306
Exit results, associated companies	Note 4	1,722	638
Write-downs, associated companies	Note 5	-248	–
Dividends from other companies		10	–
Exit results, other holdings		130	88
Profit from holdings		1,817	1,046
Asset management			
Dividends	Note 6	16	103
Capital gains	Note 7	218	905
Profit from asset management		234	1,008
Central income and expenses			
Management costs	Note 3, 8	-106	-88
Financial items	Note 9	-19	11
Net expenses		-125	-77
Profit before tax		1,926	1,977
Tax	Note 10	-182	-89
Net profit for the year		1,744	1,888

Consolidated Balance Sheet

SEKm			31 Dec 2001		31 Dec 2000
ASSETS					
Fixed assets					
Intangible					
Capitalised expenses	Note 11	2		–	
Goodwill	Note 12	125	127	75	75
Tangible					
Land and buildings	Note 13	19		12	
Equipment	Note 14	24	43	17	29
Financial					
Holdings					
Long-term receivables	Note 15,17	1,292		7	
Shares	Note 15	6,549		3,659	
Other shares and participations	Note 16	13		14	
Asset management					
Shares and participations		–		2,965	
Central operations					
Long-term receivables	Note 17	28	7,882	39	6,684
Total fixed assets			8,052		6,788
Current assets					
Inventories		76	76	–	–
Current receivables					
Trade debtors		160		163	
Other current receivables		96		18	
Prepaid expenses and accrued income	Note 18	127	383	45	226
Short-term investments					
Shares and participations	Note 19	73	73	81	81
Cash and bank balances	Note 20	57	57	59	59
Total current assets			589		366
Total assets			8,641		7,154

SEKm		31 Dec 2001			31 Dec 2000
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	Note 21				
Share capital		1,008		1,016	
Restricted reserves		887		961	
Unrestricted reserves		4,538		2,913	
Net profit for the year		1,744	8,177	1,888	6,778
Provisions	Note 22				
Provisions for pensions		3		3	
Provisions for taxes		11	14	38	41
Long-term liabilities					
Non-interest bearing liabilities					
Stock option premiums received	Note 35	3		3	
Other liabilities	Note 23	3	6	2	5
Interest-bearing liabilities					
Bond issues and debentures		56		–	
Bank overdraft facilities		52		40	
Bank loans and promissory note loans		15	123	–	40
Current liabilities					
Non-interest bearing liabilities					
Trade creditors		136		142	
Other current liabilities		19		17	
Accrued expenses and deferred income	Note 24	89	244	80	239
Interest-bearing liabilities					
Bank loans and promissory note loans		9		51	
Other current liabilities		68	77	–	51
Total shareholders' equity and liabilities			8,641		7,154
Pledged assets	Note 25		136		None
Contingent liabilities	Note 25				
Guarantees and contingent liabilities			2		3

Consolidated Cash Flow Statement

SEKm	Note 26	2001	2000
Operating activities			
Consolidated profit before tax		1,926	1,977
Adjustment for items not included in cash flow		-1,812	-1,863
		114	114
Paid tax		-27	-3
Cash flow from operating activities before change in working capital		87	111
Cash flow from change in working capital			
Decrease (+) in inventories		2	–
Decrease (+) in operating receivables		19	165
Decrease (-) in operating liabilities		-72	-25
Cash flow from operating activities		36	251
Investing activities			
Acquisition of subsidiary		-102	–
Sale of shares, holdings		2,450	722
Purchase of shares, holdings		-3,793	-1,319
Sale of shares, asset management		3,326	4,151
Purchase of shares, asset management		-143	-3,444
Purchase of other tangible fixed assets		-10	-12
Investment in other financial assets		-1,363	–
Cash flow from investing activities		365	98
Financing activities			
Share buy-back		-16	-175
Increase (+) in interest-bearing liabilities		48	24
Dividends paid		-435	-366
Cash flow from financing activities		-403	-517
Cash flow for the year		-2	-168
Liquid assets, opening balance		59	227
Liquid assets, closing balance		57	59

Parent Company Profit and Loss Account

SEKm	Note 28	2001	2000
Holdings			
Dividends from associated companies		87	71
Exit results, associated companies		2,088	599
Write-downs, associated companies		-332	–
Dividends from other companies		10	–
Exit results, other companies		130	88
Profit from holdings		1,983	758
Asset management			
Dividends		14	96
Capital gains		246	900
Profit from asset management		260	996
Central income and expenses			
Management costs		-86	-96
Financial items		83	7
Central income and expenses, net		-3	-89
Profit before tax		2,240	1,665
Tax		-1	-3
Net profit for the year		2,239	1,662

Parent Company Balance Sheet

SEKm			31 Dec 2001		31 Dec 2000
ASSETS					
Fixed assets					
Tangible					
Land and buildings	Note 29	11		12	
Equipment	Note 30	6	17	4	16
Financial					
Holdings					
Long-term receivables	Note 33	1,292		–	
Shares in subsidiaries	Note 31	258		154	
Shares	Note 15, 32	6,452		3,223	
Asset management					
Shares and participations		–		2,965	
Other long-term receivables	Note 33	24	8,026	38	6,380
Total fixed assets			8,043		6,396
Current assets					
Current receivables					
Receivables from subsidiaries					
Interest-bearing		86		35	
Non-interest bearing		11		11	
Other current receivables		81		6	
Prepaid expenses and accrued income	Note 34	81	259	10	62
Cash and bank balances		23	23	25	25
Total current assets			282		87
Total assets			8,325		6,483

SEKm			31 Dec 2001		31 Dec 2000
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	Note 35				
Restricted equity					
Share capital		1,008		1,016	
Statutory reserve		251	1,259	251	1,267
Unrestricted equity					
Profit brought forward		4,516		3,297	
Net profit for the year		2,239	6,755	1,662	4,959
Provisions					
Provisions for pensions		3	3	3	3
Long-term liabilities					
Non-interest bearing liabilities					
Stock option premiums received	Note 35	3	3	3	3
Interest-bearing liabilities					
Bank overdraft facilities		52		40	
Liabilities to subsidiaries		159	211	94	134
Current liabilities					
Non-interest bearing liabilities					
Trade creditors		4		7	
Liabilities to subsidiaries		0		1	
Other current liabilities		3		4	
Accrued expenses and deferred income	Note 36	15	22	14	26
Interest-bearing liabilities					
Liabilities to subsidiaries		4		41	
Other current liabilities		68	72	50	91
Total shareholders' equity and liabilities			8,325		6,483
Pledged assets			None		None
Contingent liabilities			None		None

Parent Company Cash Flow Statement

SEKm	Note 26	2001	2000
Operating activities			
Profit before tax		2,240	1,665
Adjustment for items not included in cash flow		-2,130	-1,585
		110	80
Paid tax		-1	-3
Cash flow from operating activities before change in working capital		109	77
Cash flow from change in working capital			
Increase (+) in operating receivables		-68	162
Decrease (-) in operating liabilities		-3	-38
Cash flow from operating activities		38	201
Investing activities			
Acquisition of subsidiary		-104	–
Sale of shares, holdings		2,450	722
Purchase of shares, holdings		-3,793	-1,320
Sale of shares, asset management		3,273	3,936
Purchase of shares, asset management		-62	-3,213
Purchase of other tangible fixed assets		-3	–
Investment in other financial assets		-1,407	–
Cash flow from investing activities		354	125
Financing activities			
Share buy-back		-16	-175
Increase (+) in interest-bearing liabilities		57	46
Dividends paid		-435	-366
Cash flow from financing activities		-394	-495
Cash flow for the year		-2	-169
Liquid assets, opening balance		25	194
Liquid assets, closing balance		23	25

Shareholdings

31 Dec 2001	Number	Change 2001 number	Market price per share [1]	Consolid. book value, SEKm [8]	Market value, SEKm [2]	Share of capital, %	Share of votes, %
HOLDINGS							
Arcorus [3]				339.5		49.0	49.0
Atle Industri [4]							
Bierregaard [4]	9,800	9,800		5.0		49.0	49.0
Camfil A	422,414			59.7		29.7	29.7
Camfil B	2,956,896			418.1			
Capona	9,334,452		53.00	331.5	494.7	46.6 [5]	46.6 [5]
Centralsug Intressenter [4]	500	500		93.6		50.0	50.0
Dahl A	1,108,109			231.7		43.7	46.1
Dahl B	2,216,205			463.3			
DataVis	1,601,850			47.4			
DataVis conv. debenture loan	362,068			63.0		43.7	43.7
DataVis stock options	2,800			0.1			
DIAB [3]				688.6		48.1	48.1
Dynal Biotech	2,500,000	2,500,000		279.8		25.0	25.0
Esselte A	5,163,207		46.80	331.6	241.6	16.9	32.2
Esselte B	611,600		47.00	39.3	28.7		
Exceed (subsidiary)	150,000			73.9		100.0	100.0
Gadelius [3]				138.0		50.0	50.0
Haendig [3]				168.8		49.0	49.0
Haglöfs (subsidiary)	50,000	50,000		108.5		100.0	100.0
Hilding Anders A	1,172,155	1,172,155		150.2		27.3	16.2
Hilding Anders B	2,050,045	2,050,045		262.7			
Hilton Group	17,627,886	17,627,886	GBP 2.1125	564.7	576.3	1.1	1.1
HL Display A	109,216	109,216	128.00	11.7	14.0	28.9	20.2
HL Display B	2,115,854	2,115,854	128.00	226.3	270.8		
Intervect	3,000,000	3,000,000		213.0		50.0	50.0
Kronans Droghandel	148,030	148,030		403.6		49.3	49.3
Lindab	4,846	4,846		1,081.5		48.5	48.5
Martinsson A	77,835	77,835		6.9		50.0	50.0
Martinsson B	1,683,356	1,683,356		148.9			
Programmera	1,840	1,840		20.3		50.0	50.0
Q-Labs	66,667			60.1		40.0	40.0
Scandic Hotels		-15,685,964					
Superfos Industries A/S	2,805,000			317.4		33.0	33.0
Telelogic [6]	310,000	-9,690,000	8.20	0.7	2.5	0.2	0.2
Telia Overseas A [7]	200			327.7		8.8	8.8
Woodrose Invest AB [4]	250,500	250,500		-6.0		50.0	50.0
Industri Kapital				358.9	487.7		
Total holdings				8,030.0			
Total holdings, excluding subsidiaries				7,847.6			
Less:							
Receivable for companies not yet transferred				-1,292.2			
Debt not yet settled for companies not transferred				-7.0			
Share portfolio, fixed assets				6,548.4			
Share portfolio, current assets				72.8	89.6		

1) Latest price paid on 31 December 2001.

2) Pertains to listed holdings. Holdings in Industri Kapital are taken up at a value in accordance with valuations performed by Industri Kapital.

3) The planned transfer of holdings from Atle to Ratos had not been completed by year-end, since the conditions for these transfers have not yet been met.

4) Atle Industri is a business area, but not a legal group. Atle Industri includes companies owned indirectly by Ratos through Woodrose as well as Bierregaard and Centralsug Intressenter which are owned directly by Ratos. The consolidated value of Atle Industri amounts to SEK 573m. Woodrose Invest is the bidding company formed at the acquisition of Atle. After all the incoming companies have been transferred to Ratos and 3i respectively, apart from the majority of Atle Industri companies, Woodrose will comprise the said Atle Industri companies and a net debt of SEK 480m. The Atle Industri companies which are owned by Woodrose have a consolidated value of SEK 474m. Thus, the consolidated value of Woodrose will be SEK -6m.

5) Taking buy-backs into account, 49.1%.

6) Book value includes issued options with SEK -0.1m, and in market value with SEK -0.1m representing 310,000 shares.

7) A decision has been made to reduce the share capital with payments to shareholders. The receivable that arose, SEK 327.6m, is included in book value.

8) In connection with the 2001 closing accounts, some redistribution was made of Ratos's consolidated book values in the Atle portfolio.

Notes to the Financial Statements

The financial statements are prepared in accordance with the Annual Accounts Act and recommendations of the Swedish Financial Accounting Standards Council and pronouncements from the Emerging Issues Task Force.

Starting in 2001, a number of new recommendations issued by the Swedish Financial Accounting Standards Council have come into force. These recommendations have not had any effect on the Ratos Group's net profit and financial position with the exception of a recommendation on income taxes. This effect is reported as a changed accounting principle at the beginning of 2000 in accordance with the recommendation on reporting of change in accounting principle. This principle has subsequently been applied.

Consolidated accounts

The consolidated accounts comprise Ratos AB (publ) and companies in which Ratos directly or indirectly owns more than 50% of the voting rights or other controlling interest at year-end.

The consolidated accounts are prepared in accordance with the Swedish Financial Accounting Standards Council's recommendations regarding consolidated accounts and using acquisition accounting.

Accounts of associated companies

The Group applies the equity method of accounting for associated companies in which the Group has not less than 20% and not more than 50% of the voting rights. The equity method means that the book value in the Group of the shares in associated companies corresponds to the Group's share of shareholders' equity in associated companies as well as any residual values on Group surplus and deficit values. In the consolidated profit and loss account, the Group's share of associated companies' profits after financial income and expenses adjusted for depreciation of acquired surplus values is reported as share of profits of associated companies. The Group's share of associated companies' reported taxes is included in consolidated tax expenses. Profit shares which have been generated after acquisition of associated companies and not yet realised through dividends, are reported in the equity reserve. The equity reserve constitutes part of the Group's restricted equity.

Acquisition and sale of companies

Companies sold during the year are included in the consolidated profit and loss account with income and expenses during the ownership period. Acquired companies' earnings are included in the Group's results from the acquisition date. Exit result refers to the capital gain or loss which arises when a holding is divested.

Tax

The parent company is taxed according to the rules for investment companies. For this reason, the Swedish Financial Accounting Standards Council's new recommendation on income taxes will not have any effect on the accounts of the parent company.

Ratos's consolidated tax charge therefore almost exclusively comprises tax in associated companies and subsidiaries.

The equity portion of untaxed reserves is reported in the consolidated accounts as restricted equity. The tax portion of untaxed reserves is reported as deferred tax and classified as a provision.

The fiscal loss carry-forwards in Ratos's subsidiaries amounted to just over SEK 400m at 31 December 2001. Since the possibility to offset these against future profits is generally uncertain given Ratos's strategy is not to own subsidiaries, only associated companies, and to own holdings for a limited period, no value is assigned to them.

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

Valuation principles

Assets, provisions and liabilities are valued at acquisition values unless otherwise indicated.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are valued at the closing day rate. The difference between the previous book value and the closing day value is taken up as income.

Shares

Shares, which comprise current assets, are valued collectively. If book values of certain classes of shares exceed the market value, no write-down is made provided the total book value is less than the market value.

Shares, which comprise fixed assets, are valued individually.

Pension obligations

Pension obligations that are not settled with insurance premiums or payments to foundations are reported as a provision in the balance sheet.

Depreciation according to plan

Depreciation according to plan is determined on the basis of the acquisition values of the assets and their estimated economic life. Machinery and equipment is depreciated by 10-33%, computer programs by 20-33%. Buildings are depreciated by 1-4%.

Goodwill is amortised by 5-20%, based on individual assessment. Depreciation periods of more than 5 years are applied to holdings expected to provide a sustained financial result and cash flow. Goodwill values are assessed annually.

Revenue recognition

Revenue recognition takes place as significant risks and rewards which are associated with the companies' goods and services are transferred to the purchaser.

In forwarding operations assignments are recognised as revenue upon completion.

Inventories

Inventory is valued, applying the first-in first-out principle, at the actual value on the closing date. An obsolescence allowance is deducted after individual assessment.

Notes

NOTE 1 Consolidated Profit and Loss Account

SEKm	2001	2000
Net sales	1,583	1,452
Other operating income	14	16
Other external costs	-1,548	-1,395
Personnel costs, Note 27	-187	-121
Depreciation and write-downs of tangible and intangible assets	-18	-20
Shares of profits of associated companies	1,700	944
Results from other securities and receivables accounted for as fixed assets	412	1,090
Operating profit after depreciation	1,956	1,966
Other interest income and similar income	92	19
Interest expenses and similar charges	-122	-8
Profit before tax	1,926	1,977
Tax on profit for the year	-3	-3
Tax from associated companies on net profit for the year	-177	-53
Deferred tax	-2	–
Net profit for the year	1,744	1,921

Profit excluding goodwill amortisation in the Group and associated companies amounted to SEK 2,037m (2,103).

NOTE 2 Profit/loss from subsidiaries and share of profit/loss of associated companies, holdings

SEKm	Profit/loss share of profit/loss	Of which share of companies' good-will amortisation	Of which Ratos's goodwill amortisation
Profit/loss from subsidiaries			
Exceed	-32	-2	-6
Haglöfs	5	-1	-2
	-27	-3	-8
Share of profit/loss of associated companies			
Arcorus *)	44	-3	-4
Atle Industri	-23	-15	-5
Camfil	21	-19	-8
Capona	58	–	-2
Dahl	147	-39	–
DataVis	-62	-4	-5
DIAB *)	5	0	-19
Dynal Biotech	-7	-4	–
Esselte	14	-17	–
Gadelius *)	6	-4	-4
Haendig *)	3	-2	-3
Hilding Anders	56	-10	-4
HL Display	15	0	-3
Intervect	-15	-1	-2
Kronans Droghandel	-15	–	-6
Lindab	44	-35	–
Martinsson	-1	-2	-1
Programmera	-15	0	-3
Q-Labs	-26	-3	-6
Scandic Hotels	18	-6	-2
Superfos	-37	-12	-1
Sweden On Line	0	0	0
	230	-176	-78
Profit/share of profits from holdings, excluding exit results	203	-179	-86

*) The planned transfer from Atle to Ratos had not been completed by year-end since the conditions for the transfer have not yet been met.

Profit/loss from subsidiaries

SEKm	2001	2000
Net sales	1,523	1,198
Other operating income	8	9
Other external costs	-1,391	-1,084
Personnel costs	-142	-102
Depreciation	-16	-12
Items affecting comparability	–	3
Share of profits of associated companies	-4	1
Operating profit/loss after depreciation	-22	13
Other interest income and similar income	2	2
Interest expenses and similar charges	-7	-1
Profit/loss before provisions and taxes	-27	14

Profit for 2001 pertains to Haglöfs and the forwarding company Exceed. Haglöfs was acquired by Ratos during the year and consolidated from May onwards.

NOTE 3 Depreciation and write-downs of tangible and intangible fixed assets

	2001			2000		
SEKm	Holdings	Central	Total	Holdings	Central	Total
Equipment	6	2	8	4	2	6
Buildings	–	0	0	–	0	0
Goodwill	10	–	10	8	_	8
Goodwill amortisation	–	–	–	6	–	6
Capitalised expenses	–	–	–	0	–	0
	16	2	18	18	2	20

NOTE 4 Exit results, associated companies

SEKm	2001	2000
Exit gain from DataVis	–	4
Exit gain from Scandic Hotels	1,751	32
Exit loss from Sweden On Line	-29	–
Exit gain from Telelogic	–	602
	1,722	638

Exit gains from DataVis and Scandic in 2000 pertain to dilution effects from new issues in which Ratos did not participate.

NOTE 5 Write-downs, associated companies

SEKm	2001	2000
DataVis	-69	–
Programmera	-74	–
Q-Labs	-105	–
	-248	–

NOTE 6 Dividends, asset management

SEKm	2001	2000
Financial fixed assets	13	96
Financial current assets	3	7
	16	103

NOTE 7 Capital gains, asset management

SEKm	2001	2000
Financial fixed assets	247	897
Financial current assets	-29	8
	218	905

NOTE 8 Management costs

SEKm	2001	2000
External costs	-59	-59
Personnel	-45	-27
Depreciation	-2	-2
	-106	-88

NOTE 9 Financial items, central operations

SEKm	2001	2000
Financial fixed assets	12	5
Financial current assets	21	12
Financial current liabilities	-52	-6
	-19	11

NOTE 10 Group taxes

SEKm	2001	2000
Actual tax	-2	-3
Deferred tax	-2	0
Share in taxes of associated companies	-178	-86
	-182	-89

NOTE 11 Capitalised expenses

SEKm	2001	2000
Accumulated acquisition values at 1 January	–	–
Investments	2	–
	2	–

Pertains to purchased software.

NOTE 12 Goodwill

SEKm	2001	2000
Accumulated acquisition values on 1 January	145	87
Reclassifications	-6	–
Investments	67	58
	206	145
Accumulated amortisation according to plan		
At 1 January	-64	-56
Amortisation for the year	-11	-8
	-75	-64
Accumulated write-downs		
At 1 January	-6	–
Write-downs for the year	–	-6
	-6	-6
Value according to consolidated balance sheet	125	75

NOTE 13 Land and buildings

SEKm	2001	2000
Accumulated acquisition values on 1 January	17	17
Building in acquired subsidiary	13	–
	30	17
Accumulated depreciation according to plan		
At 1 January	-5	-5
Building in acquired subsidiary	-6	–
Depreciation for the year	0	0
	-11	-5
Value according to consolidated balance sheet	19	12
Tax assessment value, Sweden	76	61

Leasing charges paid during the year relating to properties and future charges for contracts entered into amount to:

	2001	2002	2003	2004	2005	2006
Rent for premises	12	10	10	–	–	–

NOTE 14 Equipment

SEKm	2001	2000
Accumulated acquisition values		
At 1 January	39	26
Investments	7	16
Equipment in acquired subsidiary	15	–
Divestments	-10	-3
	51	39
Accumulated depreciation according to plan		
At 1 January	-22	-19
Equipment in acquired subsidiary	-9	–
Divestments	11	3
Depreciation for the year	-7	-6
	-27	-22
Value according to consolidated balance sheet	24	17

Leasing charges paid during the year relating to equipment and future charges for contracts entered into amount to:

2001	2002	2003	2004	2005	2006
3	2	2	–	–	–

NOTE 15 Holdings, shares

SEKm	2001	2000
Value on consolidation, associated companies		
Accumulated acquisition values		
At 1 January	2,975	1,875
Effect of change in accounting principle		-2
Profit shares for the year after tax	-73	254
Investments	4,451	948
Divestments	-525	8
Write-downs	-248	–
Less dividends from associated companies	-87	-71
Translation difference for the year	103	-37
Consolidated value, associated companies	6,596	2,975
Less:		
Receivable for companies		
not yet transferred	-1,292	
Unsettled debt	-7	
Holdings, not associated		
companies, Note 32	1,252	684
Value on consolidation, holdings	6,549	3,659

Note 15, cont.

Specification of Parent Company's participations in associated companies

Associated company, Corporate identity number, Reg. office	In associated companies Adjusted equity	Profit/loss for the year	Number of participations	Share of [1] capital %	Book value in Parent Company	Value on consolidation
Arcorus Oy, 516403-1261, Helsinki, Finland [2) 4)]	475	7		49		340
Atle Industri, 556563-2899, Stockholm [3) 4)]				50		
Bierregaard AB, 556570-8103, Malmö [3) 4)]	14	3	9,800	49	4	5
Camfil AB, 556230-1266, Trosa	1,137	47	3,379,310	30	450	478
Capona AB, 556547-6073, Stockholm	823	92	9,334,452	47(49)	224	332
Centralsug Intressenter AB, 556611-5555, Stockholm [3) 4)]	17	12	500	50	2	93
Dahl International AB, 556564-9216, Stockholm	1,973	273	3,324,314	44	562	695
DataVis Gruppen AB (Publ), 556404-4120, Sundsvall	76	-132	1,601,850	44	110	110
DIAB International AB, 556509-3027, Stockholm [2) 4)]	290	55		48		688
Dynal Biotech Holding A/S, 983 413 609, Oslo, Norway [4)]	1,119	-25	2,500,000	25	292	280
Esselte AB, 556011-4554, Stockholm	2,485	50	5,774,807	17	377	371
Gadelius, 0104-01-034575, Tokyo, Japan [2) 4)]	168	11		50		138
Haendig AB, 556554-3625, Halmstad [2) 4)]	191	6		49		169
Hilding Anders AB, 556546-5589, Hästveda [4)]	1,125	47	3,222,200	27	378	413
HL Display AB, 556286-9957, Stockholm [4)]	284	56	2,225,070	29	229	238
Intervect AB, 556064-1739, Uppsala [4)]	312	-41	3,000,000	50	226	213
Kronans Droghandel AB, 556042-6701, Mölnlycke [4)]	470	-37	148,030	49	419	404
Lindab Intressenter AB, 556606-5446, Stockholm [4)]	2,232	38	4,846	49	1,066	1,082
Martinsson AB, 556395-2315, Stockholm [4)]	229	-1	1,761,191	50	156	156
Programmera AB, 556395-2315, Stockholm [4)]	11	-26	1,840	50	31	20
Quality Laboratories Sweden AB, 556241-7781, Lund	126	-50	66,667	40	79	60
Superfos Industries A/S, Vedbaek, Denmark	892	-126	2,805,000	33	325	317
Woodrose Invest AB, 556603-1711, Stockholm [3) 4) 5)]	232	-130	250,500	50	270	-6
					5,200	6,596
Less: Receivable for companies not yet transferred						-1,292
Unsettled debt for companies not transferred						-7
Holdings, not associated companies						1,252
Value on consolidation, holdings						6,549

1) Figures in parentheses show participation taking buy-backs into account.

