RATOS

Annual Report 2002

Contents

Information and Annual General Meeting

Information policy

Ratos's policy is to provide open, accurate, continuous and timely information of the highest quality. 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, share data, press releases, calendar and picture bank.

Financial calendar

9 April	Annual General Meeting
12 May	Interim Report, January-March
27 August	Interim Report, January-June
12 November	Interim Report, January-September
February 2004	Year-end report 2003

Publications are issued in Swedish and English. Information is sent automatically to shareholders who have notified Ratos, directly or via the website www.ratos.se, that they wish to receive financial information from the company.

Publications can be ordered via

Internet:	www.ratos.se under Investor Relations/Order financial reports
post:	Ratos AB, Box 1661 SE-111 96 Stockholm
fax:	+46 8 10 25 59
e-mail	info@ratos.se

Ongoing financial information about the holdings is also available in downloadable Excel files. Publications can be ordered under Investor Relations/Order financial reports.

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Annual General Meeting 9 April 2003

The Annual General Meeting of Ratos AB (publ) will be held at 5.30 p.m. on Wednesday, 9 April 2003 at Grand Hôtel, 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 2003,
- notify the company of their intention to attend no later than 4 p.m. on 4 April 2003.

Notification

Notification of attendance may be made by:

- writing to Ratos AB (publ), Box 1661, SE-111 96 Stockholm,
- telephoning +46 8 700 17 00,
- www.ratos.se/Investor Relations/ Annual General Meeting,
- fax +46 8 24 66 25.

When notifying attendance please state name, personal/corporate identity number, address and telephone number.

Nominee-registered shares

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 Friday, 28 March 2003. Shareholders are requested to inform their nominees in good time prior to this date.

Dividend and record date

The Board of Directors proposes a dividend for the financial year 2002 of SEK 6.75 per share. The record date proposed by the Board for the right to receive dividends is Monday, 14 April 2003. If the proposal is accepted by the Annual General Meeting, dividends are expected to be distributed by VPC on Thursday, 17 April 2003.

Ratos AB (publ) Corporate Identity Number 556008-3585

2002 Highlights

- The Group's pre-tax profit amounted to SEK 634m (1,926).
- Strong earnings trend in underlying portfolio.
- Proposed dividend for 2002 is SEK 6.75 (6.25).
- The total return on Ratos shares was positive for the fourth consecutive year and amounted to +8% (27).
- Net asset value was SEK 8,368m (8,495), corresponding to SEK 106 per share.
- Divested holdings: Hilton Group, Esselte, Exceed and Kronans Droghandel.
- New capital structure in Dahl released SEK 928m.

Successful exits

Ratos completed four own exits during the year with an overall good result. The holdings in Hilton Group, Esselte, Exceed and Kronans Droghandel were divested for a combined amount of approximately SEK 1,750m. In addition, Industri Kapital carried out three IPOs which made a positive contribution to Ratos's result.

Follow-on investments

Superfos acquired its competitor Jotipac in March. In conjunction with this acquisition, Ratos made a follow-on investment of DKK 66m. An investment of just under SEK 160m was also made in Arcorus where some ten minor shareholders were bought out. Ratos's holding in Arcorus therefore rose from 49% to 77%.

Ratos's results

SEKm	2002	2001	2000
Profit/share of profits	397	203	320
Write-downs	-45	-248	–
Exit gains	364	1,852	726
Dividends other companies	14	10	–
Asset management	–	234	1,008
Central income and expenses	-96	-125	-77
Consolidated pre-tax profit	634	1,926	1,977
Net asset value	8,368	8,495	9,896

Key figures per share [1]

SEK	2002 [2]	2001	2000
Earnings	4.60	22.07	23.50
Dividend	6.75 [3]	6.25	5.50
Market price, 31 Dec	95.50	93.50	79
Total return, %	8	27	16
Net asset value	106	108	125

1) Definitions, see page 97.
2) Number of shares outstanding amounts to 78,645,440.
3) Board of Directors' proposal to the 2003 AGM.

High total return

For the fourth consecutive year, the total return on Ratos shares was positive at +8% compared with the SIX Return Index which fell 36% in the same period.

Consolidated earnings

The Ratos Group's pre-tax profit amounted to SEK 634m (1,926). Earnings per share amounted to SEK 4.60 (22.07).

Ratos's share of current profits in its holdings amounted to SEK 397m (203). Dahl, Capona, Hilding Anders, Arcorus and Lindab provided the largest earnings contributions.