2) The planned transfer of holdings from Atle to Ratos had not been completed by year-end since the conditions for the transfer has not yet been met.

3) Atle Industri is a business area, but not a legal group. Atle Industri includes companies owned indirectly by Ratos through Woodrose as well as Bierregaard and Centralsug Intressenter which are owned directly by Ratos. The consolidated value of Atle Industri amounts to SEK 573m. Woodrose Invest is the bidding company formed at the acquisition of Atle. After all the incoming companies have been transferred to Ratos and 3i respectively, apart from the majority of Atle Industri companies, Woodrose will comprise the said Atle Industri companies and a net debt of SEK 480m. The Atle Industri companies owned by Woodrose have a consolidated value of SEK 474m. Thus, the consolidated value of Woodrose will be SEK -6m.

4) Acquired during the year.

5) The company does not prepare consolidated accounts.

NOTE 16 Holdings, other shares and participations

Participations in associated companies outside the Parent Company

SEKm	2001	2000
Accumulated acquisition values		
At 1 January	8	6
Investments	2	2
	10	8
Accumulated share in profits		
At 1 January	6	6
Share in profits for the year	-3	1
Less dividends from associated companies	–	-1
	3	6
Value according to consolidated balance sheet	13	14

NOTE 18 Prepaid expenses and accrued income

SEKm	2001	2000
Accrued freight income	37	29
Accrued interest income	77	8
Other items	13	8
	127	45

NOTE 17 Long-term receivables

SEKm	2001	2000
Accumulated acquisition values		
At 1 January	46	210
Additional receivables	1,296	31
Settled receivables	-22	-195
	1,320	46
Holdings	1,292	7
Central	28	39

Of allocated client company funds from Alecta at total of SEK 4m was received during the year in the form of a cash payment and through use to pay premiums. The remaining receivable amounts to SEK 15m and is expected to be used over the next 2 years. The receivable is reported as long-term and current in the amount of SEK 2m and SEK 13m respectively.

Additional receivables include deferred tax receivables of SEK 1.1m pertaining to a subsidiary.

SEK 1,292m of additional receivables relates to companies not yet transferred from Atle to Ratos, see Note 15.

NOTE 19 Short-term investments

Shares and participations, current assets

SEKm	Number	Book value	Market value
Astra Zeneca	7,000	3	3
Cash Cap	2,193	0	0
Ericsson B	65,000	6	4
ETMS Ltd	112	0	0
ETMS Ltd, convertible debenture loan nom. GBP	360,000	0	0
Föreningssparbanken	20,000	3	3
Health Cap KB	10,000,000	10	27
Health Cap CoInvest KB	10,000,000	10	17
H & M	12,000	3	3
Holmen B	14,000	3	3
NCC	35,000	2	3
Nordnet AB	300,000	7	1
Nokia	10,000	3	3
Pyrosequencing	27,688	2	1
Q-Med	9,698	2	2
Skandia	45,000	4	3
SKF	15,000	3	3
Tele 2 B	11,000	4	4
Telia	50,000	2	2
Tripep	29,744	2	0
WM Data	111,000	3	3
Avalon Oil	190,000	0	0
Rurik Ord	300,000	1	5
Total shares		73	90

Market values pertain to listed values except for ETMS and Health Cap. Unlisted holdings within Health Cap are stated at values appraised internally by Health Cap.

NOTE 20 Cash and bank balances

In accordance with the Swedish Customs Act, separate funds of SEK 3m (3) are included in liquid assets.

NOTE 21 Shareholders' equity

SEKm	Share capital	Restricted reserves	Unrestricted reserves	Net profit/loss for the year	Total equity
Opening equity in accordance with previously adopted balance sheet	1,016	963	2,880	1,921	6,780
Effect of change in accounting principle in associated companies		-2	33	-33	-2
Opening equity adjusted in accordance with the new principle	1,016	961	2,913	1,888	6,778
Dividends paid			-435		-435
Other appropriation of profits			1,888	-1,888	0
Translation difference, associated companies and subsidiaries		112			112
Share buy-backs			-16		-16
Reduction (cancellation of repurchased shares)	-8		8		0
Accumulated translation difference in sold associated company		-3			-3
Effect of associated companies' share buy-backs		-3			-3
Transfer between restricted and unrestricted equity		-180	180		0
Net profit for the year				1,744	1,744
Closing equity	1,008	887	4,538	1,744	8,177

The translation difference at the beginning of the year was SEK 32m. The translation difference for the year amounted to SEK 121m. Restricted reserves include equity method reserve with SEK 581m (659).

NOTE 22 Provisions

Deferred tax is included in provisions for taxes with SEK 1.3m (0). Pertains to deferred tax on untaxed reserves.

NOTE 23 Other liabilities

In the subsidiary Exceed a stock option program comprising synthetic options for senior executives was set up in 2000. The negative change in value of these options in 2001 has been charged to income with SEK 0.7m. The amount entered as a liability includes premiums paid of SEK 0.6m.

NOTE 24 Accrued expenses and deferred income

SEKm	2001	2000
Accrued freight costs	34	50
Accrued personnel costs	23	24
Other	32	6
	89	80

NOTE 25 Pledged assets and Contingent liabilities

SEKm	2001	2000
Pledged assets		
Property mortgages	7	–
Floating charges	95	–
Other pledged assets	34	–
	136	–
Contingent liabilities	2	3

Refers to pledged assets and contingent liabilities in subsidiaries. All pledged assets pertain to collateral to credit institutions.

NOTE 26 Cash flow

Group

SEKm	2001	2000
Interest received	29	10
Interest paid	-19	-7

Acquisition of subsidiary

During the year Ratos acquired Haglöfs Scandinavia AB. The value of acquired assets and liabilities according to the acquisition analysis was as follows:

Intangible assets	67
Tangible assets	13
Current receivables	167
Liquid assets	2
Total assets	249
Long-term liabilities	64
Current liabilities	81
Total liabilities	145
Purchase price paid	104
Less: Liquid assets in the acquired operations	-2
Effect on consolidated liquid assets	102
Acquisition of of associated company, holdings	3,152
Acquisition of other holdings	784
Acquisition of shares, holdings	4,038

Parent Company

SEKm	2001	2000
Interest received	31	10
Interest paid	-20	-11

Comment. "Adjustment for items not included in cash flow" mainly refers to adjustment for capital gains or losses/exit results and share in profits of associated companies (Group only).

NOTE 27 Personnel and remuneration to Board of Directors and Auditors

Average number of employees

	2001 Total	2001 of whom men, %	2000 Total	2000 of whom men, %
Parent Company	19	47	19	47
Subsidiaries	353	48	276	55
Total Group	372	48	295	54
of whom, in				
Sweden	263	49	245	50
Norway	43	42	–	–
Finland	21	43	11	64
Denmark	25	44	14	71
Other countries	20	80	25	84

Parent Company

Salaries and other remuneration

SEKm	2001	2000
Board of Directors and CEO,		
deputy CEO (Sweden)	9.2	8.4
(of which bonus)	(2.1)	(1.9)
Other employees (Sweden)	14.3	10.6
	23.5	19.0
Payroll overhead	15.9	18.5
(of which pension costs)	(5.1)	(9.9)

Of the Group's pension costs, SEK 2.8m (10.4) refers to the present and former Board of Directors and the CEO. The Group's outstanding pension commitments to these amounts to SEK 3.5m (3.6).

Group

Salaries and other remuneration

SEKm	Board of Directors, CEO and deputy CEO 2001	2000	Other 2001	2000
Group	15.9	16.1	113.1	88.6
(of which bonus)	(2.1)	(2.1)		
of whom, in				
Sweden	12.2	14.0	85.8	77.4
(of which bonus)	(2.1)	(2.0)		
Other countries	3.7	2.1	27.3	11.2
(of which bonus)	(0.0)	(0.1)		

	2001	2000
Payroll overhead	54.1	52.1
(of which pension costs)	(13.7)	(18.7)

Of the Parent Company's pension costs, SEK 3.4m (11.4) refers to the present and former Board of Directors and CEO. The company's outstanding pension commitments to these amount to SEK 3.5m (3.6).

Average number of employees, salaries and other remuneration as well as payroll overhead refer only to Group companies which are part of the Group at year-end.

Remuneration to senior executives and Board members

As decided by the Annual General Meeting, SEK 1,975 thousand was paid to the Board of Directors in 2001, of which SEK 400 thousand to the Chairman.

In 2001, salary and other benefits to the CEO amounted to SEK 4,584 thousand, of which SEK 1,300 thousand was bonus. The bases for bonus are assessed annually taking the Group's targets into account. A pension premium is paid amounting to 20% of salary. When determining pension premium, bonus up to 50% of fixed salary is pensionable. The mutual period of notice is 6 months. Severance pay corresponds to two annual salaries and may not be triggered by the CEO. Remuneration from a third party is deducted. In the event of a change of principal owner, severance pay of two annual salaries may be triggered by the CEO.

No other Senior Executives in the Ratos Group have agreements on severance pay which amounts to more than two annual salaries. Pension is paid from the age of 65, with some exceptions. No individual executive may trigger severance pay, except in some instances in the event of a change of principal owner.

Bonus programme

The Board has approved a bonus programme for key people at Ratos AB. Bonus is paid if certain targets for operations are met and can amount to a maximum of a couple of per cent of earnings.

Fees to auditors

Fees and reinbursement

SEKm	2001 Group	2001 Parent Company	2000 Group	2000 Parent Company
KPMG				
Audit assignment	0.9	0.3	1.5	0.2
Other assignment	3.1	2.4	2.1	2.0
Ernst & Young				
Audit assignment	0.2	0.2	0.1	0.1
Other auditors	0.0	0.0	0.1	–
	4.2	2.9	3.8	2.3

Audit assignment refers to examination of the annual accounts and accounting records as well as the administration by the Board of Directors and the CEO, other tasks which are the business of the company's auditors, and advice or other assistance which is caused by observations on such examination or implementation of other such work tasks. Everything else is other assignment.

NOTE 28 Parent Company Profit and Loss Account

SEKm	2001	2000
Net sales	–	–
Other operating income	6	4
Other external costs	-47	-60
Personnel costs	-45	-38
Depreciation	-2	-2
Result from participations in associated companies	-332	670
Result from other securities and receivables accounted for as fixed assets	2,587	1,084
Operating profit after depreciation	2,167	1,658
Other interest income and similar income	90	19
Interest expenses and similar charges	-17	-12
Operating profit before appropriations and tax	2,240	1,665
Tax on profit for the year	-1	-3
Net profit for the year	2,239	1,662

Taxes

The Parent Company is taxed in accordance with the rules for investment companies. This means that capital gains are not taxable. In return, investment companies must enter a standard income of 2% of the market value of shares held on 1 January in their tax return.This standard income amounted to SEK 193m in 2001. Dividends received are taxable. Dividends paid are deductible provided they do not give rise to a total assessed deficit. Net interest and overheads are deductible. The tax rules are to change in 2002. The standard income will then be 1.5% of opening market value and dividends paid will be deductible even if they give rise to a total assessed deficit.

NOTE 29 Land and buildings

SEKm	2001	2000
Accumulated acquisition values		
At 1 January	17	17
	17	17
Accumulated depreciation according to plan		
At 1 January	-5	-5
Depreciation for the year	-1	0
	-6	-5
Value according to balance sheet	11	12
Tax assessment		
Buildings	70	61
Land	–	–

NOTE 30 Equipment, Parent Company

SEKm	2001	2000
Accumulated acquisition values		
At 1 January	8	6
Investments	3	3
Divestments	–	-1
	11	8
Accumulated depreciation according to plan		
At 1 January	-4	-4
Divestments	–	1
Depreciation for the year	-1	-1
	-5	-4
Value according to balance sheet	6	4

NOTE 31 Holdings, shares in subsidiaries

SEKm	2001	2000
Book values		
At 1 January	154	106
Shareholders' contribution	–	48
Investments	104	–
	258	154

Specification of Parent Company's holdings of shares in subsidiaries

Subsidiaries, Corp. id. no., Reg. office	Number	Share, %	Book value, SEKm
Ratos Fastighets AB, 556308-3863, Stockholm	50,000	100	6
Fastighets AB Strömparterren, 556309-8481, Stockholm	10,000	100	0
Exceed AB, 556238-6044, Sigtuna	150,000	100	148
Haglöfs Scandinavia AB, 556054-8694, Avesta	50,000	100	104
			258

NOTE 32 Holding, shares, Parent Company

SEKm	2001	2000
Associated companies	5,200	2,540
Other financial fixed assets	1,252	683
	6,452	3,223

Specification of associated companies, see Note 15.

Other financial fixed assets

SEKm	2001	2000
Hilton Group	565	–
Industri Kapital	359	337
Telelogic	1	19
Telia Overseas	327	327
	1,252	683

NOTE 33 Long-term receivables, Parent Company

SEKm	2001	2000
Accumulated acquisition values		
At January 1	38	210
Additional receivables	1,292	23
Settled receivables	-14	-195
	1,316	38
Holdings	1,292	–
Central	24	38

Of allocated client company funds from Alecta a total of SEK 0.4m was received during the year in the form of a cash payment and through use to pay premiums. The remaining receivable amounts to SEK 8m and is expected to be used over the next 2 years. The receivable is reported as long-term and current in the amount of SEK 2m and SEK 6m respectively. Additional receivable of SEK 1,292m relates to a receivable in companies not yet transferred from Atle to Ratos (see Note 15).

NOTE 34 Prepaid expenses and accrued income, Parent Company

SEKm	2001	2000
Accrued interest income	77	8
Other items	4	2
	81	10

NOTE 35 Shareholders' equity, Parent Company

SEKm	Share capital	Statutory reserve	Profit brought forward	Net profit/loss for the year	Total share-holders' equity
At 1 January	1,016	251	3,297	1,662	6,226
Dividends paid			-435		-435
Other appropriation of profit			1,662	-1,662	0
Share buy-backs			-16		-16
Reduction (cancellation of repurchased shares)	-8		8		
Net profit for the year				2,239	2,239
At 31 December	1,008	251	4,516	2,239	8,014

Share capital

		SEKm
Ordinary A	21,641,127 @ 12.50	270.5
Ordinary B	59,021,499 @ 12.50	737.8
	80,662,626	1,008.3
Share buy-back, 2000	-2,164,800	
Share buy-back, 2001	-197,400	
Cancellation of repurchased shares, 2001	657,800	
Number of shares outstanding	78,958,226	

Class A shares entitle their holder to one vote each and class B shares to 1/10 of a vote each. In accordance with a decision at Ratos's Annual General Meeting on 5 April 2001, a reduction of Ratos's share capital has been carried out by SEK 8,222,500 representing 657,800 shares. After this reduction the number of shares amounts to 80,662,626, of which repurchased shares owned by Ratos amount to 1,704,400.

Stock options 1999

The number of stock options amounts to 530,000, of which 18,000 are owned by companies in the Ratos Group. Subscription for shares may take place between 1 June 2002 and 15 February 2004. The subscription price is SEK 75 per share. One option entitles the holder to subscribe for one new share.

Call options 2001

The Annual General Meeting in 2001 decided to issue 500,000 call options on repurchased shares. The call options were offered to key people who acquired 480,000 call options at the market price SEK 4.05. The price was determined after valuation by two external assessors. The purchase of options is subsidised by the option purchaser receiving a cash bonus payment corresponding to a maximum of 60% of the option premium after deduction for 55% standard tax, whereby the bonus is divided into equal parts over five years and subject to the person concerned remaining in the employment of the Ratos Group.

NOTE 36 Accrued expenses and deferred income, Parent Company

SEKm	2001	2000
Accrued personnel costs	5	10
Other	10	4
	15	14

Auditors' Report

To the Annual General Meeting of Ratos AB (publ)
Corporate Identity Number 556008-3585

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the CEO of Ratos AB for the year 2001. These accounts and the administration of the company are the responsibility of the Board of Directors and the CEO. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the CEO, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the CEO. We also examined whether any board member or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the Annual General Meeting that the Profit and Loss Accounts and Balance Sheets of the Parent Company and the Group be adopted, that the profit for the Parent Company be dealt with in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Stockholm, 21 February 2002

Hans Karlsson
Authorised Public Accountant

Gunnar Widhagen
Authorised Public Accountant

Board of Directors and Auditors

Olof Stenhammar

Lars Berg

Peggy Bruzelius

Göran Lindahl

Per-Olof Söderberg

Olof Stenhammar

Honorary Doctor of Economics. Born 1941.

Chairman. Board Member since 1994. Chairman of Hela Programmet, Olympialaget Våga Vinna, OM, Phone Pages and Stiftelsen Mentor Sverige. Board Member of Ekonomi 24, Ledstiernan, Ljungberg-Gruppen, Svenska Sjöräddningssällskapet and other companies. Member of Stockholm School of Economics Advisory Board and SNS Förtroenderåd.

Shareholding in Ratos: 160,000 B shares

Lars Berg

Born 1947.

Board Member since 2000. Chairman of Netinsight, Viamare. Vice Chairman of Askus. Board Member of Carnegie, Eniro, Ledstiernan, C Technologies, Shibsted, Telefonica Moviles, and other companies.

Shareholding in Ratos: 7,500 B shares

Göran Lindahl

Born 1945.

Board Member since 2001. Chairman designate of Anglo American plc. Board Member of Ericsson, DuPont, Sony Corp, and other companies.

Shareholding in Ratos: 0

Peggy Bruzelius

Born 1949.

Board Member since 1998. Chairman of Grand Hôtel Holdings, Lancelot Asset Management. Board Member of Axel Johnson, Axfood, Drott, Electrolux, the Stockholm School of Economics Association, the Industry and Commerce Stock Exchange Committee, Scania, Syngenta, and other companies.

Shareholding in Ratos: 2,000 B shares

Per-Olof Söderberg

Born 1955.

Board Member since 2000. President of Dahl International. Board Member of Bergman & Beving, Oxigene, the Stockholm School of Economics Association, Martin Olsson, Oxigene, Skandia Investment.

Shareholding in Ratos: 1,862,944 A shares
131,065 B shares


Harry Faulkner


Göran Grosskopf


Jan Söderberg


Arne Karlsson

Harry Faulkner

Born 1931.

Board Member since 1986.
Former President and CEO of Alfa-Laval.
Chairman of Arcona, Tripep. Board Member of EQT Denmark, Scandinavian Equity Partners 1, Stockholms Auktionsverk, and other companies.

Shareholding in Ratos: 10,000 B shares

Jan Söderberg

Born 1956.

Board Member since 2000. Chairman of Elisolation HTM Svenska Industriplast.

Shareholding in Ratos: 3,188,363 A shares
2,870 B shares

Göran Grosskopf

Professor, Doctor of Law. Born 1945.

Board Member since 1996. Chairman of Tetra Laval Group. Board Member of InterIKEA, Stiftelsen Mentor Sverige.

Shareholding in Ratos: 40,000 B shares

Arne Karlsson

Born 1958.

CEO of Ratos since 1999. Board Member of Haglöfs, Hilding Anders, HL Display, Kronans Droghandel, Superfos.

Shareholding in Ratos: 26,400 B shares
Stock options in Ratos: 290,000

Auditors

Hans Karlsson

Authorised Public Accountant, KPMG.

Gunnar Widhagen

Authorised Public Accountant, Ernst & Young.

Deputy Auditors

Roland Nilsson

Authorised Public Accountant, KPMG.

Torbjörn Hanson

Authorised Public Accountant, Ernst & Young.

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Result for the Ratos Group

The changes implemented in Ratos's portfolio in 2001 make comparisons with results for the previous year difficult. In 2000, 50% of consolidated profit before tax comprised capital gains and dividends from asset management. In step with the transformation into a pure-play private equity company, profits have increasingly been generated from the portfolio companies in the form of profit shares and exit gains. The asset management activities have been phased out and in principle the entire pre-tax profit is attributable to work with Ratos's holdings.

Financial targets

Ratos's expressed target is currently an internal rate of return, IRR, of 20%. Ratos has an assertive dividend policy. When Ratos has surplus liquidity in relation to the investment opportunities which can be identified in the foreseeable future, Ratos also intends to exercise the buy-back mandate given by the annual general meeting.

Equity method

The holdings in Ratos's portfolio are generally associated companies (20-50%). Ratos therefore applies the equity method where the results of associated companies are reflected in the consolidated profit and loss account by the associated company's pre-tax result for the relevant period being multiplied by Ratos's share of equity. This figure is reported in the Ratos Group's profit and loss account, after amortisation of Ratos's goodwill, as share of profits of associated companies. Ratos's share of the company's tax expense is included in the consolidated tax expense.

Ratos's holdings in associated companies are reported as shares under financial fixed assets in the consolidated balance sheet, and the consolidated book value corresponds to the initial investment amount. The book value of the participation in the company in question changes with the value of accumulated profit shares in the company after tax. A more detailed description of Ratos's accounting methods is provided in the Notes to the financial statements on page 36.

Tax situation

Ratos's parent company is taxed according to the rules for investment companies. This means that capital gains which arise are not taxable. The company declares, through the 2001 income year, a standard income corresponding to 2% of the market value of its shareholdings at the end of the year. Starting in the 2002 income year the standard income is reduced to 1.5%. Dividends received are also declared as income. Net interest and expenses are tax deductible as are dividends paid, provided the size of the dividend does not result in a total taxed deficit, a provision that ceases to apply from the 2002 income year. The Ratos Group's tax expense therefore consists of Ratos's share of subsidiaries' and associated companies' tax expenses. Ratos's parent company in principle pays no tax. The Ratos Group's tax expense for 2001 amounted to SEK 182m (89).

Net profit for the year

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

Ratos's results

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

[1] The holdings in Arcorus, Gadelius and Haendig are not yet transferred from Atle to Ratos.

Profit from holdings rose to SEK 1,817m (1,046). Ratos's share of the holdings' current profit amounted to SEK 203m (320).

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

In the 2001 annual accounts, a review was made of the reported value of all Ratos's holdings, whereby the recoverable amount was determined as the estimated value in use of the assets in cases where a fair market value was unavailable. In these valuations a need was identified to adjust the consolidated book values in three holdings – DataVis, Programmera and Q-Labs. The total cost of these write-downs amounts to SEK 248m.

Exit gains amounted to SEK 1,852m (726), of which the largest part, SEK 1,751m, came from the sale of Scandic Hotels. 25% of the purchase price was paid in the form of Hilton shares and their market value exceeded the book value by SEK 12m at year-end. Sweden On Line was sold in the third quarter. This sale resulted in an exit loss of SEK 29m and the IRR on this investment was therefore negative. The remainder of Ratos's holding in Telelogic was sold in the fourth quarter. This investment, which was made in 1998, provided a total IRR of just over 100%. During the year divestments were made in Industri Kapital's funds which provided Ratos with exit gains of SEK 46m.

Asset management

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

Ratos's asset management activities are now fully phased out but some trading in Swedish equities will be conducted in the future within the subsidiary Johnson & Borsell. The value of the portfolio at year-end 2001 was SEK 93m.

Central income and expenses

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

Cash flow

Cash flow from operating activities and investing activities was SEK 401m (349). Consolidated liquid assets amounted to SEK 57m (59) at year-end.

Financial strategy

Ratos's parent company should normally be unleveraged. When investments are made, a leveraged holding company may be used in order to achieve a tailor-made financial structure. This method, which is particularly suitable in operations with a good cash flow, was used in the Dahl buyout and in the acquisitions of Superfos and Lindab.

Net asset value calculation

SEKm	31 Dec 2001
Holding	
Arcorus	339
Atle Industri	573
Camfil	478
Capona	495
Dahl	695
DataVis (incl. convertible)	110
DIAB	688
Dynal Biotech	280
Esselte	270
Exceed	74
Gadelius	138
Haendig	169
Haglöfs	109
Hilding Anders	413
Hilton Group	576
HL Display	285
Industri Kapital, unlisted	488
Intervect	213
Kronans Droghandel	404
Lindab	1,081
Martinsson	156
Programmera	20
Q-Labs	60
Superfos	317
Telia Overseas	328
Total holdings	**8,759**
Share trading	93
Parent company's building	60
Liquid assets/liabilities (net) in central companies	-417
Net asset value	**8,495**
Net asset value per share [1]	**108**

[1] Number of shares outstanding at 31 December 2001 was 78,958,226, taking 1,704,400 repurchased shares into account.

Previously, Ratos's asset management business functioned as a liquidity reserve. However, the liquidity obtained in connection with the phasing out of asset management was re-invested primarily in conjunction with the acquisitions of Atle, Dynal Biotech and Lindab. At year-end 2001, the parent company's external interest-bearing liabilities amounted to SEK 123m.

All Ratos's holdings have independent responsibility for their currency exposure and hedging.

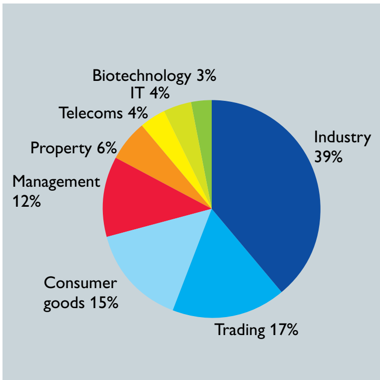
Net asset value

Ratos's net asset value at the end of the year was SEK 8,495m (9,896), corresponding to SEK 108 (125) per share. Net asset value consisted to 81% of unlisted assets, which are included in net asset value at consolidated book value, apart from units in Industri Kapital's funds which are included at the market values estimated by Industri Kapital.

Goodwill

The accounting treatment of goodwill is under constant discussion and the rules for reporting goodwill are under continuous development. This issue is of particular interest to Ratos due to the acquisitions and divestments which form the basis of the company's strategy. The valuations made of Ratos's holdings are based, among other things, on forecasts of future cash flows. This means that being able to clearly perceive the development of the holdings regardless of goodwill can be an advantage to an external party wishing to value Ratos's holdings.

Sector breakdown/net asset value



The rules for treatment of goodwill differ between different countries. According to new US rules, goodwill should not be amortised at all, as opposed to the current rules in Sweden where goodwill amortisation must be carried out on a straight-line basis over 5-20 years. In the US, on the other hand, a mandatory annual value assessment must be performed which may result in a write-down of the book value of goodwill, unlike in Sweden today where a value assessment is only performed in certain circumstances.

According to the present accounting rules within the EU, International Accounting Standards (IAS) goodwill should be amortised. It is quite probable that these rules will be changed so that they resemble, or alternatively are brought into line with, the US rules relating, among other things, to accounting treatment of goodwill. Sweden is successively adapting to IAS and Swedish accounting will therefore be affected by a European adjustment to the US rules.

In the Ratos Group there is goodwill at different levels, goodwill which arises when Ratos invests in a subsidiary or associated company and the goodwill worked up by the respective company through its own acquisitions.

When a subsidiary is acquired, goodwill is reported under intangible fixed assets in Ratos's consolidated balance sheet. When Ratos acquires an associated company, on the other hand, goodwill is stated under financial fixed assets in Ratos's consolidated balance sheet as part of the value of participations in the associated company.

SEKm	31 Dec 2001
Ratos's goodwill in subsidiaries and associated companies	1,563
Ratos's share of goodwill reported in subsidiaries and associated companies	3,816
Total goodwill including Ratos's share of the holdings' goodwill	5,379

Amortisation of Ratos's goodwill in subsidiaries and associated companies amounted to SEK 86m in 2001 while total amortisation – including Ratos's share of amortisation of goodwill in its holdings – amounted to SEK 265m. Taking into account an underlying total goodwill of approximately SEK 5,400m and the amortisation periods chosen in each case, full year earnings in the Ratos Group in its present form will be charged with annual goodwill amortisation of approximately SEK 350m.

Company information

SEKm	Net sales 2001	Net sales 2000	EBITA 2001	EBITA 2000	EBT 2001	EBT 2000	Goodwill amortisation 2001	Other depreciation 2001	Investments 2001	Cash flow 2001
Arcorus [1]	1,469	1,247	126	108	97	90	10	36	42	53
Atle Industri [2]	2,384	2,340	26	156	-28	108	37	n.a.	n.a.	n.a.
Camfil	3,237	2,277	232	131	96	57	62	92	103	32
Capona	291	267	203	192	128	130	0	25	311	-170
Dahl	11,660	10,674	569	475	351	253	89	122	177	461
DataVis	215	215	-31	-24	-131	-25	101	5	7	-34
DIAB [1]	693	627	80	115	76	110	1	29	108	-24
Dynal Biotech (NOKm)	420	353	107	95	80	91	6	n.a.	24	n.a.
Esselte	10,853	11,095	423	545	84	274	99	429	237	1,141
Exceed	1,351	1,198	-20	23	-25	22	2	6	4	-14
Gadelius [1]	1,025	1,058	50	63	34	47	11	9	26	25
Haendig [1]	1,204	945	44	43	14	26	8	17	77	-61
Haglöfs	275	229	14	15	10	13	1	2	5	-20
Hilding Anders	3,100	1,001	381	155	289	106	47	88	92	-1,551
HL Display	1,072	874	85	51	82	44	2	45	48	13
Intervect	1,166	1,106	4	102	-29	73	3	55	81	0
Kronans Droghandel	14,788	12,479	-4	54	-33	26	0	68	79	6
Lindab	5,160	4,415	319	364	233	303	29	174	268	48
Martinsson	482	750	-4	-29	-6	-46	8	7	8	58
Programmera	88	107	-30	5	-29	6	0	1	21	-31
Q-Labs	221	198	-44	-12	-47	-19	6	4	5	-43
Superfos (DKKm)	2,348	2,616	59	181	-87	34	31	172	232	-35
Telia Overseas	418	445	2,315	-733	2,460	-787	9	101	n.a.	n.a.

All values for Dynal and Lindab pertain to the respective group and not the holding companies formed in connection with Ratos's acquisition, except for the consolidated values which also include the holding companies. At year-end the new Dynal Group had equity of NOK 946m, interest-bearing net debt of NOK 566m and goodwill of NOK 1,199m. The corresponding figures for the new Lindab Group are equity SEK 2,232m, interest-bearing net debt SEK 2,378m and goodwill SEK 2,231m.

[1] The planned transfer of the holding from Atle to Ratos had not taken place at year-end, since the conditions for the transfer had not yet been met.

[2] Not a legal group.

[3] Value in connection with planned but not yet completed transfers from Atle to Ratos.

In the event Ratos did not carry out any goodwill amortisation, the reported current profit would rise as well as the book net asset value of the holdings and Ratos's shareholders' equity. In the event of an exit, the exit result, all things being equal, would decrease by a corresponding amount. In the case of Ratos, this would have the following consequences for the consolidated profit and loss accounts and balance sheets for 2001 and 2000.

Holdings performance

The performance of the holdings, given the economic climate, was predominantly good. In eight of the holdings EBITA improved compared with the previous year while an unchanged positive EBITA level is reported in two holdings. Seven holdings report weaker but still positive earnings while six holdings reported a loss for 2001. The combined EBITA (earnings before net financial items, goodwill amortisation, items affecting comparability and tax) rose 22%. Taking Ratos's holding in each company into account the increase was 6%.

During the year, Ratos acquired 15 holdings and divested three. In order to facilitate an analysis, the table below shows a summary of the holdings' performance in 2001 compared with 2000.

SEKm	2001 actual	2001 excl. goodwill amortisation	2000 actual	2000 excl. goodwill amortisation
Profit/loss from subsidiaries	-27	-16	14	28
Shares of profits of associated companies	230	524	306	419
Exit results, associated companies	1,722	1,688	638	638
Shares/participations	6,549	6,947	3,661	3,788
Shareholders' equity	8,177	8,575	6,778	6,905

Equity 2001	Interest-bearing net debt 2001	Goodwill 2001	No. of employees 2001	Ratos's consolidated value 31 Dec 2001, SEKm	Investment year	Total investment SEKm	Ratos's share of equity, %	SEKm
475	250	146	770	339	2001	303 [3]	49	Arcorus
n.a.	313	192	n.a.	573	2001	616	50	Atle Industri
1,137	1,064	1,010	2,760	478	2000	450	30	Camfil
823	1,446	0	n.a.	332	1998	224	47	Capona
1,987	1,537	1,571	3,341	695	1999	562	44	Dahl
75	-19	40	241	110	2000	254	44	DataVis
290	117	2	596	688	2001	688 [3]	48	DIAB
103	188	93	242	280	2001	292	25	Dynal Biotech (NOKm)
2,485	2,723	1,298	6,462	371	1954	377	17	Esselte
56	3	42	285	74	1990	135	100	Exceed
174	262	61	228	138	2001	140 [3]	50	Gadelius
191	396	127	452	169	2001	169 [3]	49	Haendig
48	54	5	102	109	2001	104	100	Haglöfs
1,122	1,512	1,183	2,157	413	2001	378	27	Hilding Anders
284	n.a.	5	892	238	2001	229	29	HL Display
312	501	46	854	213	2001	227	50	Intervect
470	152	0	519	404	2001	419	49	Kronans Droghandel
1,460	1,074	152	3,635	1,081	2001	1,066	49	Lindab
229	-50	37	218	156	2001	156	50	Martinsson
11	-2	1	91	20	2001	105	50	Programmera
126	-102	14	197	60	2000	190	40	Q-Labs
704	1,410	553	2,268	317	1999	325	33	Superfos (DKKm)
449	-3,346	26	397	328	1996	328	9	Telia Overseas

Definitions, see page 105.

Arcorus – strong development

Ratos indirectly became the principal owner of Arcorus in 2001 in conjunction with the acquisition of Atle. Ratos's indirect holding amounts to 49%. Other owners are 3i with 23% and the previous owners of GS-Hydro with 28%.

Ratos has indirectly invested SEK 303m in Arcorus. Consolidated book value in Ratos at year-end 2001 was SEK 339m.

The responsible Investment Manager is Stig Karlsson who also represents Ratos on Arcorus's Board.

Strong position in selected niches

Arcorus was formed in spring 2000 and comprises Hägglunds Drives, GS-Hydro and Lidan Marine. The companies in the Group work with hydraulics, sell customised systems and have a leading market position in their respective niches. The Group supplies complete hydraulic drive systems, complete winch systems, hydraulic motors, and non-welded pipe laying systems. Arcorus has its customer base in the industrial, marine and offshore sectors.

Sales are well diversified over different customer segments and geographic markets. Arcorus is a relatively small player in relation to the largest hydraulic companies – but has a very strong market position within its technology niches. The company possesses significant applications expertise and a global sales organisation with subsidiaries in 20 countries.

Increased sales and improved earnings

Arcorus showed strong development in 2001 despite a weak economic climate. Early in the year, Arcorus decided to make cost adjustments within subsidiaries in markets with weak demand such as North America, Australia and France. For the Group as a whole, sales rose 8% to EUR 159m in 2001 and profit before tax, including non-recurring items, was unchanged at EUR 10.5m. Adjusted for non-recurring items in 2000, profit rose 11% in 2001.

During the year a Group organisation and strategy were established for Arcorus for the period 2002-2004.

Hägglunds Drives launched a new hydraulic motor in the first half of 2001 and series deliveries will start in 2002. Hägglunds received a number of significant orders during the year, including a breakthrough in the world's largest sugar market, Brazil.

GS-Hydro's earnings improved substantially in 2001, partly due to the recovery in the offshore industry.

Lidan Marine formed an independent business area and won important orders during the year, for example within the newly developed movement compensation technology.

Prospects for 2002

The order situation ahead of 2002 is good.

Arcorus's aim is to use the company's strong, market-leading position to grow within new applications, segments, geographic areas and aftermarket services, and to exploit internal market synergies. Arcorus also aims to participate actively in restructuring deals in its present or closely related business segments in the global hydraulics market.

Anders Lindblad, CEO

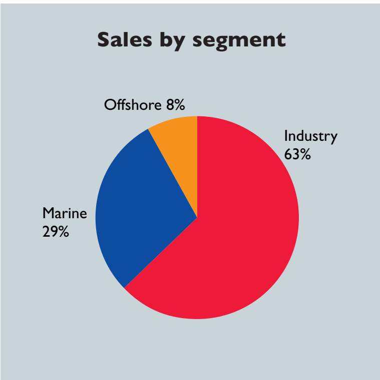
Board of Directors

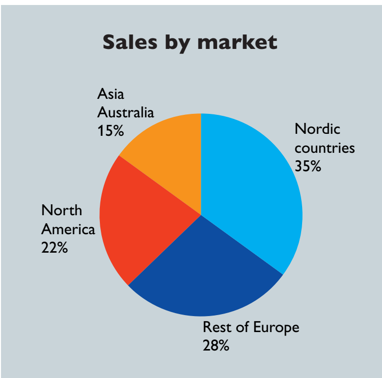
Bo Ulván	Chairman
Rolf Ahlqvist	
Johnny Alvarsson	
Esko Liiri	
Gerhard Wendt	
Anders Lindblad	CEO
Stig Karlsson	Co-opted

Management

Anders Lindblad	CEO
Olle Olofsson	CFO
Kjell Borgen	CEO GS-Hydro
Per Nordgren	CEO Hägglunds Drives
Sven-Erik Schöön	CEO Lidan Marine

EURm	2001	2000	1999	1998	1997
Profit and Loss Account			Pro forma		
Net sales	157.3	147.1	133.5		
Cost of goods and materials	-69.5	-60.2	-59.4		
Personnel costs	-41.2	-41.4	-34.2		
Other operating expenses	-29.1	-28.2	-24.8		
Depreciation	-5.0	-4.6	-4.5		
Operating profit	12.5	12.7	10.6		
Interest income/other financial income	0.7	0.6	–		
Interest expenses/other financial expenses	-2.7	-2.7	-0.9		
Profit after financial items	10.5	10.6	9.7		
Tax	-3.5	-3.7	-3.6		
Net profit for the year	7.0	6.9	6.1		
Balance Sheet					
Goodwill	15.5	16.6	16.6		
Other intangible fixed assets	1.6	0.4	0.1		
Tangible fixed assets	21.1	22.1	6.5		
Long-term receivables	0.5	0.8	0.0		
Total fixed assets	38.7	39.9	23.3		
Inventories	30.6	31.5	11.7		
Other current receivables	40.5	42.4	10.2		
Cash and bank balances	7.2	7.3	2.4		
Total current assets	78.3	81.3	24.3		
Total assets	117.0	121.1	47.6		
Share capital	4.5	4.8	2.4		
Restricted reserves	15.8	15.6	1.8		
Unrestricted reserves	23.1	16.3	9.2		
Net profit for the year	7.0	6.9	2.9		
Minority interests	0.1	0.1	0.1		
Provisions	1.9	2.5	0.1		
Long-term liabilities	9.8	14.3	10.3		
Current liabilities	54.8	60.7	20.7		
Total shareholders' equity and liabilities	117.0	121.1	47.6		
Cash Flow Statement					
Cash flow from operating activities	10.2	4.6	2.5		
Cash flow from investing activities	-4.5	-4.3	-1.1		
Cash flow from financing activities	-5.9	-2.6	-1.8		
Cash flow for the year	-0.2	-2.3	-0.3		
Liquid assets, opening balance	7.3	9.6	2.7		
Liquid assets, closing balance	7.2	7.3	2.4		
Key figures					
Operating margin, %	7.9	7.9			
Return on equity, %	14.9	14.0			
Return on capital employed, %	14.7	13.6			
Equity ratio, %	43	36			
Investments, EURm	4.5	4.3			
Debt/equity ratio, times	0.78	1.05			
Interest coverage ratio, times	4.9	4.5			
Net debt, EURm	32.3	38.5			
Average number of employees	770	748			





Atle Industri – focus on value creation

In connection with the acquisition of Atle by Ratos and 3i, the holdings in 17 companies were placed in a separate group called Atle Industri. Ratos and 3i each directly and indirectly own 50% of Atle Industri. Of the 17 holdings, 14 are wholly owned.

Consolidated book value in Ratos amounted to SEK 573m at year-end 2001.

Ratos is represented on the Board by Thomas Mossberg and Berit Lind, with Stig Karlsson as a co-opted member. The responsible Investment Manager is Thomas Mossberg.

Different sectors

The 17 companies in Atle Industri operate in the engineering industry, trading, waste management and IT/technology. Seven of the companies – Moving, Nordhydraulic, Elpress, Pressmaster Tool, AKA Tempcold, Näsström and Centralsug – account for three quarters of Atle Industri's book value in Ratos.

Bo Ulván, CEO

Slowdown reduced earnings

The Group's sales amounted to SEK 2,384m (2,340). EBITA was SEK 26m (2000: 156, including Alecta funds of SEK 45m).

Several of the trading and engineering companies were adversely affected by the general economic slowdown and the weakening of the Swedish krona. Waste management, where order bookings depend on large project orders and public spending, was also negatively affected by the prevailing economic climate.

The two largest companies, Centralsug and Moving, show stable development, while Näsström, accounts for a large part of the decline in earnings. Näsström's earnings include substantial costs for an earnings improvement action programme.

A number of efficiency enhancement programmes were initiated during the year and the Group's total workforce was reduced by 10%.

Future focus

Atle Industri works as an active owner in the 17 holdings. Efforts are being focused on value growth in each individual holding through measures to improve profitability, cash flow and capital structure.

Atle Industri's holdings

Company	Operations	Atle Industri's holding	Sales SEKm	EBITA SEKm	EBT SEKm
Engineering					
Elpress	Manufactures and sells crimping systems for electrical applications.	100%	129	11.3	9.9
Luma Metall	Manufactures and sells thin metal wire, filaments and cathodes.	100%	22	0.5	0.1
Moving	Develops and produces equipment and systems for effective materials handling.	100%	360	18.7	11.9
Nordhydraulic	Manufactures and sells hydraulic valves for mobile applications.	100%	139	-7.0	-8.3
Pressmaster Tool	Develops, manufactures and markets high-quality crimping tools.	100%	86	-7.7	-8.3
Trading					
AKA Tempcold	Comprehensive range of cooling products.	100%	349	10.4	8.1
Alentec & Orion	Equipment for pumping, measuring and dosage of oils, fats, water and corrosive fluids.	25%	84	-5.1	-6.8
Bierregaard	Wholesaler in the plumbing and heating supplies sector.	100%	170	6.9	4.0
Ekman International	Trading house that markets, sells and distributes pulp and paper products worldwide.	35%	5,790	45.6	33.8
Jens S Transmissioner	Mechanical transmission components.	70%	207	7.8	5.7
Kablema	Sells machines, tools and accessories for cable fabrication.	100%	72	0.8	-0.9
Näsströms System	Wholesale and engineering company in the hydraulics, pneumatics and manufacturing sectors.	100%	178	-38.8	-40.3
Waste Management					
Bala Industri	Systems for baling and handling waste fractions.	100%	35	-4.4	-4.6
Centralsug	Systems for transporting waste fractions via pipeline systems using vacuum technology.	100%	444	29.5	28.6
Optibag Systems	Optical sorting systems for waste management.	100%	60	-0.1	-0.6
IT					
Navigera	Sales, implementation, consulting and development of Navision's business system.	100%	44	-4.2	-4.5
Teknikgruppen	Products for the electronics industry. Swedish distributor for various motor and generator manufacturers. Construction of mechanical, power and tele-technical equipment	100%	91	-4.3	-5.7

SEKm	2001	2000			
Profit and Loss Account		Pro forma			
Net sales	2,384	2,340			
Cost of goods sold	-1,779	-1,672			
Gross margin	605	668			
Overhead expenses	-579	-512			
Goodwill amortisation	-37	-34			
Operating loss/profit	-11	122			
Net financial items	-17	-14			
Loss/profit after financial items	-28	108			
Balance Sheet					
Intangible assets	208				
Tangible assets	175				
Financial assets	53				
Fixed assets	436				
Current assets	1,073				
Liquid assets	91				
Total assets	1,600				
Shareholders' equity	577				
Non-interest bearing liabilities	619				
Interest-bearing liabilities	404				
Shareholders' equity and liabilities	1,600				

Atle Industri is a business area, but not a legal group. The above balance sheet is a summary of the balance sheets of the companies in the business area. The profit and loss account is a summary of these companies' profit and loss accounts with deduction for Atle Industri's goodwill amortisation and central overheads.

Board of Directors

Lars Gårdö	Chairman
Tim Harrison	
Berit Lind	
Thomas Mossberg	
Chad Murrin	
Bo Ulván	CEO
Stig Karlsson	Co-opted

Management

Bo Ulván	CEO

Camfil – consolidation a base for profitability

Ratos invested SEK 450m in Camfil in 2000, corresponding to a holding of 30%. Other owners are members of the founding family.

Consolidated book value in Ratos amounted to SEK 478m at year-end.

Mats Lönnqvist is the responsible Investment Manager and a member of Camfil's Board.

Alan O'Connell, CEO

Leader in filters and clean air solutions

Camfil is a family company dating back two generations. The company was founded in 1963. When Ratos became an external shareholder, Camfil was able to acquire its US competitor Farr. The Camfil Farr Group is today the world leader in clean air technology and air filters, with a 10% share of the global market. The Group is the market's largest player in Europe and among the four largest in the US.

The Group has four business areas. Comfort provides filter products which contribute to a good indoor climate. Clean Processes offers filter solutions for sensitive manufacturing processes, including clean rooms. Safety and Protection comprises products which protect the environment from emissions. Transport supplies filters for vehicles and locomotives. Production is carried out in three continents and the Group is represented through subsidiaries and agents in some 55 countries.

The global market for air filters is estimated at approximately SEK 32 billion, with repeat sales accounting for almost two-thirds. In the total market the annual growth forecast is 6% over the next few years. The strongest growth is expected in the Asian markets. Globally the market is undergoing consolidation.

Growth despite weaker market

Despite a generally weaker market development in 2001, Camfil's sales increased by 42% to SEK 3,237m. Adjusted for full-year effects of the Farr acquisition, the increase was 14.5%.

The two largest business areas, Comfort and Clean Processes, accounted for 45% and 41% respectively of sales. Within Comfort the Group increased its market shares despite a weaker trend in the North American market which is important for this segment. After a strong 2001, Clean Processes was affected by the downturn in the market for clean rooms in the electronics industry towards the end of the year.

Operating profit before goodwill amortisation (EBITA) improved by 77% during the year to SEK 232m. Profit after net financial items amounted to SEK 96m (57). Earnings were negatively affected by the full-year effect of goodwill amortisation, by financing costs in connection with the acquisition of Farr and by restructuring costs related to the closure of a unit in Sweden.

Alan O'Connell took over as the company's new CEO in September. The former CEO, Jan Eric Larson, then became executive chairman of the board.

An efficiency enhancement programme designed to improve margins and reduce working capital was initiated in the autumn.

Future prospects

Camfil Farr has very strong market positions in Europe and North America. Operations are being built up in Asia, which is the market with the greatest growth potential. The Group's ability to achieve further growth is assessed as good. However, the weak development in the clean rooms segment of the electronics industry is expected to continue in 2002.