Exit gains of SEK 364m primarily comprised the sale of Hilton Group, Esselte, Exceed and Kronans Droghandel (1,852 in 2001, of which 1,751 pertained to Scandic Hotels).

Payment

Overseas Telecom (formerly Telia Overseas) made a payment in July to its owners totalling SEK 3,105m, in line with an earlier decision on reduction of the company's share capital. Ratos, which owns 9% of the capital, received a payment amounting to SEK 264m.

New capital structure in Dahl

Refinancing has been effected of the holding in Dahl where the company's owners have released capital by making the capital structure more effective. For Ratos, this refinancing provided a cash payment of SEK 928m.

Strong earnings trend in the holdings

The subsidiaries and associated companies held by Ratos at year-end, increased their total operating profit (EBITA = profit before net financial items, tax and goodwill amortisation) by 16% compared with 2001. Taking Ratos's ownership stakes in each company into account, the increase was 13%. The corresponding changes in pre-tax profit (EBT) were 56% and 69% respectively.

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% (average annual return during ownership period).
- Total return on Ratos shares to be higher than the average on the Stockholm Stock Exchange over time.
- An assertive dividend policy.
- Ratos aims to provide open, accurate, continuous and timely information of the highest quality.

Investment strategy

- **Holding normally 20-50%**
- **Normally the principal owner**
- **Investment size SEK 250m - 1,500m**
Ratos does not invest in early phases of companies' life cycles.
- **15-20 holdings**
Ratos's portfolio should normally comprise 15-20 holdings, preferably unlisted companies, of varying size.
- **Ownership period 3-7 years**
Ratos's involvement as an active owner in each individual company – from acquisition via development to divestment – is normally 3-7 years.
- **Sector generalist**
Ratos's core competence is not sector specific. Since added value can be created in most sectors, Ratos has chosen to be sector-neutral.
- **Focus on own deal flow**
Ratos regards it as important to build up its own deal flow.
- **Nordic acquisitions – global exits**
The entry point for investments is the Nordic region with the main focus on Sweden. Exits (divestments) can be effected globally.
- 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 works actively to ensure that the companies in which it invests have incentive strategies for boards and senior executives.

CEO'S COMMENTS

Stable development in an uncertain business environment

As far as Ratos is concerned we can summarise 2002 as follows:

- overall we experienced stable development, despite a tough business environment in many respects
- deals were dominated by five successful exits and some important follow-on investments
- the positive development of net asset value continued
- Ratos shares provided a positive total return for the fourth consecutive year
- we could note a continued strong acceptance for our basic strategic approach which also helped further strengthen the brand
- conditions exist for a continued improvement in earnings in the underlying portfolio in 2003.

Stable development

The economic hypotheses which Ratos worked with in 2002 were as follows:

- the weakening trends in the economy at the end of 2001 were cyclical rather than structural
- the main hypothesis was that the global economy in 2002 would be characterised by a modest upturn – not a strong recovery, but not a recession either
- even a modest recovery should have positive effects on the companies' earnings, since their extensive rationalisation programmes mean that the effects on earnings of only a modest upturn become noticeable.

Essentially, macroeconomic development in 2002 was well in line with these working hypotheses. Ratos's portfolio was no exception. Through a combination of forceful efforts, primarily with processes of change and efficiency enhancement, and a certain element of luck, to the extent that our portfolio companies experienced a relatively favourable business trend, it has been possible to maintain earnings at satisfactory levels.

In general, development within Ratos's sector has been considerably more stable than the average stock market trend. On the whole it can be said that the way many people see the economy today is determined by what happens in certain sectors. Ignoring some crisis industries – primarily IT/telecom, media/entertainment and parts of the finance sector – large and significant segments of the economy developed relatively well in 2002. Ratos's sector was not swept along in the substantial asset price rises of earlier years, nor did we experience any subsequent dramatic fall.

This mixed business climate was also reflected in Ratos's portfolio. Development in some holdings led to disappointments, while other companies were a pleasant surprise. All in all, we could note a satisfactory earnings trend in the underlying portfolio. The subsidiaries and associated companies held by Ratos at year-end increased their total operating profit (EBITA = profit before net financial items, tax and goodwill amortisation) by 16% compared with 2001. Taking Ratos's ownership stakes in each company into account, the increase was 13%. The corresponding changes in pre-tax profit (EBT) were 56% and 69% respectively.

That we only summarise the underlying earnings trend as "satisfactory", despite these good figures, is because we entered 2002 with even higher expectations. There are therefore still considerable improvements to be achieved over a business cycle.