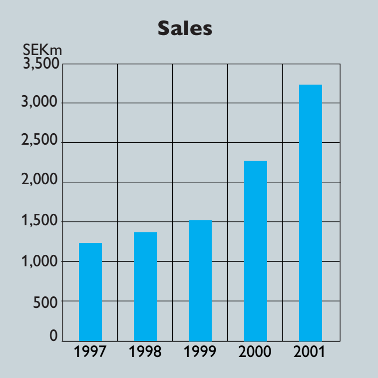
In the immediate future efforts will focus on profitability improvements as well as internal efficiency and consolidation.

Board of Directors

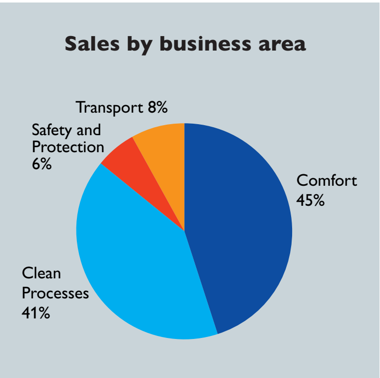
Jan Eric Larson	Chairman
Erik Giertz	
Mats Lönnqvist	
Johan Markman	
Carl Wilhelm Ros	
Carl Sundvik	
Christer Zetterberg	
Rolf Wikström	Employee rep.
Bo Jungner	Deputy
Björn Larsson	Deputy
Johanna Markman	Deputy

Management

Alan O'Connell	CEO
Johan Ryrberg	Deputy CEO, CFO



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	3,237	2,277	1,526	1,369	1,237
Gross profit	937	672	516	475	439
Selling and administrative expenses	-784	-612	-422	-381	-351
Other operating income and expenses	17	36	10	6	9
Operating profit	170	96	103	100	97
Financial income and expenses	-74	-39	-13	-7	-8
Profit before tax	96	57	90	93	88
Tax	-49	-7	-29	-30	-28
Net profit for the year	47	50	62	63	61
Balance Sheet					
Goodwill	1,010	967	81	63	23
Other fixed assets	867	801	418	417	347
Current assets, other	1,136	1,036	588	538	493
Liquid assets	278	237	109	98	90
Total assets	3,291	3,042	1,196	1,116	953
Shareholders' equity	1,137	1,026	490	455	394
Provisions and long-term liabilities	1,529	1,471	390	362	308
Operating liabilities	625	545	316	299	251
Shareholders' equity and liabilities	3,291	3,041	1,196	1,116	953
Cash Flow Statement					
Cash flow from operating activities	117	115	93	117	64
Cash flow from investing activities	-85	0	-62	-128	-92
Cash flow from financing activities	0	9	-14	30	-46
Cash flow for the year	32	124	18	19	-74
Key figures					
Margin before tax, %	3.0	2.5	5.9	6.8	7.1
Return on capital employed, %	8.2	7.8	13.6	14.5	15.7
Return on equity, %	4.4	6.6	13	14.8	16.5
Equity ratio, %	35	34	41	41	41
Goodwill amortisation	62	35	7	5	2
Average number of employees	2,760	2,199	1,487	1,281	1,227



Capona – stable development

Capona has been in Ratos's portfolio since 1998, when the company was distributed to PriFast's shareholders. Ratos's holding amounts to 47%.

The market value of Ratos's holding in Capona amounted to SEK 495m at year-end 2001. Consolidated book value amounted to SEK 332m.

Ratos is represented on the Board by Bo Jungner who is also responsible Investment Manager.

Nordic leader

Capona, which owns and actively manages hotel properties, is one of the leading hotel property companies in the Nordic region. The portfolio comprises 42 hotel properties – 32 in Sweden, five in Norway, three in Denmark and two in Finland. The total number of hotel rooms is approximately 6,700. The market value of the portfolio is just over SEK 2.9 billion. Capona's rental agreements are 95% sales-based. Three of the hotels are operated by the company.

Operations focus on the Nordic market and on strong and well-known brands and professional operators. Major brands include Scandic Hotels, Radisson SAS Hotels and First Hotels.

Capona's shares are listed on the O-list of the Stockholm Stock Exchange and the company is one of the few listed hotel property companies. In Sweden there is Pandox, which is similar to Capona but has a larger proportion of hotels outside the Nordic region. There are some listed hotel property companies in the US with close links to hotel operating companies.

In the past decade the Nordic hotel market has shown stable positive development, and both occupancy and room rates have risen.

Higher rental income

The economic downturn and unease in the business environment have affected the global travel business. In the Nordic countries, however, travel was not affected to such an extent.

Capona's rental income rose 9% to SEK 291m. For a comparable property portfolio the increase was 2%. Sweden accounted for 75% of income, Norway for 12%, Denmark for 7% and Finland for 6%. Capona's own hotel operator business accounted for SEK 42m of rental income. The direct yield was 9.8%.

Operating profit rose 6% to SEK 203m. Profit after net financial items, excluding items affecting comparability of SEK 5m, amounted to SEK 128m (125).

Scandic Hotel Malmen in Stockholm was acquired during the year.

Share buy-back

Capona's share price fell 8% during 2001. Carnegie's Property Index declined by 6%. During the year Capona repurchased 411,700 of its shares for SEK 22m at an average price of SEK 53.19. A total of 1,044,100 shares have been repurchased, corresponding to 5.2% of the total number of shares outstanding.

The Board proposes a dividend of SEK 3.50 (3.50) per share.

Prospects for 2002

The strong development of the hotel business in recent years weakened in the second half of 2001 in certain segments and markets.

For Capona, the effects of this weaker trend are expected to be limited in view of the company's concentration to the Nordic market, with a high proportion of intra-Nordic travel combined with the hotels' strong brands. The company expects that profit after net financial items for 2002 will be on a par with the result for 2001.

Olle Persson, CEO

Major shareholders

	Capital/ votes, %	Adjusted voting rights, %
Ratos	46.6	49.1
Skandia	6.1	6.4
Alecta	3.2	3.3
SHB mutual funds	2.6	2.8
Magnus & Märta Christina Vahlquist	1.6	1.7
Robur mutual funds	1.6	1.6
Bengt & Christina Norman	1.5	1.6
Spar Hotel AB	1.3	1.4
Repurchase	5.2	0.0

Source: VPC

Board of Directors

Carl Johan Åberg	Chairman
Kjell-Åke Dahlström	
Kerstin Lindberg Göransson	
Olle Isberg	
Bo Jungner	
Olle Persson	CEO

Financial calendar

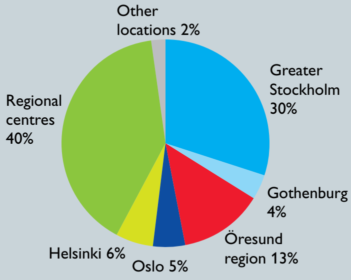
Interim Report Jan-March	22 April 2002
Interim Report Jan-June	16 July 2002
Interim Report Jan-Sept	16 Oct 2002
Annual General Meeting	8 April 2002

www.capona.se

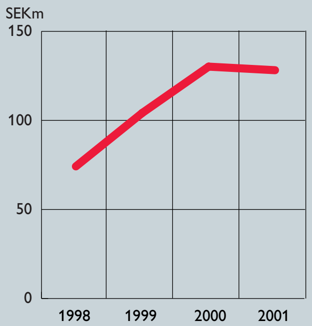
Management

Olle Persson	CEO
Clas Hjorth	Deputy CEO, CFO
Solveig Wadman	Financial Manager
Kerstin Markhem	Properties Manager
Per-Olov Karlsson	Business Development

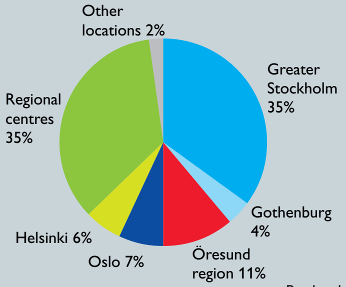
Rental income by geographic region



Profit after net financial items



Property portfolio by geographic region



Book value

SEKm	2001	2000	1999	1998	
Profit and Loss Account				Pro forma	
Rental income	291	267	234	205	
Operating and management expenses	-14	-11	-9	-8	
Maintenance costs	-37	-36	-30	-34	
Property tax/site leasehold rent	-16	-14	-12	-10	
Operating surplus	223	206	183	153	
Depreciation	-25	-22	-21	-20	
Profit from property management	198	184	162	133	
Hotel operator income	159	164	147	133	
Hotel operator expenses	-136	-141	-130	-118	
Profit from hotel operator activities	23	23	17	15	
Administration costs	-18	-20	-19	-18	
Items affecting comparability	0	5	–	–	
Operating profit	203	192	160	130	
Net financial items	-75	-62	-56	-56	
Profit after net financial items	128	130	104	74	
Tax	-36	-38	-15	-10	
Net profit for the year	92	92	89	64	
Balance Sheet					
Properties	2,433	2,106	1,964	1,876	
Other assets	30	31	24	19	
Liquid assets	79	86	69	37	
Total assets	2,542	2,223	2,057	1,932	
Shareholders' equity	823	804	822	781	
Interest-bearing liabilities	1,525	1,248	1,137	1,075	
Non-interest bearing liabilities	194	171	98	76	
Total shareholders' equity and liabilities	2,542	2,223	2,057	1,932	
Cash Flow Statement					
Cash flow from operating activities	141	166	129	129	
Cash flow from investing activities	-311	-161	-128	-128	
Cash flow from financing activities	162	12	31	-70	
Liquid assets, closing balance	79	86	69	37	
Key figures					
Property related					
Direct yield properties, %	9.8	10.1	9.5	8.2	
Profit margin, %	77	77	78	75	
Loan ratio, %	63	59	58	57	
Financial					
Interest coverage ratio, times	2.6	3.0	2.8		
Return on equity, %	11.1	11.4	10.1		
Return on capital employed, %	8.8	9.5	8.3		
Net debt/equity ratio, times	1.8	1.4	1.3		
Average interest rate, %	5.5	5.6	5.2		
Equity ratio, %	32	36	39		

Dahl – strong earnings improvement

Ratos and EQT effected a buyout of Dahl from the stock exchange in 1999. The buyout was implemented via a leveraged buyout company, Dahl International, which is now the parent company of the Dahl Group. Ratos's holding in Dahl amounts to 44%.

Consolidated book value in Ratos amounted to SEK 695m at year-end.

Ratos is represented on the Board by Thomas Mossberg and by Kristina Patek as a deputy. The responsible Investment Manager is Thomas Mossberg.

Leading Nordic heating, ventilation & sanitation wholesaler

Dahl is the Nordic region's leading wholesale and trading company for heating, ventilation, plumbing and sanitation products, as well as supplying pipe products to industry. The Group has operations in Denmark, Sweden, Norway, Finland, Poland and Estonia. Dahl is the market leader in Sweden, Norway and Denmark, and number two in Finland.

In the first half of the 1990s Dahl grew through a large number of acquisitions. At the same time, new operations were set up in Finland and Poland.

The total market for heating, ventilation and sanitation products in the Nordic region is estimated at SEK 45 billion. More than two-thirds of the product flow is handled by wholesalers. The strong position of wholesalers is explained by the extensive range of products and the very large number of customers and suppliers in the market.

Significant earnings improvement

Dahl's sales rose 9.2% to SEK 11.7 billion. Growth with comparable exchange rates was just over 1%.

In terms of earnings 2001 was Dahl's best year ever. Profit before goodwill amortisation and items affecting comparability (EBITA) increased by 43% and amounted to SEK 629m. The corresponding operating margin was 5.4%. The earnings trend was strong with record results in Denmark, Norway, Sweden and Finland. The result in Poland was at the previous year's level. Profit before tax amounted to SEK 351m, an increase of 39%.

Prospects for 2002

Taken overall, stable market development is expected. The ongoing development programme and earlier investments in IT and logistics systems are expected to have a positive impact. A further increase in the branch office network is planned in Poland and Finland.

Denmark

Sales decreased by 4% during the year while profit before items affecting comparability improved substantially. The core business with its focus on the professional heating, ventilation & sanitation market showed strong development with a record profit of DKK 192m. Despite these improved earnings, two subsidiaries continued to show a loss which was considerably below expectations and partly due to weak sales. Parts of a groupwide business system were implemented during the year.

Key figures	2001	2000	1999	1998	1997
Sales, DKKm	2,789	2,905	2,823	2,674	2,430
Operating profit, DKKm	184	133	139	170	179
Operating margin, %	6.6	4.5	4.9	6.4	7.4
Number of employees	1,023	1,091	1,072	1,006	906
Number of branches	61	61	61	61	57

Norway

The Norwegian market was strong in 2001 as well. Sales rose 6% and amounted to NOK 2,421m. Operating profit improved by 54% to NOK 120m. Enhanced competence and efficiency linked to well-functioning logistics and IT systems are the reasons for the earnings trend.

Key figures	2001	2000	1999	1998	1997
Sales, NOKm	2,421	2,285	2,184	2,365	2,205
Operating profit, NOKm	120	78	34	113	118
Operating margin, %	5.0	3.4	1.6	4.8	5.4
Number of employees	636	632	710	732	732
Number of branches	55	55	55	57	58

Sweden

Operating profit before items affecting comparability improved by 37% to SEK 148m. The main explanation for these improved earnings is increasingly improved internal systems as well as a positive market development.

Key figures	2001	2000	1999	1998	1997
Sales, SEKm	3,030	2,876	2,798	2,780	2,699
Operating profit, SEKm	148	108	42	15	-10
Operating margin, %	4.9	3.8	1.5	0.5	neg
Number of employees	865	906	901	934	1,011
Number of branches	67	67	65	70	68

Finland

Successes in Finland continued in 2001 as well. Sales amounted to FIM 1,009m and profit improved by 14% to FIM 57m. The ongoing extension to the main warehouse outside Helsinki will lead to a broader product range which will provide better customer service.

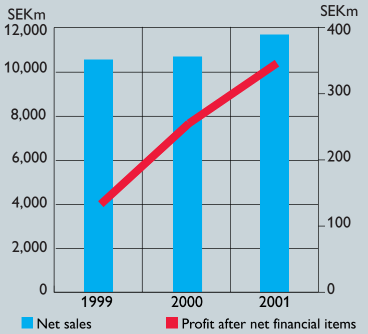
Key figures	2001	2000	1999	1998	1997
Sales, FIMm	1,009	974	880	842	708
Operating profit, FIMm	57	50	31	12	7
Operating margin, %	5.6	5.1	3.5	1.4	1.0
Number of employees	303	288	276	245	216
Number of branches	22	20	20	17	17

Poland

The Polish market remained weak. Sales decreased by 14%. Operating profit amounted to PLN 7m, which is regarded as satisfactory in view of market development. Efficiency enhancement measures from 2000 starting to have an impact from the second quarter.

Key figures	2001	2000	1999	1998	1997
Sales, PLNm	308	357	372	318	180
Operating profit, PLNm	7	8	17	8	6
Operating margin, %	2.1	2.2	4.6	2.5	3.3
Number of employees	514	534	535	453	276
Number of branches	34	34	34	30	21

Sales and earnings



Per-Olof Söderberg, CEO

Board of Directors

Carl Wilhelm Ros	Chairman
Göran Brodin	
Kjell-Åke Dahlström	
Bengt Lindahl	
Thomas Mossberg	
Jan Ståhlberg	
Caspar Callerström	Deputy
Kristina Patek	Deputy

Management

Per-Olof Söderberg	CEO
Kåre O Malo	
Mats Norberg	
Eva Hemb	

SEKm	2001	2000	1999	2001	2000	1999	1998
Profit and Loss Account	Dahl International [1]			Dahl Holding			
Net sales	11,660	10,674	10,531	11,660	10,674	10,531	10,431
Other operating expenses	-11,144	-10,344	-10,278	-11,095	-10,300	-10,258	-10,098
of which goodwill amortisation	89	83	76	41	42	57	59
Items affecting comparability	-60	35	–	-56	35	–	–
Other operating income	24	27	17	24	27	17	11
Operating profit	480	392	270	533	436	290	344
Financial income and expenses	-129	-132	-132	-54	-65	-82	-82
Profit after net financial items	351	260	138	479	371	208	262
Minority interests	0	-7	-3	0	-7	-3	–
Profit before tax	351	253	135	479	364	205	262
Tax	-78	-50	-46	-72	-50	-46	-90
Net profit for the year	273	203	89	407	314	159	172
Balance Sheet							
Goodwill	1,571	1,531	1,568	209	206	236	294
Other fixed assets	415	404	404	415	404	404	514
Total fixed assets	1,986	1,935	1,972	624	610	640	808
Goods for resale	1,441	1,480	1,446	1,441	1,480	1,446	1,396
Accounts receivable	1,440	1,567	1,412	1,440	1,567	1,412	1,401
Other current assets	111	92	184	126	115	210	89
Short-term investments, cash and bank	175	224	82	1,042	760	273	134
Total current assets	3,167	3,363	3,124	4,049	3,922	3,341	3,020
Total assets	5,153	5,298	5,096	4,673	4,532	3,981	3,828
Shareholders' equity	1,987	1,569	1,304	2,029	1,783	1,441	1,382
Interest-bearing liabilities	1,712	2,223	2,332	978	1,240	1,091	1,180
Non-interest bearing liabilities	1,454	1,506	1,460	1,666	1,509	1,449	1,266
Total shareholders' equity and liabilities	5,153	5,298	5,096	4,673	4,532	3,981	3,828
Cash Flow Statement							
Profit after financial items	351	253	135	479	364	205	262
Goodwill amortisation according to plan	89	83	76	41	42	57	59
Other depreciation according to plan	122	113	109	122	113	109	101
Tax paid	-78	-50	-46	-72	-50	-46	-90
Cash flow before change in working capital	484	399	274	570	469	325	332
Change in other working capital	122	2	-15	118	19	-15	153
Cash flow from operating activities	606	401	259	688	488	310	485
Acquisition of subsidiaries	-34	-5	-59	-34	-5	-59	-182
Fixed-asset investments	-143	-189	-140	-143	-189	-140	-261
Sale of fixed assets	33	44	127	33	44	127	66
Cash flow from investments	-144	-150	-72	-144	-150	-72	-377
Cash flow after investments	462	251	187	544	338	238	108
Key figures							
Operating margin, %	4.1	3.7	2.6	4,6	4.1	2.8	3.3
Debt/equity ratio	0.77	1.27	1.73	-0.03	0.27	0.57	0.76
Net debt	1,537	1,999	2,250	-64	480	818	1,046
Interest coverage ratio, times	3.7	3.0	2.0	9.9	6.7	3.5	4.2
Equity ratio, %	38.6	29.6	25.6	43.3	39.3	36.2	36.1
Average number of employees	3,341	3,451	3,503	3,341	3,451	3,503	3,387

[1] Ratos and EQT effected a buyout of Dahl Holding from the stock exchange in 1999 via a leveraged buyout company, Dahl International, which is the parent company in the new Dahl Group.

DataVis – streamlining and market adjustment

Ratos invested SEK 254m in DataVis in 2000. Ratos's holding amounts to 44%. Other owners include HERE Invest and DataVis employees.

The consolidated book value in Ratos at year-end 2001 amounted to SEK 110m, of which a convertible debenture loan accounted for SEK 63m.

Ratos is represented on the board by Magnus Dahlbeck and Bo Jungner, who is the responsible Investment Manager.

Johan Örtenblad, CEO

IT consulting, technology and education

DataVis has three operating areas: Consultancy, Technology and Education. The consulting business focuses on systems development and systems integration in the telecom, trade and industry sectors as well as public administration. Technology offers customised technology related services as well as hardware. Education provides tailor-made competence solutions within IT.

The company's largest offices are in Sundsvall, Stockholm and Gothenburg. Customers include companies within Ericsson, Telia, HL Display, Valmet, Microsoft, SCA and Saab Automobile.

New action programmes

DataVis refocused its operations in 2001. As part of this streamlining, DataVis sold its web bureau O2 Media and the portal operations DataVis Entre.

The year was also characterised by greater market adjustment. Sales and marketing efforts were intensified and the sales organisation was strengthened. The range of services was concentrated to a number of niches which clarify DataVis's positioning within each operating area. All parts of operations had a greater sales focus. During the year a number of new general agreements were concluded with customers such as Telia, Skanova, Jämtland County Council and four government agencies: the National Board of Student Aid (CSN), the National Social Insurance Board (RFV), the Swedish Patent and Registration Office (PRV) and the National Government Employee Pensions Board (SPV).

A number of action programmes were carried out in 2001 designed to improve the cost structure. Measures included a reduction in the number of consultants, centralisation of administration and reducing office space. Overcapacity in the market has led to increased competition which was reflected in lower capacity utilisation. The average number of employees during the year was 241 (268).

Negative result

The Group's sales totalled SEK 215m (215). The company was negatively affected by a decline in demand during the year, particularly in the telecom sector. The operating loss, before goodwill amortisation and items affecting comparability, amounted to SEK 8m (loss 17). Earnings were charged with ongoing restructuring costs. The pre-tax loss amounted to SEK 131m (loss 25). This result included items affecting comparability of SEK -23m, relating to bad debts, costs related to divestment of a subsidiary, and costs incurred from the action programmes. Also included is regular goodwill amortisation of SEK 8m as well as a write-down of goodwill by SEK 93m.

Prospects for 2002

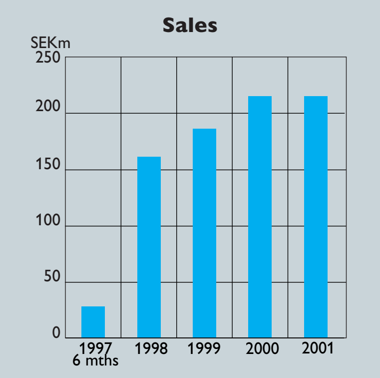
Despite the continued uncertainty regarding market development, some stabilisation in demand is expected in 2002. In the current year, DataVis will give priority to profitability before growth, which will entail continued adjustment of the cost structure and ongoing efficiency enhancement. Opportunities for structural deals will be evaluated on a regular basis.

Board of Directors

Bengt Paulsson	Chairman
Magnus Dahlbeck	
Anders Flodström	
Kent Hertzell	
Bo Jungner	
Pia Nygårdh	
Johan Örtenblad	CEO

Management

Johan Örtenblad	CEO
Mats Hansen	
Sven Lundmark	
Lars Fahlander	
Anders Norberg	
Jard Gimbergsson	



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					6 m
Net sales	215	215	186	161	28
External costs	-93	-41	-95	-94	-7
Personnel costs	-125	-119	-86	-61	-16
Depreciation	-106	-10	-4	-3	-1
of which goodwill	-101	-5	-1	0	–
Operating expenses	-324	-68	-186	-158	-24
Items affecting comparability	-23	-6	-4	0	
Operating loss/profit	-132	-29	-4	3	4
Financial income	5	7	0	1	0
Financial expenses	-4	-3	0	-1	0
Loss/profit after financial items	-131	-25	-4	3	4
Tax on profit for the year/others	-1	-1	0	-1	-1
Net loss/profit for the year	-132	-26	-4	2	3
Balance Sheet					
Goodwill	40	144	14	3	–
Developm costs brought forward	–	–	2	0	–
Equipment and IT equipment	8	10	8	6	5
Long-term receivables	2	3	0	0	0
Total fixed assets	50	157	24	9	5
Inventories, etc.	1	6	4	3	0
Current receivables	57	53	47	34	12
Cash and bank balances	90	121	3	8	11
Total current assets	148	180	54	45	23
Total assets	198	337	78	54	28
Shareholders' equity	76	207	26	20	14
Convertible debenture loans, etc.	63	67	10	3	–
Other long-term liabilities	3	1	0	0	0
Deferred tax	–	–	1	2	1
Total long-term liabilities	66	68	11	5	1
Current liabilities	56	62	41	29	13
Total liabilities and shareholders' equity	198	337	78	54	28
Cash Flow Statement					
Cash flow from operating activities	-27	-2			
Cash flow from investing activities	-7	-115			
Cash flow from financing activities	3	236			
Net change in liquid assets	-31	118			
Investments, net	7	112			
Key figures					
Return on equity, %	neg	neg	neg	17	30
Profit margin, %	neg	2	15		
Equity ratio, %	38	61	34	35	50
Number of employees	241	268	222	145	75
Invoicing per employee, SEK 000s	892	802	837	1,500	580

DIAB – good growth and profitability

Ratos became an indirect owner in DIAB in 2001 in connection with the acquisition of Atle. Ratos's indirect holding amounts to 48%. Other owners are 3i with 48% and DIAB's management with 4%.

Consolidated book value in Ratos amounted to SEK 688m at year-end.

Mats Lönnqvist is responsible Investment Manager and represents Ratos on the Board.

Niche company in composite-based sandwich products

DIAB is a world-leading niche company in the manufacture of composite-based sandwich products. The products are based on a core of Divinycell, a fibre-reinforced polymer which is light, strong and rigid. Key applications are hulls and decks for large pleasure boats which account for almost 50% of sales, blades for wind power stations with nearly 20%, as well as components for trains, buses, aircraft and space rockets.

DIAB has approximately 40% of the world market which was estimated to total about SEK 2 billion in 2000. The largest competitor is the Swiss company Airex. The market for cellular foam is growing and new applications are continuously being developed.

DIAB is also the second largest player in the world market for the manufacture and sales of materials based on balsa wood. The market leader is Baltek.

The company has production facilities in Sweden, Italy, the US and Australia, as well as its own sales companies in five countries.

Continued growth with stable margins

DIAB's sales amounted to SEK 693m in 2001, which corresponds to an increase of 11%. Deliveries to the wind power industry, mainly to the Danish and German markets, showed the strongest growth. Other areas, such as the pleasure boat sector, were to some extent negatively affected by the economic slowdown in the second half of the year.

Profit after net financial items, excluding items affecting comparability, fell 5% and amounted to SEK 76m. This decline was mainly due to increased depreciation resulting from a continued high rate of investment.

Future prospects

The Group is showing good profitability with continued growth potential. DIAB has a very strong position in a growing market. The wind power station segment, for example, is expected to have an annual growth of 20-30%.

Market growth is driven by new applications and DIAB is making active efforts to extend the applications for its sandwich technology.

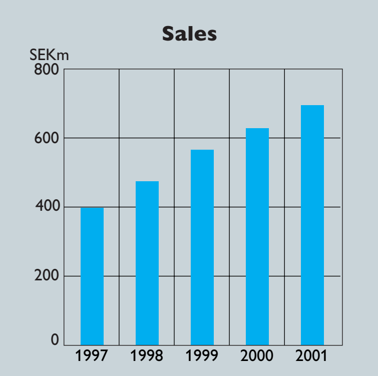
Bo Ljungberg, CEO

Board of Directors

Stelio Demark	Chairman
Gustav Bard	
Sven-Åke Henningsson	
Mats Lönnqvist	
Gert Schyborger	
Bo Ljungberg	CEO

Management

Bo Ljungberg	CEO
Harald Kolmert	Deputy CEO, CFO



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	693	627	564	473	396
Operating expenses	-613	-543	-476	-412	-380
Operating profit before items affecting comparability	80	84	88	61	16
Items affecting comparability	–	31	5	-40	–
Operating profit	80	115	93	21	16
Net financial items	-4	-5	-5	0	-11
Profit after financial items	76	110	88	21	5
Tax	-21	-23	-23	-19	-11
Net profit/loss for the year	55	87	65	2	-6
Balance Sheet					
Fixed assets	297	215	184	141	130
Current assets	292	259	244	206	176
Shareholders' equity	290	243	157	88	85
Provisions	42	44	68	64	22
Interest-bearing liabilities	108	84	78	99	133
Non-interest bearing liabilities	149	103	125	96	66
Total assets	589	474	428	347	306
Cash Flow Statement					
Operating activities	74	54	89	71	15
Investing activities	-99	-46	-67	-12	-19
Financing activities	5	-8	-21	-38	6
Cash flow for the year	-20	0	1	21	2
Key figures					
Operating margin, %	11.5	13.4	15.6	12.9	4.0
Return on equity, %	20.5	30.6	48.9	39.1	6.8
Return on capital employed, %	24	32.3	41.9	31.2	7.4
Equity ratio, %	49	51	36	25	28
Investments	105	45	76	25	19
Interest coverage ratio, times	13.1	19.8	17.2	3.4	1.5
Net debt	117	53	47	69	124
Average number of employees	596	561	501	435	439

Dynal Biotech – strong growth

Ratos invested NOK 242m in Dynal Biotech, via a holding company, in 2001. Ratos's holding amounts to 25%. The co-owner is Nordic Capital with 75%.

Consolidated book value in Ratos amounted to SEK 280m at year-end.

Ratos is represented on the Board through Mats Lönnqvist who is also responsible Investment Manager.

Unique products for biological separation

Dynal Biotech is the world leader in research, development and manufacture of magnetic (Dynabeads®) and non-magnetic (Dynospheres®) micro particles. The company markets a broad product range based on its technology. Applications for Dynal Biotech's products include separation of biological material, such as cells, DNA and proteins. Successful operations are also conducted within tissue typing.

Today's global market is estimated at approximately NOK 2.5 billion. Dynal Biotech's technology is patented and has many established and potential applications in fields including diagnostics and cancer treatment.

The company has customers and co-operation partners within industry and research, mainly in the fields of diagnostics and biotechnology.

Dynal Biotech's main facilities are located in Oslo. The company's products are sold via subsidiaries and distributors in more than 30 countries.

Good profitability

The market for life science and biological separation developed well during the year. Dynal Biotech's sales rose 19% to NOK 420m. For 1997-2001 this gives an average annual growth of 19%.

In 2001 the operating margin before goodwill amortisation was an excellent 25% (27). Profit after net financial items amounted to NOK 80m, excluding the holding company formed for the acquisition in 2001.

Future prospects

Dynal Biotech is showing high growth, good margins and a strong cash flow. The company has a leading position in all its segments and its own patented technology with major potential in a number of different applications. The outlook for 2002 is regarded as favourable with a continued positive market development.

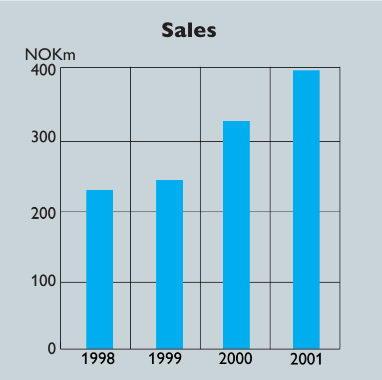
Vigdis Heggeli, CEO

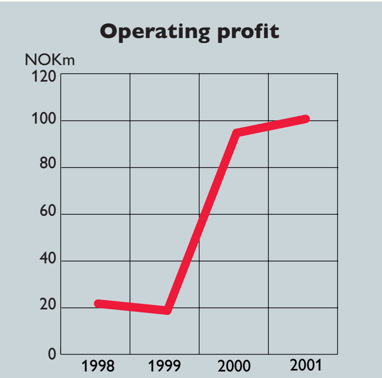
Board of Directors

Toni Weitzberg	Chairman
Maris Hartmanis	
Kristoffer Melinder	
Mats Lönnqvist	
Örjan Olsvik	
Anne-Marie Rasmussen	
Åse Wikshåland	
Magnus Dahlbeck	Deputy
Jonas Agnblad	Deputy

Management

Vigdis Heggeli	CEO
Tone Kvåle	Finance/Accounting
Kari Krogstad	Molecular Systems
Nicola Bramwell	Immunosystems
Peter Maguire	HLA Diagnostics





NOKm	2001	2001	2000	1999	1998
Profit and Loss Account	New [1]				
Sales	91	395	323	239	225
Other income	6	25	30	6	10
Total income	97	420	353	245	235
Operating expenses	-88	-313	-258	-226	-213
Profit before goodwill amortisation	9	107	95	19	22
Goodwill amortisation	-15	-6	0	0	0
Operating loss/profit	-6	101	94	19	22
Net financial items	-17	-21	-4	-2	-10
Loss/profit after net financial items	-23	80	91	17	11
Tax	1	-27	-32	-8	-3
Net loss/profit for the year	-22	53	58	9	9
Balance Sheet					
Goodwill	1,199	93	100	1	1
Other intangible assets	35	5	4	–	1
Tangible fixed assets	211	170	164	106	93
Financial fixed assets	5	5	5	8	8
Total fixed assets	1,450	273	273	115	103
Inventories	98	98	64	43	37
Accounts receivable	53	53	55	38	46
Other current receivables	19	23	12	14	8
Cash and bank balances	44	30	52	12	8
Total current assets	214	204	183	107	99
Total assets	1,664	477	456	222	202
Shareholders' equity	946	103	100	44	30
Current liabilities	598	206	251	113	111
Long-term liabilities	120	168	105	65	60
Total shareholders' equity and liabilities	1,664	477	456	222	201
Cash Flow Statement					
Cash flow from operating activities	16		65	11	-17
Cash flow from investing activities	-1,317		-140	-26	-13
Cash flow from financing activities	1,345		114	18	27
Liquid assets, opening balance	0	52	12	9	12
Liquid assets, closing balance	44	30	52	12	9
Key figures					
Operating margin, %	–	25	27	8	10
Equity ratio, %	57	22	22	20	15
Interest coverage ratio, times	–	4.9	9.3	2.7	2.5
Number of employees	242	242	238	183	171

[1] New group structure from 1 October 2001 in connection with the acquisition by Ratos.

Esselte – improved cash flow

Esselte has been included in Ratos's portfolio since Ratos was listed in 1954. Ratos is the largest shareholder with 32% of the voting rights and 17% of the share capital.

The market value of the Esselte holding amounted to SEK 270m at year-end 2001. Consolidated book value amounted to SEK 371m.

Ratos is represented on the Board by Bo Jungner, who is also responsible Investment Manager.

A world leader in office products

Esselte is one of the world-leading suppliers of office products.

The Group has subsidiaries in 26 countries and sales in more than 120 countries. Europe and the US account for approximately 70% of sales. Strong brands include Dymo, Pendaflex, Leitz and Esselte.

The total global market for the product categories in which Esselte operates is estimated at approximately SEK 115 billion. The growth rate is generally relatively weak and is normally on a par with GDP growth, although some segments are showing higher growth.

The European market is still fragmented with scope for future consolidation. The U.S. market is characterised by a high level of consolidation where the largest customers account for a very large proportion of sales. Esselte's major competitors include Newell/Gilette, Acco, Avery and 3M.

Esselte shares are listed on the Stockholm and London stock exchanges.

Lower sales but strong gross margin

Esselte noted weaker demand during the year in the majority of its markets. Sales decreased by 2.2% and amounted to SEK 10,853m (11,095). The effect on sales of divested companies was a decline of 1.9%. Organic growth in local currencies was -9.4% compared with the full-year 2000.

The gross margin rose from 27.5% to 28.3% due to more balanced pricing, lower production costs and an improved product mix.

Operating profit amounted to SEK 324m (451), including items affecting comparability in the form of SEK 196m in restructuring costs for the American Curtis operations and a SEK 94m capital gain from the sale of the Tarifold business. Pre-tax profit amounted to SEK 84m (274).

Anders Igel, CEO

Substantial improvement in cash flow

Esselte's working capital reduction programme resulted in a reduction in inventory during the year of close to SEK 600m. Cash flow from operating activities improved from SEK 744m to SEK 1,141m, which allowed a reduction of the Group's liabilities.

In North America, Esselte continued to show strong earnings despite unfavourable market conditions which had a negative impact on sales. In Europe as well, despite a negative market trend, improved operating profits were achieved in most of Esselte's key markets, mainly due to cost efficiency measures.

Prospects for 2002

In 2002, Esselte will focus its efforts on a continued improvement of margins, particularly in Europe. The supply chain in Europe will be rationalised through efficiency enhancement and a further concentration to a smaller number of production plants. The programme designed to reduce working capital and costs will continue.

Major shareholders

31 Dec 2001	Capital, %	Voting rights, %
Ratos	16.9	32.2
SEB mutual funds	6.9	9.7
SHB mutual funds	6.1	2.6
Odin mutual funds	5.1	2.1
Alecta	4.2	5.5

Source: Esselte

Board of Directors

Sven Ohlsson	Chairman
Fritz Fröhlich	
Kurt Jofs	
Bo Jungner	
Björn Larsson	
Brian E. Stern	
Anders Igel	CEO

Financial calendar

Interim Report Jan-March	24 April 2002
Interim Report Jan-June	19 July 2002
Interim Report Jan-Sept	21 Oct 2002
Annual General Meeting	24 April 2002

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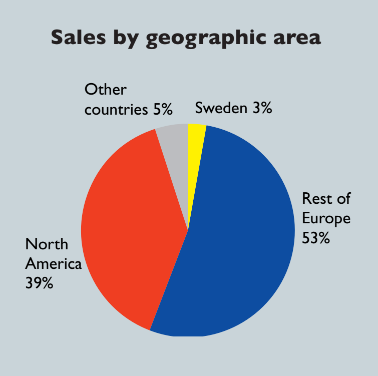
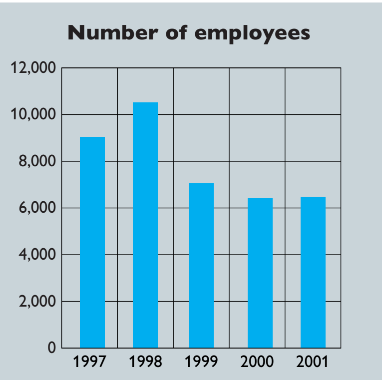
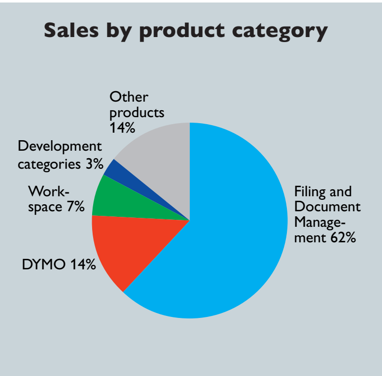
Management

Anders Igel	CEO
Ulrik Svensson	CFO
Ulf Brodd	Deputy CEO



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	10,853	10,095	11,192	13,721	13,001
Gross profit	3,067	3,051	2,997	4,246	4,015
Selling and administrative expenses	-2,388	-2,426	-2,579	-3,322	–
Items affecting comparability	-118	-4	-183	511	–
Goodwill amortisation according to plan and other operating income/expenses	-237	-170	-366	-200	–
Operating profit/loss	324	451	-131	1,235	454
Financial income and expenses	-240	-177	-97	-68	-41
Profit/loss after financial items	84	274	-228	1,167	413
Tax	-34	-110	-3	-503	-191
Net profit/loss for the year	50	164	-231	664	222
Balance Sheet					
Financial assets	550	841	829	1,739	376
Intangible fixed assets	1,298	1,366	1,429	1,396	744
Other operating assets	6,473	6,887	6,952	9,381	6,167
Total assets	8,321	9,094	9,210	12,516	7,287
Shareholders' equity	2,485	2,588	2,597	3,405	2,950
Financial liabilities	3,273	3,745	3,743	5,571	1,608
Operating liabilities	2,563	2,761	2,870	3,540	2,729
Shareholders' equity and liabilities	8,321	9,094	9,210	12,516	7,287
Cash Flow Statement					
Cash flow from operating activities	1,141	744	1,394		
Cash flow from financial items	-347	-327	-244		
Dividend	-68	-68	-587		
Translation difference	-545	-339	355		
Change in financial liabilities, net	181	10	918		
Key figures					
Operating margin, %	4.1	4.1	-1.2	9.0	3.5
Return on capital employed, %	5.8	8.2	-2.3	23.5	10.1
Return on equity, %	2.1	6.3	-7.7	21.1	7.4
Equity ratio, %	29.9	28.5	28.2	27.2	40.5
Net investments	237	196	331	384	82
Number of employees at 31 December	6,462	6,398	7,038	10,517	9,042
Net sales per product category					
Filing & Document Management	6,697	6,523	6,368	4,561	
DYMO	1,507	1,372	1,287	1,005	
Workspace	783	800	783	448	
Development categories	374	479	481	880	
Other products	1,492	1,921	2,273	2,516	





Exceed – decline in earnings

Exceed is 100% owned by Ratos and has been one of Ratos's holdings since 1990.

Consolidated book value in Ratos amounted to SEK 74m at year-end.

Ratos is represented on the Board by Thomas Mossberg and Hans Ekelund. Responsible Investment Manager is Thomas Mossberg.

International air and sea freight

Exceed is a forwarding company specialised in intercontinental air and sea freight. The Group is one of the leading companies in the Nordic region with operations in Sweden, Denmark and Finland and sales via a worldwide network of agents.

The air freight market is slowly growing by about 5% per year with a slightly lower growth rate for the sea freight market.

Weak market development

Demand for air freight services was weak during the year and the sea freight market was characterised by declining growth. Exceed's sales amounted to SEK 1,351m, an increase of 13%. The air freight operations in Sweden decreased by 12% while sea freight rose 15%, mainly due to the weak Swedish krona. Growth was good in Finland and Exceed continued its investment in the Danish market.

The loss after net financial items was SEK 25m (profit 22). Earnings were charged with costs for IT investments, expansion in Finland and Denmark and the effects of employees leaving the company in two small units. The Swedish core business remained profitable.

Future prospects

Uncertainty increased during the year over development in the immediate future of the global economy, world trade and consequently demand for air and sea freight. In a longer perspective, however, the freight market is expected to continue to be a market with long-term growth.

Exceed is well placed in its Nordic home market. The company has a strong customer base in Sweden of major companies that are relatively insensitive to economic fluctuations. The Group's goal is to strengthen its position in the Nordic market and raise profitability.

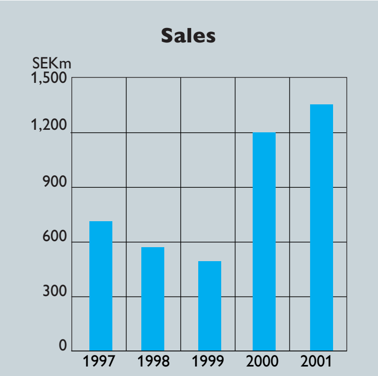
Peter Larsen, CEO

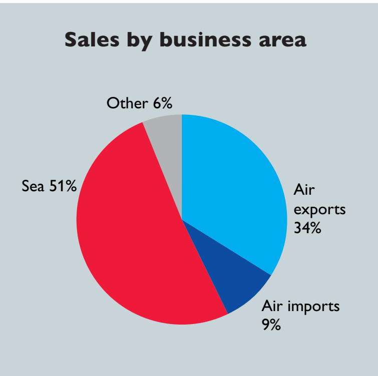
Board of Directors

Thomas Mossberg	Chairman
Yngve Berggren	
Hans Ekelund	
Knut Hansen	
Peter Larsen	CEO

Management

Peter Larsen	CEO





SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	1,351	1,198	492	567	711
Other operating income	3	14	4	8	8
External costs	-1,244	-1,081	-434	-503	-635
Personnel costs	-121	-102	-62	-62	-59
Depreciation	-8	-7	-3	-3	-3
of which goodwill amortisation	-2	-2	0	-1	-1
Items affecting comparability		3	–	–	–
Other operating expenses		-4	-2	-4	-2
Operating loss/profit	-19	21	-5	3	20
Result from participations in associated companies	-4	0	0	3	1
Financial income	1	2	1	1	3
Financial expenses	-3	-1	0	0	0
Loss/profit after financial items	-25	22	-4	7	24
Appropriations	0	–	0	0	-22
Tax	1	-9	0	-1	-1
Net loss/profit for the year	-24	13	-4	6	1
Balance Sheet					
Intangible fixed assets	42	50	1	1	2
of which goodwill	42	50	0	1	1
Tangible fixed assets	12	13	5	6	6
Financial fixed assets	14	24	12	13	11
Total fixed assets	68	87	18	20	19
Current receivables	176	206	76	63	56
Liquid assets	26	34	32	43	54
Total current assets	202	240	108	106	110
Total assets	270	327	126	126	129
Restricted equity	25	26	26	25	23
Unrestricted equity	31	54	8	13	13
Total shareholders' equity	56	80	34	38	36
Minority interests	0	0	0	0	0
Provisions	1	1	0	0	0
Long-term liabilities	18	2	0	0	0
Current liabilities	195	244	92	88	93
Total shareholders' equity and liabilities	270	327	126	126	129
Cash Flow Statement					
Cash flow from operating activities	-10	2	-5	16	24
Cash flow from investing activities	-4	-52	-1	-5	-4
Cash flow from financing activities	6	52	-5	-22	-21
Cash flow for the year	-8	2	-11	-11	-1
Liquid assets, opening balance	34	32	43	54	55
Liquid assets, closing balance	26	34	32	43	54
Sales by business area					
Air exports	458	453	337	407	528
Air imports	123	171	106	112	137
Sea	691	444	43	38	36
Other	79	130	6	10	10
Key figures					
Operating margin, %	neg	1.8	-1.0	0.5	2.8
Return on equity, %	neg	22.8	-10.9	13.5	49.3
Equity ratio, %	21	24	27	30	28
Investments, SEKm	4	50	2	3	4
Average number of employees	285	276	138	148	158

Gadelius – good growth opportunities

Ratos became an owner in Gadelius in 2001 in conjunction with the acquisition of Atle. Ratos's indirect holding amounts to 50%. The other owner is 3i, also with 50%.

Consolidated book value in Ratos amounted to SEK 138m at year-end 2001.

Ratos is represented on the Board by Stig Karlsson who is also responsible Investment Manager.

Technology oriented distributor

Gadelius is a technology oriented, modern distributor of selected high-tech products for professional niche markets in Japan and Europe. Gadelius has its roots in Sweden from 1890 with operations in Japan since 1907.

Customers are in the IT, medical technology, construction, packaging and food sectors as well the engineering and electronics industries. The broad product range includes food ingredients, medical equipment, wooden doors and windows, lifts, crankshafts for marine engines, train equipment and packaging machines. Exports to the Japanese market account for approximately 80% of the company's sales, with exports of Japanese products to Europe making up the remainder.

More than import/export

Gadelius has developed from a traditional trading house into an agent and distributor which employs state-of-the-art working methods. Gadelius offers its partners added value in the form of logistics, technical expertise, aftermarket services, market knowledge and strategic planning.

Good order bookings but lower earnings

The Japanese economy deteriorated further during the year. Due to its pronounced niche strategy, however, Gadelius succeeded better than could have been expected in the current market climate.

Sales fell 3% during the year and amounted to JPY 12,027m. Order bookings were good, however, in the autumn. Profit after net financial items was lower than in 2000 at JPY 402m (554). Cash flow was strong. The loss-making wooden housing operations were sold in September.

The focus on modern communications technology for internal routines as well as marketing and aftermarket cultivation continues.

Hans Porat has been the company's new CEO since 1 March 2002.

Hans Porat, CEO

Future prospects

The scope for an industrial distributor which uses modern methods is substantial and is expected to remain so in the foreseeable future. Gadelius has good growth opportunities within selected niches.

In Japan, where relationships mean a lot for trading success, Gadelius's long presence in that market guarantees stable business relations. The Gadelius brand is very strong in Japanese industry.

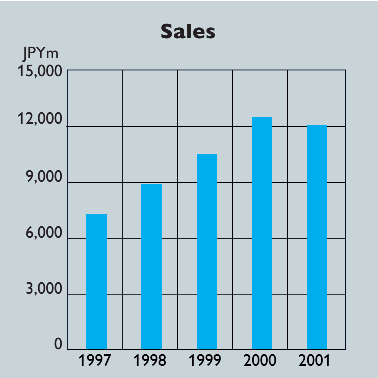
The company has also, through its acquisition of six companies since 1998, demonstrated its ability to integrate and realise synergies – a major asset in the ongoing restructuring of Japanese industry.