Successful exits

During the year Ratos made five exits with overall favourable results. Four of our own exits – Esselte, Exceed, Hilton Group and Kronans Droghandel – provided a total of approximately SEK 1,750m. Industri Kapital's three IPOs also made a positive contribution to Ratos's results. Furthermore, Ratos received SEK 264m when Overseas Telecom reduced its share capital.

It was also gratifying that we were able to capitalise on Dahl's successful development since its buy-out from the stock exchange in 1999, by releasing SEK 928m in February 2003 through a refinancing of owners' holdings. The released SEK 928m can be viewed in relation to our original investment of SEK 562m. Furthermore, we still own 41% of Dahl.

The acquisitions and exit markets also showed stable development for Ratos in 2002. During the year we analysed over 180 potential projects, some of which are still alive and hopefully will eventually lead to one or more acquisitions. Our large cash base and strong financial position make us well prepared to act when the right situation comes along. However, more haste, less speed will continue to be our motto, and we will be discriminating and not allow ourselves to be pressurised into making investment decisions too quickly. Our main task is to create a good return for Ratos's shareholders.

The exit market became increasingly sluggish as the year progressed, although this market as a whole is very much alive – something which is certainly evident from our own exits during the year.

"in our core business we have achieved an average annual return of approximately 20%"

Ratos made two important follow-on investments in 2002. In Arcorus, we bought out some ten minor shareholders and increased our holding from 49% to 77%. In Superfos we participated, together with our co-owner Industri Kapital, in a new issue to enable Superfos to carry out the strategically important acquisition of its industry colleague Jotipac. Furthermore, several of our portfolio companies, such as Hilding Anders, Martinsson and Lindab, acquired complementary operations, although in these cases without Ratos needing to provide additional capital.

Sustained profitability

According to the cautious internal assessment we made of the value of the portfolio, we achieved – taking dividends into account – a positive development of our net asset value in 2002 as well.

If we summarise our return in our four years as a private equity company, the figures look like this:

- we have completed twelve exits with a very good overall result
- the increase in our net asset value, including dividends, has been 14% per year
- this figure also includes, however, the asset management activities that we discontinued in summer 2001 and which until then provided an annual return of 6%
- this means that in our core business we have achieved an average annual return of approximately 20%, a figure that happens to coincide with our long-term return target for each individual investment.

Positive total return

For the fourth consecutive year, Ratos shares provided a positive total return in 2002, +8% compared with the SIX Return Index which fell 36%. The total return on Ratos shares between

1 January 1999 and 31 December 2002 was +113% while in the same period the benchmark (SIX Return Index) fell 18%. The average annual total return on Ratos shares 1999-2002 thus amounted to approximately 21%. I am sometimes asked whether the main reason for this respectable development is the substantial fall in the discount. Even if we now disregard the fact that permanent discount reductions are probably also explained by a good sustained return, the answer is as follows:

- 14% of total return is explained by the increase in net asset value
- 7% is therefore down to discount effects, of which...
- ...3% is due to dividend effects, where discounted money in Ratos has been distributed to shareholders and been given full value...
- ...while only 4% is attributable purely to the fact that Ratos's discount to net asset value has shrunk
- Ratos's buy-back of own shares has contributed with about 0.5% per year.

I must carefully underline, however, that although we are pleased about the development we have enjoyed so far, we still have a lot to prove. Whatever key ratios you look at, Ratos shares are still valued far below the stock exchange average, despite the fact that for four years in a row our development has surpassed that of the average listed company. We interpret this as the market rewarding us for the strategic changeover achieved so far while seeking proof that we will manage to provide a sustained high return in the future as well. This challenge is as good as any to take on in future years.

"For the fourth consecutive year, Ratos shares provided a positive total return"

Strong brand

During the year we have received fresh evidence that our basic strategic approach has gained further acceptance in the market. This also meant that our brand continued to strengthen. This last-mentioned fact has been particularly obvious in a number of market analyses where Ratos has been one of the companies assessed.

From a bottom ranking four years ago in many areas, we are now ranked at the top or among the best in terms of profit and growth potential, business concept, information, and the reputation of our principal owners.

The most important effect of having a strong brand is that we strengthen our credibility as an industrially oriented financial player which is making the deals of the new age on a stable foundation of good Swedish ownership tradition. This in itself creates new business opportunities and is an important part of Ratos's profiling in the private equity sector.

Outlook for 2003

Ratos's basic scenario for the global economy in 2003 is a still subdued positive trend, a "muddle-through" scenario. In other words, we do not believe in a strong recovery, nor do we think the economy will fall into recession. At the same time all the action programmes already completed or under way in the portfolio companies will continue to have an impact. Taken overall there are therefore opportunities for a continued improved result in the underlying portfolio in 2003.

Arne Karlsson

Ratos shares total return +8%

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

Share capital and number of shares

The share capital is divided into 21,641,127 class A shares and 59,021,499 class B shares. The number of repurchased shares is 2,017,186, which means there are 78,645,440 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.

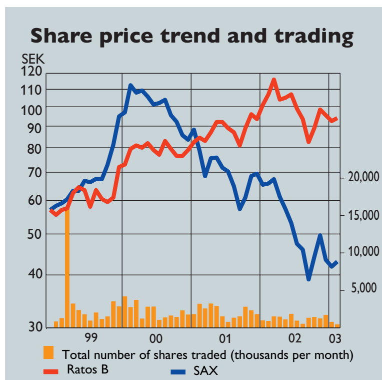
Option programmes

The Annual General Meeting decided on a warrant programme in 1999, and on two call option programmes issued in 2001 and 2002. The number of warrants within the framework of the warrant programme is 530,000 which corresponds to a maximum dilution of 0.6%. The total number of call options issued amounts to 847,000 which leads to a maximum dilution effect of 1.1%. The call options are issued on shares already repurchased.

Total return +8%

In 2002 the total return (price development including reinvested dividends) for Ratos B shares amounted to +8% compared with the SIX Return Index which fell 36%.

Ratos B shares rose 2% in 2002 which can be compared with the SAX Index which fell 37% in the same period. The highest quotation, SEK 119 (all time high), occurred in March, and the lowest quotation, SEK 74, was noted in October. Ratos's total market capitalisation amounted to SEK 7,510m at year-end.



Source: SIX

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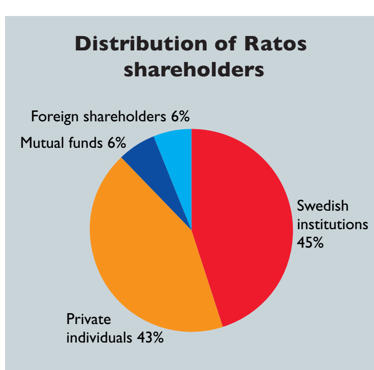

Trading

A total of 14.8 million Ratos shares were traded at a value of SEK 1.5 billion. Corresponding values for 2001 were 25.7 million shares and SEK 2.2 billion respectively. An average of 59,417 shares were traded per day, a decrease of 42% compared with 2001.

Dividend SEK 6.75

Ratos has an assertive dividend policy. The Board of Directors proposes a dividend for 2002 of SEK 6.75 (6.25) per share, which corresponds to a dividend yield of 7.1% based on the last price paid at year-end.

Buy-back of own shares

A decision was made at the 2002 Annual General Meeting that up to 7% of the company's shares may be acquired until the next Annual General Meeting on 9 April 2003. Between the 2002 Annual General Meeting and 21 February 2003, Ratos has acquired 312,786 of its own class B shares. The buy-backs were effected at an average price of SEK 88.11 per share.

Ownership structure

At year-end 2002, the number of Ratos shareholders totalled 21,302.

The ten largest shareholders accounted for 80% of the voting rights and 58% of the share capital. Swedish institutions owned 45% of the capital while 43% was owned by Swedish private individuals. Foreign ownership totalled 6%. 65% of Ratos shareholders owned 500 shares or less and together accounted for 3% of the share capital.

Definitions see page 97.

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Key figures per share

SEK	2002	2001	2000	1999
Earnings[1]	4.60	22.07	23.50	20.95
Dividend	6.75 [2]	6.25	5.50	4.50
Dividend as % of earnings	146.7	28.3	23.4	21.5
Dividend as % of NAV	6.4	5.8	4.4	4.0
Net asset value[1]	106	108	125	113
Average no. of shares outstanding	78,867,216	79,029,299	80,350,723	81,320,426
No. of shares outstanding at year-end	78,645,440	78,958,226	79,155,626	81,320,426

[1] Dilution effect of outstanding options is negligible.

[2] Proposed dividend.