Board of Directors

Lars Gårdö	Chairman
Atsushi Hasegawa	
Stig Karlsson	
Hans Porat	CEO

Management

Hans Porat	CEO
Kazuaki Goto	Material
Yoshiyuki Kurihara	Machinery
Shinga Wada	Administration
Nobuyoshi Ota	Human Resources
Olof Bruno	Business Control
Göran Edman	IT, Communication
Sakaru Tanaka	Gadelius Medical
Hans Rhodiner	Mansson Medical
Sauli Ylikoski	Gadelius Europe
Kiyoshi Hori	Geo. Wehry Int.



JPYm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	12,027	12,429	10,470	8,987	7,240
Cost of goods sold	-8,228	-8,472	-7,302	-6,787	-5,508
Gross profit	3,799	3,957	3,168	2,200	1,732
Selling and administrative expenses	-3,112	-3,136	-2,399	-1,628	-1,217
Operating profit before depreciation	687	821	769	572	515
Depreciation excl. goodwill	-101	-81	-72	-27	-2
Goodwill amortisation	-132	-130	-125	-122	–
Net financial items	-52	-56	-69	-70	-9
Profit after net financial items	402	554	503	353	504
Tax	-266	-348	-584	-326	-269
Net profit/loss for the year	136	206	-81	27	235
Balance Sheet					
Goodwill	751	931	1,004	1,128	–
Other fixed assets	757	558	388	457	10
Inventories	1,982	2,181	2,014	1,911	692
Deferred tax	626	653	964	1,535	–
Other current assets	3,752	3,886	4,046	3,902	2,223
Cash and bank balances	30	200	67	279	240
Total assets	7,898	8,409	8,483	9,212	3,165
Shareholders' equity	2,040	1,904	1,699	1,780	1,065
Provisions	379	277	365	250	69
Long-term interest-bearing liabilities	80	1,793	1,882	2,258	–
Current interest-bearing liabilities	2,788	2,539	2,758	2,987	450
Other current liabilities	2,611	1,896	1,779	1,937	1,581
Total shareholders' equity and liabilities	7,898	8,409	8,483	9,212	3,165
Cash Flow Statement					
Cash-flow from operating activities	808	763	727	-3,622	397
Cash-flow from investing activities	-520	-271	-198	-2,282	-125
Cash-flow from financing activities	-458	-359	-741	5,943	-49
Cash-flow for the year	-170	133	-212	39	223
Key figures					
Operating margin, %	3.8	4.9	5.5	4.7	7.1
Equity ratio, %	26	23	20	19	34
Average number of employees	228	234	229	191	83

Haendig – focusing and efficiency

Haendig was added to Ratos's portfolio in 2001 in conjunction with the acquisition of Atle. Ratos's indirect holding amounts to 49%. Other owners are Navimar and 3i.

Consolidated book value in Ratos amounted to SEK 169m at year-end 2001.

Ratos is represented on the Board through Stig Karlsson who is also responsible Investment Manager.

Nordic distributor

Haendig is a Nordic distributor to the DIY market and industry. Sales are conducted via retailers such as building and hardware stores, hypermarkets, heating, ventilation & sanitation and agricultural suppliers in Sweden, Finland, Norway, Denmark and Poland. The Group offers a comprehensive product range.

The Group was formed in 2000 through a merger of HDF-Bolagen and Markt. Six additional trading companies were subsequently acquired.

Haendig's wholesale operations are estimated to be the second largest in the Nordic region after Luna. On the industrial side, the company's Hitachi agency is among the largest in the region within power tools.

Haendig also has a large proportion of own brands and agencies. The Hafa bathroom range is Sweden's third largest after Svedbergs and IKEA. Duri is the market leading brand for flooring professionals within flooring accessories.

Market trends

Total market growth is estimated at 2-4% per year, with a higher growth rate in some segments. The DIY market is growing faster than the professional market following an increased media focus on the home and furnishings. The rapid growth in the bathroom product category is expected to continue. Sweden is showing a higher growth rate than the other Nordic countries.

Consolidation is taking place within the DIY market where new store concepts are being established, such as Bauhaus, K-Rauta and Silvan. This trend is driving market growth but also raising demands on distributors. The professional sector is also placing higher demands on distributors with the ongoing modernisation of distribution patterns.

Results

In 2001, sales increased by 27% and amounted to SEK 1,204m. Adjusted for acquired units, the increase was 2%. Profit after net financial items fell from SEK 26m to SEK 14m. This decline was largely due to a weak Danish market, costs for integrating acquired units and the weakening of the Swedish krona.

Two companies were acquired in the first half of the year, Sven Svensson and the Finnish company Penope. The acquisition of Penope involved a SEK 30m new issue.

Several rationalisation programmes have been initiated to integrate recent acquisitions, reduce tied-up capital and improve profitability.

The successful Hafa bathroom operations are incorporated as from 1 January 2002.

Future prospects

Haendig plans to concentrate its operations on areas with long-term growth potential with a focus on strong own brands and agencies. Ongoing rationalisation will improve profitability, reduce tied-up capital and provide opportunities for complementary acquisitions.

Thomas Holmgren, CEO

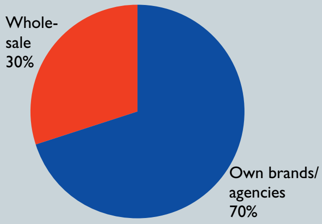
Board of Directors

Stig Karlsson	Chairman
Fredrik Karlsson	
Henning Oeglaend	
Bengt Olsson	
Thomas Holmgren	CEO
Stein Thielert	Deputy
Henrik Blomé	Deputy

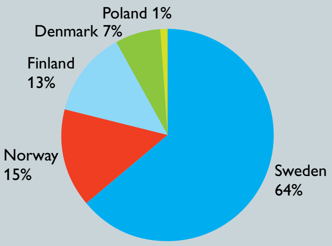
Management

Thomas Holmgren	CEO
Ulf Carlsson	CFO
Stein Thielert	CEO Markt
Jarmo Kivistö	CEO Penope
Staffan Jehander	CEO Duri

Breakdown of sales



Sales by market



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	1,204	945			
Operating profit	36	35			
Financial income	2	2			
Financial expenses	-24	-13			
Profit after financial items	14	24			
Items affecting comparability	–	2			
Profit before tax	14	26			
Tax	-8	-10			
Net profit for the year	6	16			
Balance Sheet					
Goodwill	127	107			
Other fixed assets	175	134			
Financial fixed assets	5	5			
Inventories	267	215			
Accounts receivable	164	132			
Other current assets	32	31			
Cash and bank balances	4	10			
Total assets	774	634			
Shareholders' equity	191	155			
Interest-bearing liabilities and provisions	400	310			
Accounts payable	84	89			
Non-interest bearing liabilities and provisions	99	80			
Total shareholders' equity and liabilities	774	634			
Cash Flow Statement					
Cash flow from operating actitivites	16	50			
Cash flow from investing activities	-77	-71			
Operating cash flow after investments	-61	-21			
Key figures					
Return on capital employed, %	7.3	9.1			
Return on equity, %	3.5	11.7			
Equity ratio, %	25	24			
Interest coverage ratio, times	1.6	2.8			
Average number of employees	452	354			

Haglöfs – a strong brand

Haglöfs was added to Ratos's portfolio in 2001 in conjunction with the acquisition of Atle. Haglöfs is wholly owned by Ratos.

Ratos has invested SEK 104m in Haglöfs. Consolidated book value in Ratos amounted to SEK 109m at year-end 2001.

Ratos is represented on the Board by Stig Karlsson and Arne Karlsson. The responsible Investment Manager is Stig Karlsson.

Products for an active outdoor life

Under the slogan "outstanding outdoor equipment" Haglöfs develops and markets equipment and clothes for an active outdoor life. The product range includes rucksacks, sleeping bags, tents, shoes and clothes. The Group is the market leader in Sweden and also has a strong position in the other Nordic countries. A major focus on markets outside the Nordic region has been under way for the last two years.

Sales are conducted via retailers within the sports trade and pure outdoor specialists. Haglöfs' competitors mainly comprise niche players within the outdoor market (brands) and generic brands developed by large sports equipment chains.

Haglöfs had an average annual growth of 28% in 1989-2001.

Good sales trend continues

Sales rose 20% to SEK 275m. Haglöfs continued to focus on exports and development in Germany, the Netherlands and Japan went according to plan while the launch in the UK was adversely affected by foot-and-mouth disease. Sales outside the Nordic region accounted for 9% of the total compared with 3% in 2000.

Profit after net financial items amounted to SEK 10m (SEK 13m including Alecta funds of SEK 2.8m). Earnings were charged with investment costs for the build-up of new markets.

A SEK 5.6m convertible debenture loan was issued during the year, corresponding to a maximum dilution effect of 5.08%.

Future prospects

Haglöfs is the market leader in Sweden and has a strong position in the Nordic region. Growth opportunities are good both in the Nordic area and in international markets. Efforts in 2002 will focus on continued expansion, improving the flow of goods and further strengthening the brand.

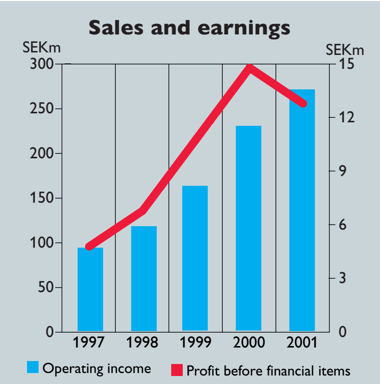
Mats Hedblom, CEO

Board of Directors

Stig Karlsson	Chairman
Lars Göthlin	
Arne Karlsson	
Mats Hedblom	CEO

Management

Mats Hedblom	CEO
Anders Westberg	Finance
Henrik Ottosson	Market
Lennart Svensson	Product
Jörn Prestkvern	CEO Alfa Skofabrik AS
Jim Jonsson	Business Controller



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Operating income	275	229	162	117	93
Operating expenses	-262	-214	-151	-110	-88
Profit before financial items	13	15	11	7	5
Financial income/expenses, net	-3	-2	-1	-1	-1
Profit before tax	10	13	10	6	4
Tax	-3	-4	-2	-2	-1
Net profit for the year	7	9	8	4	3
Balance Sheet					
Goodwill	5	5	6	–	–
Other fixed assets	19	13	12	10	11
Inventories	76	59	42	33	30
Accounts receivable	41	31	25	16	11
Other current assets	3	7	9	8	5
Liquid assets	7	5	20	3	1
Total assets	151	120	114	70	58
Shareholders' equity	48	37	33	27	22
Provisions	2	2	3	3	3
Long-term interest-bearing liabilities	57	34	28	18	14
Long-term non-interest bearing liabilities	–	1	1	1	–
Current interest-bearing liabilities	4	4	3	–	–
Other current non-interest bearing liabilities	26	27	33	10	7
Accounts payable	14	15	13	11	12
Total shareholders' equity and liabilities	151	120	114	70	58
Cash Flow Statement					
Cash flow from operating activities	-14	-13	16	-2	-4
Cash flow from investing activities	-6	-2	-9	-1	0
Cash flow from financing activities	22	0	10	6	3
Cash flow for the year	2	-15	17	3	-1
Liquid assets, opening balance	5	20	3	0	1
Liquid assets, closing balance	7	5	20	3	0
Key figures					
Operating margin, %	4.8	6.5	6.6	6.1	5.1
Return on capital employed, %	16	22.2	20.1	18.4	15.1
Return on equity, %	17	25.0	21.9	17.0	12.6
Equity ratio, %	32	31.1	28.9	38.5	38.9
Net debt, SEKm	54	33	11	15	13
Investments, SEKm	5	2	10	1	0
Average number of employees	102	98	58	25	22

Hilding Anders – profitable expansion continues

Ratos became an owner in Hilding Anders in conjunction with the acquisition of Atle. Ratos's holding amounts to 27%. Other major owners are Baccaps AB and Nordic Capital

Ratos's investment amounts to SEK 378m. Consolidated book value in Ratos amounted to SEK 413m at year-end.

Ratos is represented on the Board by Arne Karlsson and Bo Jungner. The responsible Investment Manager is Bo Jungner.

Europe's largest bed manufacturer

Hilding Anders is the largest manufacturer of beds in Europe. The Group has expanded considerably through acquisitions in recent years and currently has 22 production plants in 14 countries in Europe. The products are marketed under the company's own brands or as private labels to furniture chains, furnishing stores and hotel chains. IKEA is a major customer.

The markets in which Hilding Anders operates are estimated to total SEK 28 billion with an annual growth rate of 3-4%. Hilding Anders has strong positions in the Nordic countries, Switzerland and the Netherlands.

Major acquisitions and strong earnings boost

Hilding Anders made three major acquisitions during the year: Slumberland Group, Carl Thögersen and Crown Bedding. As a result of these acquisitions the Group's sales have more than trebled and a strong position has been established in the most important European markets. Operations have also been started in Poland.

Sales rose 12% compared with pro forma 2000 and amounted to SEK 3,100m. Pre-tax profit was SEK 289m.

Prospects for 2002

The focus for 2002 is to integrate the acquired companies and exploit synergies within purchasing, product range development and production. Using Hilding Anders' established formula for success, with its focus on production efficiency, product development and strong brands, opportunities will be created to increase growth and margins in several of the companies.

As Europe's leading player, Hilding Anders is well positioned for growth. Europe's bed market is still relatively unstructured which offers excellent opportunities for continued expansion through strategic acquisitions.

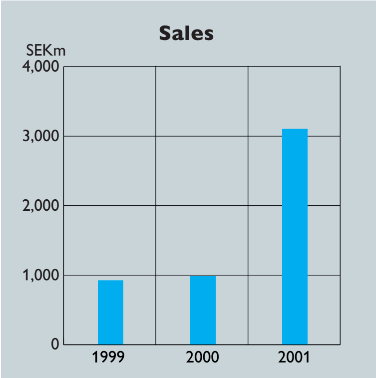
Bengt Adolfsson, CEO

Board of Directors

Anders Hultman	Chairman
Fred Andersson	
Inken Faber	
Bo Jungner	
Arne Karlsson	
Morgan Olsson	
Bo Söderberg	
Bengt Adolfsson	CEO

Management

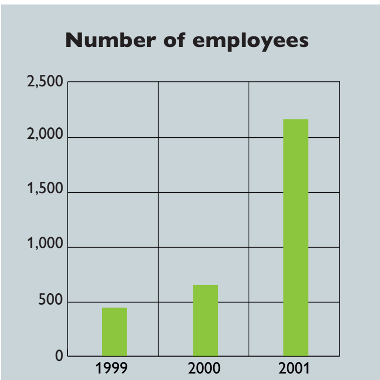
Bengt Adolfsson	CEO
Lars Samuelsson	
Poul Erik Rasmussen	
Klaus Billerbeck	
Tommy Larsson	
Lars Haux	



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	3,100	1,001	958		
Cost of goods sold	-2,159	-737	-722		
Gross profit	941	264	236		
Selling costs	-385	-92	-89		
Administrative expenses	-180	-55	-53		
Other operating income	14	9	11		
Other operating expenses	-9	-2	-2		
Goodwill amortisation	-47	[1]	[1]		
Operating profit [2]	334	124	103		
Net financial items	-59	-18	-21		
Profit after financial items	275	106	82		
Minority interest	14				
Tax	-108	-35	-31		
Net profit for the year	181	71	51		
Balance Sheet					
Goodwill	1,183	471	502		
Tangible fixed assets	1,008	234	240		
Financial fixed assets	25	3	1		
Inventories	446	147	109		
Current receivables	457	144	103		
Cash and bank balances	292	26	24		
Total assets	3,411	1,025	979		
Shareholders' equity	1,122	483	408		
Provisions	74	68	76		
Long-term liabilities	1,623	256	308		
Current liabilities	592	218	187		
Total shareholders' equity and liabilities	3,411	1,025	979		
Cash Flow Statement					
Cash flow from operating activities	90	73	91		
Cash flow from investing activities	-1,641	-20	-364		
Cash flow from financing activities	1,817	-51	282		
Cash flow for the year	266	2	9		
Liquid assets, opening balance	26	24	15		
Liquid assets, closing balance	292	26	24		
Key figures					
EBITDA margin, %	15.1	17.5	16.2		
EBITA margin, %	12.3	15.5	14.0		
EBIT margin %	10.8	12.4	10.8		
Net margin %	9.3	10.5	8.5		
Average number of employees	2,157	651	616		

[1] Goodwill amortisation is spread in the profit and loss account and amounts to a total of SEK 31m for both 2000 and 1999.

[2] Other depreciation is spread in the profit and loss account and amounted to SEK 88m in 2001 and SEK 21m in 1999 and 2000 respectively.



Hilton Group – a global brand

When Ratos sold Scandic Hotels in 2001, 25% of the purchase price was received in the form of Hilton shares. Ratos's holding amounts to 1%.

The market value of the holding in Hilton amounted to SEK 576m at year-end. Consolidated book value amounted to SEK 565m.

Responsible Investment Manager is Stig Karlsson.

David Michels, CEO

Hotel and betting operations

Hilton Group plc is a British group with worldwide operations. Activities are divided into Hilton International, a hotel operation with approximately 400 hotels in close to 70 countries, and betting operations, Ladbrokes. Hilton shares are listed on the London Stock Exchange.

Strengthened position in the Nordic region

Hilton Group acquired Scandic Hotels in spring 2001, which considerably strengthened the company's position in the Nordic market. Hilton showed strong development in the first half of 2001 with a 33% growth in pre-tax profit to GBP 144m (109), and both the hotel and betting operations showed improved earnings. The travel industry and Hilton were affected, however, by the decline in travel after the terrorist attacks in New York on 11 September. Hilton publishes its results for the full-year 2001 on 28 February 2002.

No active ownership role

Ratos has no ambitions to exercise an active ownership role in Hilton Group and the holding is not strategic. Ratos is bound by a lock-up on its holding until 23 April 2002.

Board of Directors

Sir Ian Robinson	Chairman
David Michels	Chief Executive
Brian G Wallace	Group Finance Director
Anthony Harris	Chief Executive Hilton International
Christopher Bell	Chief Executive Ladbrokes
J Russel F Walls	
Patrick L Lupo	
Lady Patten	
Stephen F Bollenbach	

Management

David Michels	Chief Executive
Brian G Wallace	Group Finance Director
Anthony Harris	Chief Executive Hilton International
Christopher Bell	Chief Executive Ladbrokes

“On the whole the trend for Ratos’s holdings has been positive”

HL Display – significant earnings boost

Ratos became a shareholder in HL Display in 2001 in conjunction with the acquisition of Atle. Ratos's holding amounts to 28.9% of the share capital and 20.2% of the voting rights.

HL Display's shares have been listed on the Stockholm Stock Exchange since 1993.

Ratos has invested SEK 229m in HL Display. The market value of the holding at year-end 2001 was SEK 285m. The consolidated book value amounted to SEK 238m.

Ratos is represented on the Board by Arne Karlsson and Stig Karlsson. The responsible Investment Manager is Stig Karlsson.

Global niche company

HL Display is one of Europe's leading suppliers of products and systems for merchandising and in-store communication. The company has subsidiaries in 17 countries in Europe. Manufacture takes place in Sweden, the US, the UK and the Netherlands.

Customers comprise the retail trade and its suppliers, with a trend towards a growing share of international retail chains and global brand suppliers. Competition comes from smaller, local players and a small number of global companies.

Exports account for more than 80% of sales. HL Display is one of the 500 fastest growing companies in Europe with an average annual growth of 27% in the last decade.

Sales and earnings rose

Consolidated sales rose 23% during the year to SEK 1,072m. Adjusted for currency effects, the increase was 19%. Pre-tax profit rose 86% from SEK 44m to SEK 82m. HL Display has benefited from lower commodity prices and the weakening of the Swedish krona.

As part of a programme of change, production in the Swedish factories has been restructured to achieve shorter lead times, a higher level of service and improved profitability. A production plant was acquired in Karlskoga, Sweden, and new subsidiaries were established in Slovenia and Slovakia.

Stock market winner in 2001 +75%

HL Display was one of the year's winning shares on the Stockholm Stock Exchange and the share price rose by 75%. A stock option programme for senior executives was decided at an extraordinary general meeting. If all the options are exercised, the number of shares will rise by 67,200, corresponding to 0.8% of the share capital. The Board proposes a dividend of SEK 1.55 (1.40).

Prospects for 2002

HL Display's growth and profitability targets remain unchanged. Sales are to rise by at least 20% per year on average over a business cycle, with a profit margin of 10-15% over the same period. The favourable trend is expected to continue in 2002.

Efforts to further strengthen cash flow, reduce working capital and improve productivity will continue.

Anders Remius, CEO

Major shareholders

	Capital, %	Votes, %
Remius family	32.9	61.0
Ratos	28.9	20.2
Skandia	9.0	4.4
Lannebo funds	3.1	1.5
Robur	3.0	1.5
Others	23.1	11.4

Source:VPC

Board of Directors

Åke Wester	Chairman
Stefan Elving	
Kent Hertzell	
Arne Karlsson	
Stig Karlsson	
Lis Remius	
Anders Remius	CEO
Stefan Eriksson	Deputy

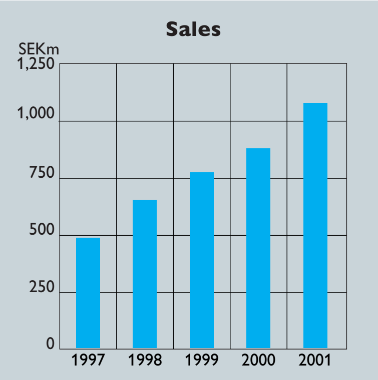
Financial calendar

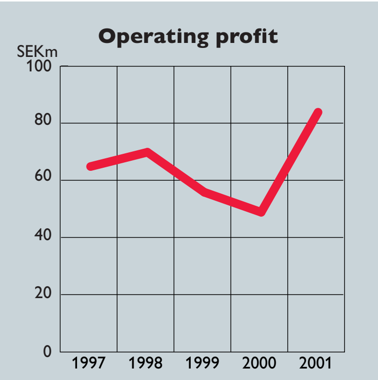
Interim Report Jan-March	16 April 2002
Interim Report Jan-June	16 July 2002
Interim Report Jan-Sept	16 Oct 2002
Annual General Meeting	18 March 2002

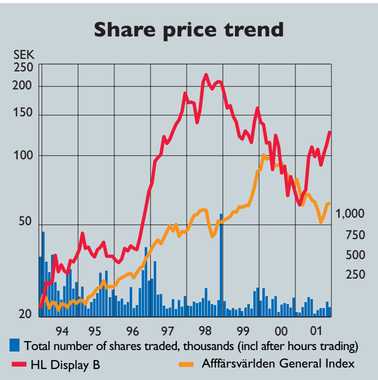
www.hl-display.com

Management

Anders Remius	CEO
Kent Hertzell	Finance
Kenneth Löfgren	IT
Alistair Burke	Business Development
Håkan Eriksson	Markets
Bengt Ahlund	R&D
Jan Sigurdh	Production
Staffan Forslund	Personnel
Graham Diamond	Sales







SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	1,072	874	768	647	481
Cost of goods/services sold	-582	-494	-415		
Gross profit	490	380	353		
Selling expenses	-237	-196	-167		
Administrative expenses	-140	-114	-106		
Development costs	-31	-27	-25		
Other operating income/expenses	1	5	–		
Operating profit	83	48	55	69	64
Net financial items	-1	-4	-8		
Profit before tax	82	44	47	71	64
Tax	-26	-17	-15		
Net profit for the year	56	27	32	45	43
Balance Sheet					
Intangible fixed assets	15	20	19		
Tangible fixed assets	162	156	139		
Financial fixed assets	21	10	10		
Total fixed assets	198	186	168	132	94
Inventories	116	100	79		
Current receivables	256	185	160		
Cash and bank balances	65	31	23		
Total current assets	437	316	262	253	204
Total assets	635	502	430	385	298
Shareholders' equity	284	239	222	200	164
Provisions	26	17	14	18	12
Long-term liabilities	118	94	71	57	34
Current liabilities	207	152	123	110	88
Total shareholders' equity and liabilities	635	502	430	385	298
Cash Flow Statement					
Cash flow from operating activities	64	51	47		
Cash flow from investing activities	-51	-58	-57		
Cash flow from financing activities	20	15	-5		
Cash flow for the year	33	8	-15		
Liquid assets, opening balance	31	23	39		
Translation difference on liquid assets	–	0	-1		
Liquid assets, closing balance	64	31	23		
Key figures					
Average number of employees	892	773	706	582	464
Profit margin, %	7.6	5.0	6.1	11.0	13.2
Equity ratio, %	44.7	47.6	51.6	52.0	55.1
Return on total capital, %	16.0	11.0	12.9	21.9	26.2
Return on capital employed %	21.2	15.5	18.6	32.5	38.7
Net investments incl. acquisitions	48	59	68	64	41

Industri Kapital

Industri Kapital is an unlisted private equity company with assets under management of more than EUR 3 billion. Since the start in 1989, the company has made approximately 40 investments in four funds within different sectors in Europe, with the majority in the engineering, trading and service sectors.

Investors in Industri Kapital's funds comprise major Nordic, European and American institutional investors and insurance companies.

Ratos's investment

Ratos has invested in all Industri Kapital's funds since the start in 1989. Ratos invested SEK 50m in the 1989 fund, XEU 12m (c. SEK 100m) in the 1994 fund, ECU 17m (c. SEK 150m) in the 1997 fund and EUR 25m (c. SEK 250m) in the 2000 fund. In the 1994 and 1997 funds Ratos invested directly in the portfolio companies, while investments in later funds were made via a limited partnership.

The market value of Ratos's holding in Industri Kapital's funds is estimated at SEK 488m. according to Industri Kapital's own calculations.

Responsible Investment Manager is Thomas Mossberg.

Ratos's earnings for 2001 include capital gains from the sale of Industri Kapital holdings of SEK 45.9m. This capital gain primarily stemmed from the sale of Noviant.

Specification of Ratos's holdings in Industri Kapital's funds

31 Dec 2001	Number	Change during the year	Book value, SEKm	Market value, SEKm
Industri Kapital 1994				
Viking Sewing Machines AB	138,359		17.6	26.6
Nobia AB A	134,427		13.2	95
Addtek, International Oy A	124,690		1.8	14.7
Addtek, International Oy B	97,770	6,440	2.3	11.5
Addtek, International Oy IL	269,100	-269,100	3.9	5.4
Enerment Group Oy	23,615	3,931	3.5	2.8
Enerment Group Oy Inv loan	55,564	9,240	8.2	9.9
VestWood A/S	45,672		11.4	13.0
			61.9	178.9
Industri Kapital 1997			148.6	153.3
Industri Kapital 2000			148.4	155.5
Total shareholding, Industri Kapital			**358.9**	**487.7**

Intervect – integration and restructuring

Ratos became an owner in Intervect in conjunction with the acquisition of Atle. Ratos's holding amounts to 50%. The other owner is 3i with 50%. Ratos's investment amounted to SEK 227m. Consolidated book value in Ratos at year-end was SEK 213m.

Ratos is represented on the Board by Bo Jungner who is also responsible Investment Manager.

Leader in vertical transportation

The Intervect Group was formed in 2001 when the Swedish lift manufacturer Alimak merged with the Dutch work platform manufacturer HEK International. Intervect is the world leader in rack and pinion driven equipment for vertical transportation. The company develops, manufactures and sells industrial lifts and platforms for global customers in the construction, offshore and general industry sectors. Operations are conducted from three production units. Sales and aftersales are handled in 14 sales subsidiaries and through some 30 distributors.

Moving people, materials and machines vertically has traditionally been carried out using scaffolding, which is the dominant method even today. This is cheaper but is perceived as less safe and slower as well as offering limited opportunities to transport materials. Today, the solution provided by Intervect's products is capturing market share from traditional scaffolding.

Intervect has a very strong position in the market for rack and pinion lifts and platforms which is estimated at over SEK 3 billion. The competition is fragmented and mainly consists of national and regional companies. The market for Intervect's products is growing by 2-3% per year and demand for aftermarket services is growing. The technology changeover from scaffolding to platforms and lifts is also expected to drive growth.

Good demand but lower earnings

Intervect has seen good demand for its products and sales rose 5% to SEK 1,166m. Earnings, on the other hand, were a disappointment. Intervect has had significant problems with cost increases and production disruptions in the Swedish facility. The integration of Alimak's and HEK's sales companies has led to restructuring costs in several countries which were charged against earnings. The loss after net financial items amounted to SEK 29m (profit 73).

A new CEO took office during the year and a new management group was appointed. An extensive action programme was initiated in 2001 designed to raise profitability in future years.

Future prospects

Intervect is the leading market player and is well positioned for growth. This growth can be organic through increasing sales in new user segments and through exploiting demand for the company's aftermarket services. Intervect can also continue to expand through strategic acquisitions.

The effects of the action programme started in 2001 and the integration of HEK and Alimak are expected to contribute to a considerable improvement in earnings in 2002.

Anders Nordwall, CEO

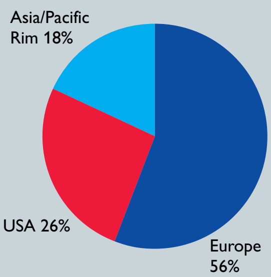
Board of Directors

Bo Ulván	Chairman
Jan-Gunnar Glave	
Bo Jungner	
Björn Kumlin	
Arnfinn Ruud	
Hans Werner	
Anders Nordwall	CEO

Management

Anders Nordwall	CEO
Nils-Erik Häggström	Vice President, CEO Alimak
Ernst van Hek	Vice President, CEO HEK
Stefan Pettersson	CFO
Urban Holmlund	Head of After sales
Frank Klessens	CFO HEK

Sales by market



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account		Pro forma			
Sales	1,166	1,106			
Cost of goods sold	-733	-674			
Gross profit	433	432			
Development costs	-33	-33			
Selling costs	-211	-187			
Administrative expenses	-113	-76			
Other expenses	-76	-35			
Operating profit	0	101			
Net financial items	-29	-28			
Loss/profit after net financial items	-29	73			
Tax	-11	-24			
Net loss/profit for the year	-40	49			
Balance Sheet					
Intangible fixed assets	46	10			
Tangible fixed assets	305	291			
Financial fixed assets	6	9			
Total fixed assets	357	311			
Inventories	293	284			
Other current assets	456	430			
Cash and bank balances	41	19			
Total current assets	790	732			
Total assets	1,147	1,043			
Shareholders' equity	312	305			
Provisions	79	69			
Interest-bearing long-term liabilities	495	479			
Interest-bearing current liabilities	129	1			
Other current liabilities	132	190			
Total current liabilities	261	191			
Total shareholders' equity and liabilities	1,147	1,043			
Key figures					
Operating margin, %	0	9.1			
Equity ratio, %	27	29			
Average number of employees	854	863			

Kronans Droghandel – action programme

Ratos became the principal owner of Kronans Droghandel in 2001 in conjunction with the acquisition of Atle. Ratos's holding amounts to 49%. Other major owners are Merck, Pfizer, Orion and 3i.

Ratos has invested SEK 419m in Kronans Droghandel. Consolidated book value in Ratos amounted to SEK 404m at year-end 2001.

Ratos is represented on the Board by Arne Karlsson, Stig Karlsson, Berit Lind and Magnus Dahlbeck. Responsible Investment Manager is Stig Karlsson.

Distributor to the healthcare market

Kronans Droghandel is one of largest distributors to the healthcare market in the Nordic countries. The company is a pure-play logistics company with a product range that includes pharmaceuticals and medical devices. Suppliers are mostly multinational pharmaceutical companies and the goods are distributed to pharmacies and rest of the healthcare sector. Kronans Droghandel distributes pharmaceuticals in Sweden, Finland and Norway. In Sweden, the company has also developed new, related services such as home distribution and healthcare logistics services for municipalities and county councils.

The pharmaceutical distribution market in Sweden is an oligopoly where Kronans Droghandel and Tamro are more or less the same size. In Finland, the company started up operations in 1998/99 and today has a market share of approximately 20%. The market share in Norway is slightly lower.

Weak earnings trend

Kronans Droghandel's sales rose 19% to SEK 14,788m in 2001. Despite this growth, the result after net financial items fell substantially, from SEK 26m to SEK -33m. This weak result was due to a number of factors, mainly a loss of market share in Norway following deregulation of the pharmacy market there, and start-up costs for new business areas in Sweden.

An extensive action programme has been initiated which is expected to have a considerable earnings impact in 2002.

The Finnish operations showed strong development in terms of both sales and earnings in 2001.

Future prospects

Kronans Droghandel is concentrating on restoring profitability in the company and prospects for 2002 are considerably brighter than they were for 2001. The Swedish pharmaceutical distribution business remains profitable and pharmaceutical distribution in Finland is expected to provide a profit in 2002 due to contracts already won which will lead to sales increases. In addition, the cost reduction programme is expected to have its full effect in 2002.

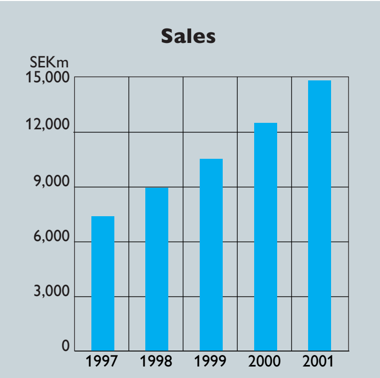
Ralph Nilsson, CEO

Board of Directors

Gunnar L Johansson	Chairman
Eva Andrén Forsmark	
Bo Creutzer	
Magnus Dahlbeck	
Arne Karlsson	
Stig Karlsson	
Berit Lind	
Lars Olofsson	
Ivan Robinson	

Management

Ralph Nilsson	CEO
Tony Siberg	CFO



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Invoiced sales	14,788	12,479	10,510	8,928	7,364
Cost of goods sold	-14,691	-12,346	-10,345	-8,805	-7,241
Gross profit	97	133	165	123	123
Selling expenses	-38	-31	-27	-25	-23
Administrative expenses	-63	-49	-45	-38	-33
Other operating income	0	1	0	0	-4
Operating loss/profit	-4	54	93	60	63
Interest income	18	9	9	8	5
Interest expenses	-47	-37	-35	-27	-26
Loss/profit after financial items	-33	26	67	41	42
Tax	-4	-32	-20	-23	-12
Loss/profit after tax	-37	-6	47	18	30
Minority share of profits	–	2	-1	8	0
Net profit/loss for the year	-37	-4	46	26	30
Balance Sheet					
Intangible fixed assests	136	117	77	35	19
Tangible fixed assets	546	552	546	490	370
Financial fixed assets	4	0	6	0	0
Total fixed assets	686	669	629	525	389
Inventories	1,310	837	582	413	366
Current receivables	1,696	1,570	1,362	1,123	940
Short-term investments	292	226	407	480	198
Cash and bank balances	144	31	12	9	10
Total current assets	3,442	2,664	2,363	2,025	1,514
Total assets	4,128	3,333	2,992	2,550	1,903
Restricted equity	433	431	411	393	75
Unrestricted equity	37	78	106	81	77
Minority interests	–	0	2	0	8
Provisions	56	53	46	39	31
Long-term liabilities	574	402	284	406	184
Current liabilities	3,028	2,369	2,143	1,631	1,528
Total shareholders' equity and liabilities	4,128	3,333	2,992	2,550	1,903
Cash Flow Statement					
Net financing of operations for the year	85	-199	187	-76	-164
Investments	-79	-75	-135	-160	-82
Balance after net investments	6	-274	52	-236	-246
Financing	173	111	-124	519	62
Translation difference	–	1	2	-3	0
Change in liquid assets/short-term investments	179	-162	-70	280	-184
Liquid assets, opening balance	257	419	489	208	392
Liquid assets, closing balance	436	257	419	488	208
Key figures					
Operating margin, %	neg	0.4	0.9	0.7	0.9
Return on equity, %	neg	-0,8	9,3	8,3	21,5
Equity ratio, %	11.4	15.3	17.3	18.6	8.0
Number of employees	519	444	371	316	280

Lindab – continued growth

Together with companies including Skandia Liv and the Sixth Swedish National Pension Fund, Ratos implemented a buyout of Lindab from the stock exchange in 2001. The buyout was effected via the leveraged buyout company Lindab Intressenter. Ratos's holding in Lindab Intressenter amounts to 49%. Skandia Liv owns 24% and the Sixth Swedish National Pension Fund 24%.

Ratos has invested SEK 1,066m in Lindab. Consolidated book value in Ratos amounted to SEK 1,081m at year-end.

Ratos is represented on the Board by Mats Lönnqvist, who is also responsible Investment Manager, and by Per Frankling as a deputy.

Carl-Gustaf Sondén, CEO

Leader in ventilation products

Lindab is a leading manufacturer of building materials made from thin-sheet metal, in its two business areas Ventilation and Profile. Manufacture takes place in 21 countries. Approximately 70% of sales go to countries outside Sweden.

The Ventilation business area accounts for 65% of Lindab's sales. Ventilation ducting systems can be circular or rectangular. Lindab has concentrated on circular ducting systems since they have major advantages including lower manufacturing costs, faster assembly times and circular systems operate with lower energy losses. Lindab is the world's leading producer and is the market leader in ventilation ducting systems in Sweden, Norway, Denmark, Germany and the US. Sweden accounts for one-third of total sales. Lindab strengthened its product programme during the year through acquisition of the Swedish company Tekno Term.

The Profile business area has a broad product programme with a large number of sheet-metal products for the construction industry. Examples of product areas include roof drainage systems, roof and wall cladding, roof safety systems, steel halls and lightweight construction systems. Lindab is market leader in most product groups in the largest markets, including the Nordic region. The Profile business area achieved strong growth in Eastern Europe in the 1990s.

Continued growth but lower earnings

Lindab's sales growth has been good over the last five years with an average annual increase of approximately 14%. Sales rose 17% in 2001 and amounted to SEK 5,160m, with sales in Sweden accounting for 71%.

Operating profit decreased by 15% to SEK 290m (342, including Alecta funds of SEK 21m). Earnings were charged with non-recurring costs totalling SEK 38m in connection with the buyout from the stock exchange, reorganisation and irregularities in a British subsidiary which were discovered and announced in the spring. Profit after net financial items, including the holding company Lindab Intressenter which was formed for the year, amounted to SEK 233m (303).

Future prospects

Lindab's market position, strength within distribution and excellent economies of scale, make the company well placed to grow faster than its competitors.

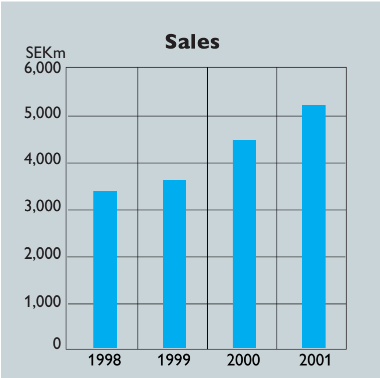
The focus for 2002 is to raise growth in the US and Eastern Europe, review the European product structure and complement the product range.

Board of Directors

Svend Holst-Nielsen	Chairman
Anders G. Karlsson	
Mats Lönnqvist	
Hans-Olov Olsson	
Walter Paulsen	
Hans Schmidt-Hansen	
Carl-Gustaf Sondén	CEO
Per-Johan Björnstedt	Deputy
Per Frankling	Deputy
Urmas Kruusval	Deputy

Management

Carl-Gustaf Sondén	CEO
Hans Schmidt-Hansen	Deputy CEO
Nils-Johan Andesson	CFO
Johan Bergkvist	Head of Ventilation
Anders Persson	Head of Profile



SEKm	2001	2001	2000	1999	1998
Profit and Loss Account	Lindab Intr [1]				
Sales revenues	2,707	5,160	4,415	3,569	3,330
Cost of goods sold	-2,043	-3,867	-3,276	-2,586	-2,415
Gross profit	664	1,293	1,139	983	915
Selling expenses	-289	-576	-452	-366	-351
Administrative expenses	-217	-403	-339	-279	-240
Research and development costs	-18	-38	-26	-22	-23
Other operating income	32	56	34	18	10
Other operating expenses	-14	-42	-14	-11	-4
Operating profit	158	290	342	323	307
Net financial items	-67	-57	-39	-22	-22
Profit after financial items	91	233	303	301	285
Tax on profit for the year	-53	-80	-100	-90	-79
Net profit for the year	38	153	203	211	206
Balance Sheet					
Goodwill	2,231	152	146	70	68
Other intangible fixed assets	23	23	29	35	44
Tangible fixed assets	1,566	1,566	1,406	1,139	964
Financial fixed assets	66	66	47	41	44
Total fixed assets	3,886	1,807	1,628	1,285	1,120
Inventories	818	818	811	585	661
Accounts receivable	718	718	651	494	429
Other current receivables	102	102	91	68	62
Cash and bank balances	150	129	89	152	149
Total current asset	1,788	1,767	1,642	1,299	1,301
Total assets	5,674	3,574	3,270	2,584	2,421
Shareholders' equity	2,232	1,460	1,307	1,256	1,134
Provisions	235	246	201	175	176
Long-term liabilities	2,034	1,109	1,086	621	593
Current liabilities	1,173	759	676	532	518
Total shareholders' equity and liabilities	5,674	3,574	3,270	2,584	2,421
Cash Flow Statement					
Cash flow from operating activities	366	333	129	402	76
Cash flow from investing activities	-2,236	-285	-474	-354	-244
Net from the year's operations	-1,870	48	-345	48	-168
Cash flow from financing activities	2,020	-8	282	-45	118
Change in liquid assets	150	40	-63	3	-50
Liquid assets, opening balance	0	89	152	149	199
Liquid assets, closing balance	150	129	89	152	149
Key figures					
Operating margin, %	–	6	8	9	9
Return om capital employed, %	–	12	16	18	20
Return on equity, %	–	11	16	18	20
Investments	–	235	280	282	232
Average number of employees	3,635	3,635	3,356	2,929	2,655

[1] Lindab Intressenter. New group structure from 1 July 2001 in connection with Ratos's acquisition.

Martinsson – refocusing and cost control

Ratos became a shareholder in Martinsson in 2001 in conjunction with the acquisition of Atle. Ratos's holding amounts to 50%. 3i owns 50%.

Consolidated book value in Ratos at year-end 2001 was SEK 156m.

Ratos is represented on the Board by Mats Lönnqvist who is also responsible Investment Manager.

Products and services within IT infrastructure

During the year Martinsson completed its refocusing to a nationwide company which offers IT infrastructure solutions through its own consultants and using products from world-leading suppliers. Customers are mainly medium-sized and large companies and organisations. Approximately three-quarters of sales comprise hardware and one-quarter services. The company is established in 12 locations in Sweden. Martinsson's seven focus areas are: Operation, System Management, Server Based Computing, Storage and Back-up catalogue services, Applications optimisation, IT strategy and project management.

Fragmented market

The retail sales market for hardware is highly fragmented in Sweden and a consolidation is expected within the next few years. With a market share of 3-5%, Martinsson is Sweden's fourth largest player in the "Value Added Reseller" market channel. The entire market, which also includes direct sales and consumer sales, is estimated at SEK 20-25 billion.

The market for IT products as a whole has experienced very weak growth in the last two years resulting in price pressure and intense competition. The sub-market for sales of PC servers, on the other hand, is showing higher and more stable growth. This market also generates a higher proportion of consulting services. Here, Martinsson is the third largest player with a market share of about 10%.

Improved earnings

Sales amounted to SEK 482m (750).

Martinsson has enforced clear cost control during the year which has led to an improvement in earnings. Loss before goodwill amortisation (EBITA) amounted to SEK 4.4m (loss 29.2). The loss after net financial items was SEK 6m (loss 46).

The company's consultants achieved billable time of 60%, which exceeds the average.

Events after year-end

On 18 February 2002, Martinsson made a public offer for its competitor IMS Data valued at SEK 102m.

Prospects for 2002

No significant improvements in market conditions are anticipated in 2002. Martinsson intends to participate in the continued consolidation of this sector from its refocused platform.

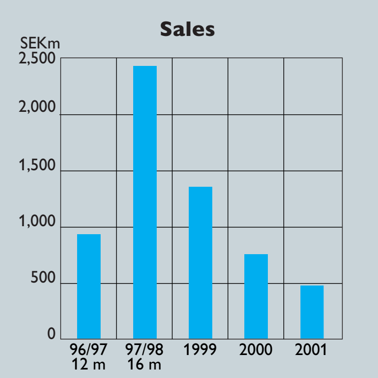
Lars Pettersson, CEO

Board of Directors

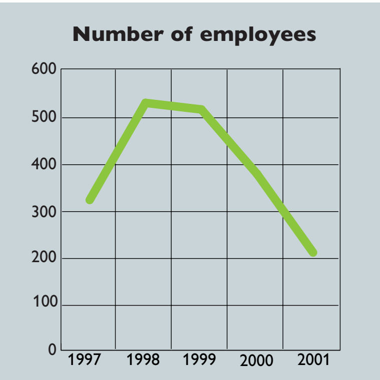
Kenth-Åke Jönsson	Chairman
Jan-Åke Kark	
Wille Laurén	
Mats Lönnqvist	
Åke Plyhm	
Lars Pettersson	CEO

Management

Lars Pettersson	CEO
Björn-Erik Karlsson	COO



SEKm	2001	2000	1999	1997/98	1996/97
Profit and Loss Account				16 m	12 m
Net sales	482	750	1,345	2,419	924
Operating expenses	-486	-779	-1,376	-2,381	-908
Goodwill amortisation	-8	-12			
Operating loss/profit	-12	-41	-31	38	16
Net financial items	6	-5	-4	-1	-2
Loss/profit after financial items	-6	-46	-35	37	14
Tax	5	8	-1	-13	-5
Minority share of net loss/profit for the year	–	–	1	-1	–
Net loss/profit for the year	-1	-38	-36	23	9
Balance Sheet					
Intangible fixed assets	39	45	49	100	62
Tangible fixed assets	13	21	37	57	43
Financial fixed assets	2	7	0	0	2
Inventories	5	5	34	150	69
Current receivables	218	301	196	411	154
Cash and bank balances	54	21	142	47	14
Total assets	331	400	458	765	344
Restricted equity	138	145	146	152	130
Unrestricted equity	91	114	126	165	35
Minority interests	–	–	3	9	–
Provisions	–	5	15	28	15
Long-term liabilities	2	4	8	9	15
Current liabilities	100	132	160	402	149
Total shareholders' equity and liabilities	331	400	458	765	344
Cash Flow Statement					
Operating activities	52	-108	85	-24	-9
Investing activities	6	-8	84	-7	-14
Financing activities	-25	-4	-75	64	16
Cash flow for the year	33	-120	94	33	-7
Liquid assets, opening balance	21	141	47	14	21
Translation difference, liquid assets		–	0	0	0
Liquid assets, closing balance	54	21	141	47	14
Key figures					
Equity ratio, %	69.1	64.6	59.4	41.5	47.9
Return on equity, %	neg	0	neg	11.0	8.8
Return on total capital, %	neg	neg	neg	7.6	7.4
Average number of employees	218	385	523	537	330



Programmera – merger with Giga Group

Ratos became an owner in Programmera in 2001 in conjunction with the acquisition of Atle. Ratos's holding amounted to 50% at year-end. 3i owns 50%.

Ratos has invested SEK 105m in Programmera. Consolidated book value in Ratos amounted to SEK 20m at year-end.

Ratos is represented on the Board by Per Frankling, who is also responsible Investment Manager.

Anne Kruge, CEO

IT consulting services

Programmera is a Stockholm-based IT company with competence in systems development, quality assurance and maintenance.

In August an agreement was concluded on a merger between Programmera and the IT consulting company Giga Group. The merger was formally completed at the end of 2001. Ratos's stake in the merged company will be 39%. The CEO for the new company is Giga Group's founder Anne Kruge.

Focus on banking, financial services and insurance

Prior to the merger both Programmera, with its systems development and administrative competence, and Giga Group, with its infrastructure competence, had the financial sector as their main customer base. The merged company's strategy is to focus its operations on this sector and offer a comprehensive range of services.