Data per share

SEK	2002	2001	2000	1999
Market value at year end, B	95.50	93.50	79	72
Market price/NAV, %	90	87	63	64
Dividend yield, %	7.1 [1]	6.7	7.0	6.3
Total return, %	8	27	16	34
P/E ratio	20.8	4.2	3.3	3.4
Highest/lowest price paid, B	119/74	99.50/73	87.50/63	72/55
Average number of Ratos shares traded per day, thousands	59	103	108	149
Number of shareholders	21,302	18,909	16,065	16,091

[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 2002	Number A shares	Number B shares	Share of votes, %	Share of capital, %
Söderberg family	12,086,171	2,275,476	43.7	17.3
Söderberg foundations	6,429,720	5,740,460	25.6	15.1
Foreign shareholders	1,025,348	3,301,432	5.1	6.0
AMF Pension		3,747,800	1.4	4.6
Skandia		3,620,115	1.3	4.5
SEB mutual funds		2,368,871	0.9	2.9
Third AP Fund	2,200	1,995,335	0.7	2.5
Baltic Foundation		1,861,813	0.7	2.3
Confederation of Swedish Enterprise		1,600,000	0.6	2.0
HQ-SE mutual funds		1,329,600	0.7	1.6
Montgomery family	1,006	759,250	0.3	0.9
SEB-Trygg Försäkring		742,800	0.3	0.9
Björn Håkansson	664,984		2.4	0.8
Buy-back of own shares[1]		2,017,186	0.0	2.5
Others	1,431,698	27,661,361	16.3	36.1
Total	21,641,127	59,021,499	100.0	100.0

[1] At 21 February 2003

Source: SIS Shareholder Service

Range analysis

Number of shares	Number of shareholders	% of total number of shares
1 – 500	13,842	3.4
501 – 1,000	3,465	3.6
1,001 – 2,000	1,844	3.6
2,001 – 5,000	1,306	5.5
5,001 – 10,000	427	4.0
10,001 – 20,000	171	3.2
20,001 – 50,000	135	5.4
50,001 – 100,000	49	4.4
100,001 –	63	66.9
	21,302	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 Nordic private equity market – the market for investments in unlisted companies. Private equity investors are characterised by ownership involvement that is active and for a limited period.

Each investment is preceded by extensive due diligence checks (a review of a number of aspects of the company's operations). The investment calculation is based on a business plan in which the investor and the company's management co-operate to create added value. In addition to financing, a private equity investor can provide business development support, networks, and financial and strategic expertise. The degree of involvement in the holdings varies among private equity investors, depending on factors such as the investor's own strategy and competence.

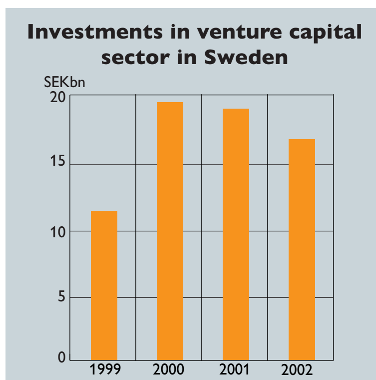
Different forms

In Sweden today an estimated SEK 190 billion[1] is earmarked for private equity investments, of which about SEK 111 billion[1] is invested. The most usual form of private equity investments, both in Sweden and abroad, has been private equity funds. Investors in such funds have traditionally been Swedish and foreign pension and other savings funds, major investment managers and private individuals. The funds are often set up as offshore limited partnerships. Investors in these funds undertake to invest a certain total amount but do not provide this until the fund makes an investment. This is why in the private equity market there is capital earmarked for investment but not yet invested, as well as invested capital. Private equity funds normally have a term of about 10 years, after which the fund's investments should have been sold and the money earned by the fund successively repaid to the investors.

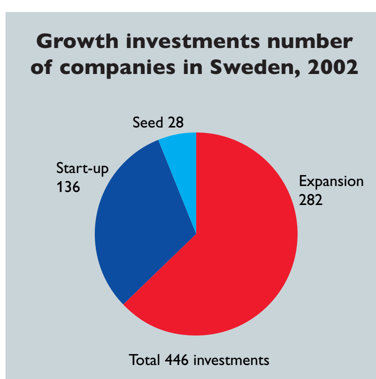
Company vs. funds

Ratos does not manage any funds but is one of the few listed companies in Sweden whose core business is investments in unlisted companies. Apart from Ratos, five of these companies have investment company tax status. An investment company normally pays no, or very low, tax. Capital gains are tax exempt in investment companies. One of the advantages of conducting private equity operations in company form, is that the time-consuming procurement of capital for the private equity funds is not required in the listed private equity companies. Another advantage is that transparency (which describes how information is visible to all market players) is normally greater in companies than in funds. Listed companies also offer investors a liquid asset.

An advantage of funds is the fact that the fund is always fully invested and that by investing in funds the investor has fully diversified away the market risk that always exists in a listed share.



Source: Swedish Venture Capital Association



Source: Swedish Venture Capital Association

Different players

Private equity players vary in several respects. The majority of the 140 active corporate members of the Swedish Venture Capital Association conduct venture capital operations in seed financing and start-ups (i.e. at the business development stage and entirely new companies). Approximately 75% of members are mainly interested in investments in the expansion phase of a company, while 25% invest in buy-outs (i.e. investments in more mature

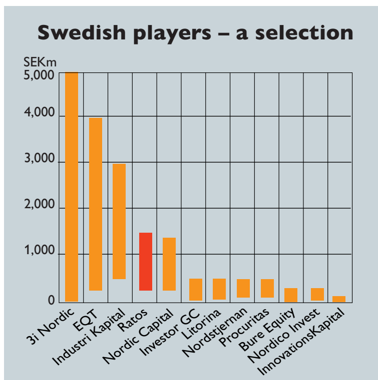
[1] Source: Swedish Venture Capital Association

companies). A breakdown by available capital, on the other hand, looks different.

Of the capital available for private equity (including capital already invested) 65% is managed by the ten largest players.

Of these players, 50% also operate outside the Nordic region. Only 12 of the members of the Swedish Venture Capital Association make investments in excess of SEK 100m.

Ratos does not invest in companies that are in an early phase of their life cycle (seed and start-ups) and investment size is SEK 250m-1,500m. In this segment of the private equity market today there are only a few domestic players – including Industri Kapital, EQT and Nordic Capital. Ratos is therefore relatively alone within its investment span and the only player in this category listed on the Stockholm Stock Exchange.



High profitability

Profitability within the Swedish private equity market is considered to have been good over the past ten years. Collated and reliable statistics are difficult to obtain. The return ratios that have been presented, however, show that the 1990s was an extremely favourable period for Swedish private equity investments. This may be partly due to the deep recession that marked the start of the decade. In order to obtain a more accurate picture of the profitability potential, there are British and American studies which show that investments in the private equity sector over long periods have generated higher returns than a similar investment in a comparable stock exchange index.

A new profession

The high profitability achieved in Swedish private equity investments in the 1990s has attracted both capital and people to this sector. The Swedish Venture Capital Association estimated that the number of investment managers, i.e. the people responsible for private equity investments, amounted to approximately 600 in 2002. This group, whose task is to exercise active ownership, will hopefully contribute to more professional ownership and thereby to the development of Swedish business.

Business organisation


Mats Lönnqvist Thomas Mossberg Bo Jungner Arne Karlsson Stig Karlsson Kerstin Svanqvist Carina Strid Berit Lind Hans Ekelund

(In alphabetical order)

Anna Ahlberg
Investment Manager.

Born 1970. Master's 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:
10,000 call options/2002

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:
10,000 call options/2002

Clara Bolinder-Lundberg
Investor Relations Manager.

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

Shareholding in Ratos: 3,000 B shares
Number of options in Ratos:
22,500 call options/2002

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. Project Manager, Öhman Corporate Finance 1989-1993. Project Manager, Wildeco Ekonomisk Information 1986-1989.

Shareholding in Ratos: 40,000 B shares
Number of options in Ratos:
20,000 call options/2001
8,000 call options/2002

Magnus Dahlbeck
Investment Manager.

Born 1968. Master of Science in Business and Economics.
Employed by Ratos since 1995.
CEFA 1998-1999, Stockholm School of Economics, Executive Education Program.

Shareholding in Ratos: 1,000 B shares
Number of options in Ratos:
40,000 warrants/1999
30,000 call options/2001
22,500 call options/2002

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 industry 1973-1986.

Shareholding in Ratos: 9,218 B shares
Number of options in Ratos:
40,000 warrants/1999
30,000 call options/2001
5,000 call options/2002

Per Frankling
Investment Manager.

Responsible for the holding Giga Consulting.

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:
2,000 warrants/1999
20,000 call options/2001
10,000 call options/2002

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:
12,000 call options/2002

Bo Jungner
Senior Investment Manager.

Responsible for the holdings Capona, DataVis, 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:
40,000 warrants/1999
60,000 call options/2001
45,000 call options/2002

Kristina Patek Magnus Dahlbeck Henrik Blomé Per Frankling Anna Ahlberg Thomas Hofvenstam Anna-Karin Celsing Clara Bolinder-Lundberg

Arne Karlsson
CEO, Senior Investment Manager.