The merged company works in three consulting subsidiaries: QTV (development and quality assurance), Application Management and Infrastructure. Common to all three subsidiaries is the high competence of their employees, many of whom have 20 years' experience in the information technology industry.

Restructuring

In 2000, Programmera acquired a regional business outside Stockholm as a complement to its previously entirely Stockholm-based operations. This acquisition failed to meet expectations and these operations were therefore closed during the year, which resulted in large liquidation costs. The operations in Stockholm were affected by the continued weak demand in the consulting market during the year. Both capacity utilisation and earnings declined. Some cutbacks were made in the workforce.

The merger between Programmera and Giga Group resulted in extensive reorganisation.

Giga Group's consulting business developed well during the year with good profitability compared with large parts of the IT consulting industry.

Earnings trend

Programmera's sales fell 18% compared with the previous year and amounted to SEK 88m. The operating loss was SEK 30m (profit 5). The loss after net financial items amounted to SEK 29m (profit 6).

In Giga Group's consulting operations sales increased by 11% to SEK 52m. Giga Group's operating profit was SEK 1.0m. Profit after net financial items amounted to SEK 0m.

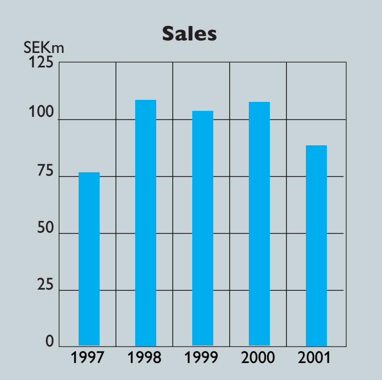
The combined sales for the consulting operations of Programmera and Giga amounted to SEK 140m in 2001. The total operating loss was SEK 29m.

Board of Directors
(after merger)

Kenth-Åke Jönsson	Chairman
Gösta Ericsson	
Per Frankling	
Johan Seeman	

Management

Anne Kruge	CEO



SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	88	107	103	108	76
Other income	–	0	1	1	1
Total income	88	107	104	109	77
Operating expenses	-118	-102	-91	-91	-65
Operating loss/profit	-30	5	13	18	12
Net financial items	1	1	1	1	0
Loss/profit after financial items	-29	6	14	19	12
Tax	3	-2	-4		
Nett loss/profit for the year	-26	4	10		
Balance Sheet					
Fixed assets	23	4	1	1	1
Current receivables	23	27	16	20	17
Cash and bank balances	2	32	36	27	10
Total current assets	25	59	52	47	27
Total assets	48	63	53	48	28
Shareholders' equity	11	37	33	23	10
Provisions	0	3	3	2	1
Current liabilities	37	23	17	23	17
Total shareholders' equity and liabilities	48	63	53	48	28
Key figures					
Equity ratio, %	23	59	62	49	36
Average number of employees	91	135	100		84

Q-Labs – profitability problems

Ratos has had a 40% stake in Q-Labs since December 2000. Other owners are Det Norske Veritas with 40% and Ericsson with 20%.

Ratos has invested SEK 190m in Q-Labs. Consolidated book value in Ratos amounted to SEK 60m at year-end.

Ratos is represented on the Board by Bo Jungner and Per Frankling as a deputy. Responsible Investment Manager is Bo Jungner.

Peter Rodholm, CEO

Services in software development

Q-Labs is a consulting company which provides services related to quality assurance of software development processes. The company has operations in Sweden, Germany, France, the UK and the US. Peter Rodholm has been the company's CEO since February 2002.

Testing and process improvement

The market for quality assurance for software comprises services designed to test that the software meets set specifications and eliminate any errors (testing), as well as services designed to improve software development processes so that software in inherently error-free (process improvement). Q-Labs is the world market leader in process improvement of software engineering.

Q-Lab has customers in several sectors. Since the 1980s the most software-intensive industries, such as aircraft and telecom equipment manufacturers, have been working to improve their software engineering processes in order to achieve higher quality. Many companies in these sectors have had internal departments working on these issues.

Rising use of software

In recent years there has been a dramatic increase in software intensity, in sectors such as the automotive industry and its suppliers, and in industrial automation. Demands for systems to function in real time have increased since systems increasingly reach end users, for example through web applications in electronic commerce and banking services. This has made many companies in these sectors very dependent on high quality software. In the automotive industry, for example, a programming error can lead to high costs for a product recall.

By a strong focus on the automotive industry Q-Labs has succeeded in winning key customers and major assignments in this sector. Based on its experience from the most software-intensive sectors, Q-Labs can help vehicle manufacturers and others to improve their software development processes.

Decline in earnings

The weak consulting market had a highly negative impact on Q-Labs, particularly in Sweden where Ericsson has been the dominant customer. The Swedish operations therefore suffered heavy losses. Considerable employee cutbacks have been carried out.

Q-Labs' expansion in the German automotive industry continued during the year. Sales successes led to several new key customers and large new assignments. Due to this rapid growth, the German operations did not achieve satisfactory profitability during the year. The French operations developed well. Some employee lay offs were also implemented in the US and Germany.

Q-Labs' total sales increased by 12% to SEK 221m, mainly due to the weak Swedish krona.

The operating loss worsened to SEK 50m (loss 18) of which SEK 23m is attributable to restructuring costs for office closures and redundancies. The loss mainly stems form the Swedish operations.

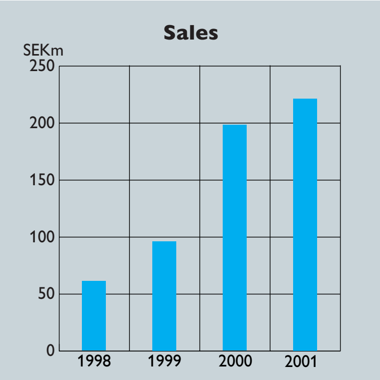
The loss after financial items was SEK 47m (loss 19).

Board of Directors

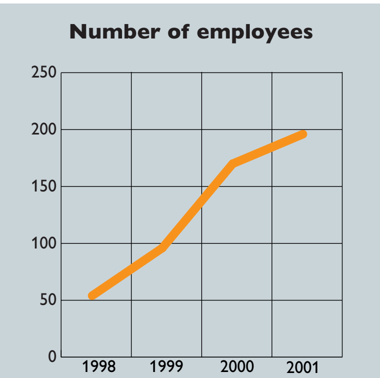
Lars-Olof Norell	Chairman
Marcus Bayegan	
Geir Fagerhus	
Bo Jungner	
Miklos Konkoly-Thege	
Lars Larsson	
Wolfgang Wagner	
Peter Rodholm	CEO
Per Frankling	Deputy

Management

Peter Rodholm	CEO
Lars-Göran Persson	CFO
Rolf Bergström	Manager, Scandinavia
Horst Degen-Hientz	Manager, Germany
Annie Combelles	Manager, France
Paul Hookham	Manager, UK
Ron Lear	Manager, USA



SEKm	2001	2000	1999	1998	
Profit and Loss Account					
Net sales	221	198	96	61	
External costs	-89	-80	-51	-26	
Personnel costs	-172	-127	-63	-35	
Goodwill amortisation	-6	-6	-3	-1	
Other depreciation	-4	-3	-3	-2	
Operating loss	-50	-18	-24	-3	
Net financial items	3	-1	0	0	
Loss before tax	-47	-19	-24	-3	
Tax	-2	-2	0	0	
Net loss for the year	-49	-21	-24	-3	
Balance Sheet					
Intangible fixed assets	14	19	25	7	
Tangible fixed assets	8	9	4	4	
Financial fixed assets	2	1	1	2	
Total fixed assets	24	29	30	13	
Accounts receivable	55	52	45	4	
Other current receivables	7	20	18	11	
Liquid assets	134	178	13	37	
Total current assets	196	250	76	52	
Total assets	220	279	106	65	
Shareholders' equity	126	173	15	39	
Provisions	0	0	0	0	
Long-term liabilities	41	41	41	12	
Current liabilities	53	65	50	14	
Total shareholders' equity and liabilities	220	279	106	65	
Cash Flow Statement					
Cash flow from operating activities	-38	-5	-22	-1	
Cash flow from investing activities	-5	-9	-22	-11	
Cash flow from financing activities	0	179	20	46	
Cash flow for the year	-43	165	-24	34	
Key figures					
Net sales growth, %	12	106	58	50	
Operating margin, %	neg	neg	neg	neg	
Equity ratio, %	57	62	14	60	
Average number of employees	197	171	97	55	
Net sales per employee, SEK 000s	1,122	1,157	989	1,104	



Superfos – streamlining operations

At the end of 1999, Ratos joined forces with Industri Kapital and acquired the Danish Superfos Group. The acquisition was made through a buyout company Superfos Industries A/S. Ratos's holding amounts to 33% and the remaining shares are held by Industri Kapital. At acquisition, there were three separate business areas: Chemicals, Packaging and Aerosols. The Chemicals business area was sold in 2000 together with the former head office and two units in the Aerosols business area.

Ratos investment amounts to SEK 325m. Consolidated book value at year-end 2001 amounted to SEK 317m.

Ratos is represented on the Board by Arne Karlsson who is also responsible Investment Manager.

Kim R. Andersen, CEO

Market leader in thermoformed plastic packaging

Superfos is a Danish group with international operations with 2,300 employees and operations in 15 countries. The Packaging business area accounts for more than 90% of sales and Aerosols provides the remainder.

Superfos Packaging develops, produces and sells thermoformed plastic packaging to customers in the food, chemical-technical and pharmaceutical industries. Superfos Packaging has 14 factories in Europe and one in the US. The main markets are the Nordic countries, Southern and Central Europe and the UK. The products are also marketed in selected parts of the American market. The company is the market leader in the Nordic countries and also has strong positions in the European market within a number of product areas.

The market for Packaging's products grows by 3-4% a year. Plastic packaging makes up nearly one-third of the total western European packaging market. The trend among customers is to change from other packaging materials, such as glass and metal, to plastic. Both among customers and raw material suppliers a consolidation is taking place towards fewer and larger players, which also operate increasingly on the global stage. The packaging industry is relatively fragmented and currently undergoing a consolidation.

Superfos Aerosols is a significant European player in contract filling of aerosols, primarily with chemical-technical and pharmaceutical products.

Lower earnings

Superfos's sales amounted to DKK 2,348m which is a decrease of 10% compared with the previous year. This decline is mainly attributable to a discontinued customer project within Packaging and the sale of two units within Aerosols. Profit before net financial items decreased to DKK 28m, among other things due to production disruptions.

During the year one small business was sold and one production facility closed down, which is in line with the streamlining of operations which was started in 2000. A new CEO took over during the year and an extensive efficiency enhancement programme was started to improve profitability.

Events after year-end 2001

Superfos Bottles operations with annual sales of DKK 109m were sold on 10 January 2002.

On 28 January, Superfos signed a declaration of intent to acquire its competitor Jotipac Group. Jotipac Group manufactures high-quality thermoformed plastic packaging for the food industry, and has annual sales of DKK 510m.

Future prospects

Superfos's goal is to establish a focused and profitable packaging company with leading market positions. The streamlining of recent years and implementation of measures to raise profitability have created good conditions for improved profitability in future years. Superfos is well placed for growth, both through organic growth and by participating in the continued consolidation of the European packaging industry via strategic acquisitions in its prioritised areas of operation.

Board of Directors

Waldemar Schmidt	Chairman
Jens Erik Karlskov Jensen	
Arne Karlsson	
Kjeld Ranum	
Mads Ryum Larsen	
Kim Wahl	
Johan Krus	Employee representative
Lene Lang Hansen	Employee representative

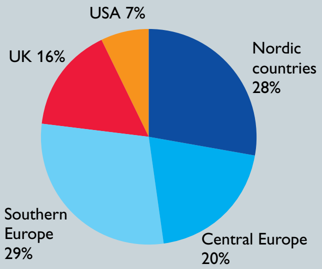
Management

Kim R. Andersen	CEO
René V. Frederiksen	CFO

DKKm	2001	2000	1999		
Profit and Loss Account					
Sales	2,348	2,616	3,648		
Cost of goods sold	-1,118	-1,078	-1,931		
Personnel costs	-650	-699	-847		
Other expenses	-349	-484	-474		
Profit before depreciation	231	355	396		
Depreciation	-172	-174	-193		
Goodwill amortisation	-31	-31	-4		
Profit before net financial items	28	150	199		
Net financial items	-115	-116	0		
Loss/profit after net financial items	-87	34	199		
Extraordinary income	–	–	2,376		
Extraordinary expenses	–	–	73		
Loss/profit before tax	-87	34	2,502		
Tax	-14	15	66		
Net/loss profit for the year	-101	49	2,436		
Balance Sheet					
Goodwill	553	584	872		
Financial fixed assets	6	77	78		
Other fixed assets	1,207	1,214	1,420		
Total fixed assets	1,766	1,875	2,370		
Inventories	262	302	445		
Accounts receivable	361	409	545		
Other current assets	114	125	116		
Transaction-related current receivable	–	–	2,109		
Cash and bank balances	83	78	290		
Total current assets	820	914	3,505		
Total assets	2,587	2,789	5,875		
Shareholders' equity	704	803	746		
Provisions	54	51	53		
Deferred tax	-21	40	76		
Total provisions	33	91	129		
Long-term liabilities	1,319	1,363	1,245		
Current liabilities	530	532	3,755		
Total shareholders' equity and liabilities	2,587	2,789	5,875		
Packaging					
Sales	2,143	2,199	1,957		
Operating profit before goodwill amortisation	81	130	163		
Operating margin, %	3.8	5.9	8.3		
Aerosols					
Sales	205	417	468		
Operating profit before goodwill amortisation	23	45	41		
Operating margin, %	11.3	10.9	8.7		

Result for the year includes items affecting comparability of DKK -44m (25).

Sales by market, Packaging



Telia Overseas – continued subscriber growth

Telia Overseas is a subsidiary of Telia which controls 65% of the company. Ratos's holding is 9%. Other owners are Skandia with 13% and Orkla with 13%. Ratos has invested in Telia Overseas every year between 1996 and 2000 and the total investment amounts to SEK 328m.

Consolidated book value in Ratos amounted to SEK 328m at year-end 2001.

Ratos is represented on the Board by Magnus Dahlbeck and Mats Lönnqvist as a deputy. Responsible Investment Manager is Mats Lönnqvist.

Mobile licences in developing countries

Telia Overseas acquires, develops and sells telecom licences, mainly for mobile telephony and communications networks in developing countries. The company goes in as a partner together with local partners.

Since the start in 1996, eight investments have been made, of which three have been sold. Development within mobile telephony in the developing countries is strong with a high growth in the number of subscribers. However, penetration rates are still relatively low compared with mature markets. In many countries there is a trend towards mobile services taking over from fixed line services. The use of pre-paid services is one of the reasons for this development since this simplifies the payment process for the customer while eliminating customer credit risks for the operator. This also provides the operator with a good financing source.

Realisation of values

Since 2000 Telia Overseas' strategy has been to realise built up values in the company's portfolio holdings through successive divestment. The holdings in Brazil and Slovenia were sold in 2001.

The company's remaining portfolio comprises companies in Sri Lanka, Hong Kong, Uganda, Namibia and India. The holdings continued to show a strong increase in the subscriber base in 2001. At year-end 2001 the total number of subscribers was more than 1.4 million. The number of subscribers in relation to the stake in each holding increased by 69% in 2001 to 289,000. The inflow of new customers indicates continued good growth in the subscriber base.

Per O. Pedersen, CEO

Good financial development

Consolidated sales amounted to SEK 418m (445). Profit after depreciation was SEK 2,305m (-742), which includes capital gains from divestments of SEK 2,370m.

Liquid assets in the company amounted to SEK 3,692m. A capital reduction process was implemented in 2001 to transfer surplus liquidity to the part owners of Telia Overseas. The company's debt to Ratos as a result of this reduction amounts to SEK 327.6m.

The financial development in Telia Overseas' portfolio holdings was satisfactory in 2001, particularly in the African holdings.

Future prospects

By direct representation on boards and follow-up of operating and financial developments, Telia Overseas pushes forward the development of the five remaining companies. During the year the parent company's organisation was adapted to the strategic direction and the number of employees was reduced to just under ten. Work on realising built-up values will continue in 2002. No new investments will be made in Telia Overseas (apart from the formal transfer of the Indian company from Telia AB). On the other hand, follow-on investments may be made in existing holdings.

Board of Directors

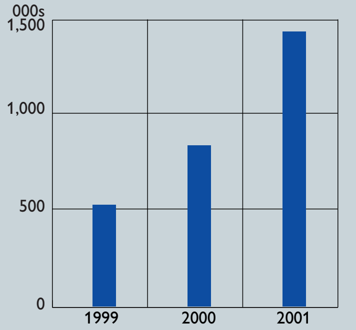
Per Eric Fylking	Chairman
Per Johan Björnstedt	
Annika Christiansson	
Magnus Dahlbeck	
Eva Lindqvist	
Ola Uhre	
Tord Andersson	Deputy
Håkan Jansson	Deputy
Mats Lönnqvist	Deputy
Christian Söhoel	Deputy

Management

Per O. Pedersen	CEO
Gunnar Andersson	Accounting/Finance
Anders Ekman	Investments

SEKm	2001	2000	1999	1998	1997
Profit and Loss Account					
Net sales	418	445	340	257	86
Cost of goods sold	-66	-99	-137	-111	-46
Gross profit	352	346	203	146	40
Operating expenses	-172	-194	-182	-190	-124
Capital gains	2,370	26	–	279	0
Share of profits of associated companies	-136	-818	-558	-474	-36
Operating profit/loss before depreciation	2,414	-640	-537	-239	-120
Depreciation according to plan	-109	-102	-80	-70	-21
Operating profit/loss	2,305	-742	-617	-309	-141
Financial income	347	89	26	23	26
Financial expenses	-192	-134	-15	-18	-4
Profit/loss after financial items	2,460	-787	-606	-304	-119
Tax	-720	217	-1	-30	-1
Minority shares in the year's result	-1	20	-1	19	14
Profit/loss after tax	1,739	-550	-608	-315	-106
Balance Sheet					
Intangible fixed assets	26	38	56	68	110
Tangible fixed assets	618	574	558	412	238
Financial fixed assets	398	1,902	328	625	268
Total fixed assets	1,042	2,514	942	1,105	616
Inventories and work in progress	2	2	0	1	0
Accounts receivable, net	66	181	161	131	14
Other current receivables	69	162	51	9	64
Short-term investments	–	–	46	10	129
Cash and bank balances	3,692	108	101	55	–
Total current assets	3,829	453	359	206	207
Total assets	4,871	2,967	1,301	1,311	823
Shareholders' equity	449	2,288	499	674	559
Minority shares	122	123	72	57	76
Provisions	13	16	23	21	10
Long-term liabilities	345	357	0	6	3
Current liabilities	3,942	183	707	553	175
Total shareholders' equity and liabilities	4,871	2,967	1,301	1,311	823

Subscriber growth



Portfolio companies, 31 December 2001

			Population (000s)		Subscribers (000s)		
Country	Company	Holding	Country area	Licence area	1999	2000	2001
Hong Kong	Peoples Phone	8 %	6,800	6,800	302	396	642
India	Bharti Mobile	26 %	1,000,000	115,000	66	156	396
Namibia	MTC	26 %	1,650	1,650	43	90	122
Sri Lanka	Suntel	51 %	18,700	18,700	52	63	73
Uganda	MTN	32 %	22,800	22,800	67	135	202
			1,049,950	164,950	530	840	1,435

Group summary

	2001	2000	1999	1998	1997
Key figures					
Earnings per share, SEK	22.07	23.50	20.95	9.78	2.40
Dividend per share, SEK	6.25 [1]	5.50	4.50	3.50	3.00
Dividend yield, %	6.7	7.0	6.3	6.1	4.2
Total return, %	27	16	34	-12	30
Market price, 31 December, SEK	93.50	79	72	57	71
Net asset value per share, 31 December, SEK	108	125	113	87	85
Net asset value, SEKm	8,495	9,896	9,192	7,073	7,685
Return on equity, %	23	31	35	19	5
Return on capital employed, %	27	32	35	21	6
Equity ratio, %	95	95	95	83	78
Average number of shares [2]	79,029,299	80,350,723	81,320,426	81,320,426	90,277,604
Number of shares outstanding [2]	78,958,226	79,155,626	81,320,426	81,320,426	90,277,604
Profit and Loss Account, SEKm					
Holdings					
Loss/profit from subsidiaries	-27	14	-49	-69	-61
Exit result, subsidiaries		–	-37	201	–
Share of profits of associated companies	230	306	177	310	179
Write-down of associated companies	-248	–	–	–	–
Dividends from other companies	10	–	–	–	–
Exit result, associated companies	1,722	638	733	142	–
Exit result, other companies	130	38	–	–	–
Profit from holdings	1,817	1,046	824	584	118
Asset management					
Dividends	16	103	102	96	77
Capital gains	218	905	921	301	109
Profit from asset management	234	1,008	1,023	397	186
Central income and expenses	-125	-77	-86	-84	-19
Consolidated profit before tax	1,926	1,977	1,761	897	285
Tax	-182	-89	-57	-102	-68
Consolidated profit after tax	1,744	1,888	1,704	795	217
Balance Sheet, SEKm					
Intangible fixed assets	127	75	31	48	87
Tangible fixed assets	43	29	19	32	196
Financial fixed assets	7,882	6,684	5,257	4,733	4,050
Current assets	589	366	474	243	1,292
Total assets	8,641	7,154	5,731	5,056	5,625
Shareholders' equity	8,177	6,778	5,437	4,174	4,405
Provisions	14	41	81	88	211
Interest-bearing liabilities	200	91	59	615	179
Non-interest bearing liabilities	250	244	154	179	830
Shareholders' equity and liabilities	8,641	7,154	5,731	5,056	5,625

[1] Proposed by the Board of Directors.

[2] Taking buy-backs into account. At 31 December 2001 Ratos had repurchased 2,362,000 shares, of which 657,800 has been used to reduce the share capital.

Definitions

Capital employed

Total assets less non-interest bearing liabilities and cash.

Debt/equity ratio

Net borrowing in relation to adjusted shareholders' equity.

Dividend yield

Dividend expressed as a percentage of market price.

EBITA

(Earnings before interest, tax and amortisation.) Profit before net financial items, tax and goodwill amortisation.

EBITDA

(Earnings before interest, tax, amortisation and depreciation.) Profit before net financial items, tax, depreciation and goodwill amortisation.

EBT

(Earnings before tax.) Profit before tax.

Earnings per share

Profit after tax divided by the average number of shares after buy-backs.

Equity ratio

Reported shareholders' equity expressed as a percentage of total assets. Minority interests are included in shareholders' equity.

Equity ratio including hidden reserve

Reported shareholders' equity plus 100% of hidden reserve in listed shares and investment properties expressed as a percentage of total assets including hidden reserves. Minority interests are included in shareholders' equity.

Exit result

Exit result is the capital gain or loss which arises when a holding is divested.

Holding

A holding is a company in which Ratos, usually as the largest owner, exercises significant owner influence and is represented on the board.

Net asset value

Net asset value is the difference between the company's market-valued assets and liabilities.

Net asset value is calculated from the Parent Company's perspective. Liquid assets (net) in central companies are added. Other central companies are treated as if they were part of the Parent Company. Items whose market value differs from the book value in the Parent Company are the shareholdings and the Parent Company's property.

For listed holdings, market values are official market prices, while consolidated book values are applied for unlisted holdings. Holdings in Industri Kapital are stated at their value according to valuations performed by Industri Kapital.
Deferred tax on hidden reserve is not taken into account since, as an investment company, the Parent Company is exempt from capital gains tax.

When calculating growth in net asset value, dividend paid is restored.

Operating margin

Operating profit expressed as a percentage of net sales.

Partial exit

A partial exit refers to divestment of part of a holding.

P/E ratio

Market price in relation to profit after tax per share.

Return on capital employed

Profit before interest expenses and tax expressed as a percentage of average capital employed.

Return on equity

Profit after tax expressed as a percentage of average shareholders' equity.

Total return on Ratos shares

Price development of Ratos B shares included reinvested dividends.

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