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 Atle's Management Group 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:
150,000 warrants/1999
140,000 call options/2001
105,000 call options/2002

Stig Karlsson
Senior Investment Manager.

Responsible for the holdings Arcorus, DIAB, Gadelius, Haendig, Haglöfs, HL Display and Martinsson.

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 call options/2001
45,000 call options/2002

Berit Lind
Investment Manager.

Responsible for Johnson & Borsell.

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

Shareholding in Ratos: 0
Number of options in Ratos:
8,000 call options/2002

Mats Lönnqvist
Senior Investment Manager.

Responsible for the holdings Camfil, Dynal Biotech and Lindab.

Born 1954. Degree in Economics and Business Administration from the Stockholm School of Economics.
Joined Ratos 1 May 2000.
Executive Vice President and CFO, Esselte 1997-2000. Executive Vice President and CFO, Biocore International 1996-1997.
CFO, Securum 1995-1996.
Own consulting company since 1983.

Shareholding in Ratos: 55,000 B shares (private and company)
Number of options in Ratos:
60,000 call options/2001

Thomas Mossberg
Deputy CEO, Senior Investment Manager.

Responsible for the holdings Atle Industri, Dahl, Overseas Telecom and Superfos, as well as for Ratos's investments in Industri Kapital.

Born 1946. Doctor of Economics.
Employed by Ratos since 1977, Executive Vice President 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, 22,350 B shares
Number of options in Ratos:
60,000 warrants/1999
60,000 call options/2001
45,000 call options/2002

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:
8,000 call options/2002

Carina Strid
Accounts Development Manager.

Born 1968. MBA.
Employed by Ratos since 2002.
Consultant on qualified accounting issues at KPMG 1997-2002.
Economist Pharmacia Upjohn 1988-1996.

Shareholding in Ratos: 100 B shares
Number of options in Ratos: 0

Kerstin Svanqvist
Accounts Manager.

Born 1947. Bachelor of Science in Economics.
Employed by Ratos since 2002.
Group Controller Scandic Hotels 1998-2001.
Accounts positions Ratos 1991-1997.
CEFA 1996/97, Stockholm School of Economics Executive Education Program.
Senior accounting positions within Lantmännen organisation and LKAB Group 1973-1990.

Shareholding in Ratos: 960 B shares
Number of options in Ratos:
11,000 call options/2002

Organisation and working methods

Ratos is a listed private equity company. The business concept is to create the highest possible return over time by investment, development and divestment preferably of unlisted companies.

Tailor-made organisation

Ratos's organisation today is tailor-made based on the demands of active and value creating exercise of its ownership role in all three stages: acquisition – development – divestment. Ratos has a total of 28 employees, more than half of whom work in the business organisation.

Ratos's employees have a well-balanced financial and industrial expertise. In addition, there is long experience of active ownership within the organisation. The business organisation is presented in more detail on pages 12-13.

Business organisation

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

Business support

- 11 other functions

Teams handle the business process

The business organisation carries out the work which contributes to Ratos's business process. These activities are conducted in teams consisting of one senior investment manger and one investment manager for each holding. Each team tracks their investments from the investment date to the divestment that always takes place. Work throughout this 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 represent Ratos on the company's board.

Creating value at every stage

Ratos conducts ongoing assessment of different investment opportunities that 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. Ratos also performs profitability and risk analyses which provide a basis for investment and financing decisions as well as risk management.

In the development phase Ratos contributes with expertise in analysis, strategy and structural development as well as financial matters. Ratos continuously acts 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.

Corporate governance at Ratos

Ratos AB (publ), corporate identity number 556008-3585, has the tax status of an investment company. According to the articles of association, the object of the company's operations is to acquire, manage and sell real property and chattels and to conduct other activities compatible therewith.Within the framework of the company's tax status and its operations as described in the articles of association, the company's Board has decided that Ratos shall conduct private equity operations.

Nominations to the Board

Ahead of an annual general meeting a dialogue is conducted between representatives for the company's principal owners, the chairman of the Board and the major institutional owners in Ratos. Together these parties, who represent more than 70% of the voting rights in the company, submit proposals to the meeting regarding the composition of the Board, directors' fees and appointment of auditors.

The work of the Board

The work of the Board is regulated by an annually adopted work plan. This work plan stipulates, among other things, instructions for the company's CEO, decision-making procedures within the company, board meeting procedures, assignment of tasks and the chairman's duties. The decision-making procedures for the company's board and CEO relating to investment activities stipulate that all acquisitions of, and follow-on investments in, companies that are to be included among "holdings" must be submitted to the Board for decision. This also applies to divestments, wholly or partly, of a "holding".

The Board is informed on an ongoing basis of the development of operations through a regular CEO's letter. Information material and material on which decisions are to be made at board meetings are normally sent out one to two weeks prior to each meeting. An evaluation of all the holdings is performed every year in which an analysis of holding strategy, results, and forecasts for the coming year are presented. These evaluations are presented to the Board by the senior investment manager concerned.

In the 2002 financial year the Board consisted of seven members, including the company's CEO. The Board appointed Olof Stenhammar as its chairman. A total of 14 minuted board meetings were held.

Compensation Committee

A Compensation Committee has been appointed tasked with establishing terms of employment for certain senior executives within the Ratos Group. The Compensation Committee reports to the Board. The Compensation Committee, which met six times during the year, comprised Olof Stenhammar, Peggy Bruzelius, Jan Söderberg and Arne Karlsson. Per-Olof Söderberg was a co-opted member of the Committee. The Committee's tasks include:

- Handling terms of employment for the CEO
- Approving terms for employees directly subordinate to the CEO according to "the grandfather principle"
- Functioning as an advisory body when general policy formulations are required
- Handling matters of principle regarding pension agreements, severance pay, fees and emoluments
- Handling matters relating to the company's incentive system

The incentive system for the company's business organisation is of major strategic importance for Ratos. The Board has decided as follows:

A warrant programme issued in 1999 and a call option programme decided at the annual general meetings in 2001 and 2002, and which will also be proposed to the 2003 annual general meeting, meet the owners' requirement that the company's management shall be motivated to work for a positive development of the company's shares. Management has paid market premiums for the options in both programmes.

The number of warrants within the framework of the warrant programme issued in 1999 is 530,000 which corresponds to a maximum dilution of 0.6%. Subscription for shares may take place between 1 June 2002 and 15 January 2004. The exercise price is SEK 75.

Call options are issued on shares already repurchased. By year-end 2002, 847,000 options had been issued which corresponds to a maximum dilution effect of 1.1%. The exercise price on the options issued in 2001 was SEK 102 and for options issued in 2002 the price was SEK 135. The price per option amounted to SEK 4.05 in 2001 and SEK 10.40 in 2002. Acquisition of call options is subsidised by the 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 for five years and provided the person remains employed in the Ratos Group.

In addition to the option programmes the Compensation Committee has drawn up guidelines for a bonus system to parts of the business organisation. According to this system, the issue of bonuses is subject to certain conditions being met regarding return on the company's equity and a qualitative assessment of implementation matters given priority by the Board during the year. Payment of allocated bonus is divided over three years with 50% in the first year and 25% in the remaining two years. In order to receive full payment the person concerned must not resign from the company during these three years. Normally, the bonus may amount to a maximum of a couple of percent of the company's pre-tax profit. Of this amount, 60% is earnings related and will be paid in a rising scale from when a 8% return on the opening reported net asset value is achieved. The bonus for 2002 amounted to SEK 9m, of which SEK 0 m was earnings-related. In 2001 the bonus amounted to SEK 6m. Both earnings-related and performance-related bonus is allocated on a discretionary basis. For 2002, the CEO was allocated 20% of the total bonus.

Audit Committee

In 2002 the Board formalised auditing work through the establishment of an Audit Committee. The committee includes all members of the Board with the exception of the CEO. The Audit Committee meets once to twice a year. The company's work procedure also states that the chairman of the Board is assigned to maintain regular contract with the company's auditors.

Policy documents

In order to establish guidelines for the operating of the company, the Board has adopted a number of policy documents which are specified in the list below. Some of these documents are available to all the company's shareholders.

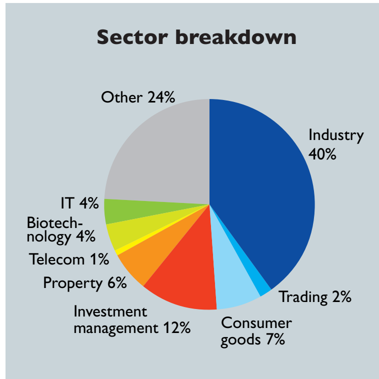
In addition to decision-making procedures established in the work plan for the Board, the Board has adopted the following policies:

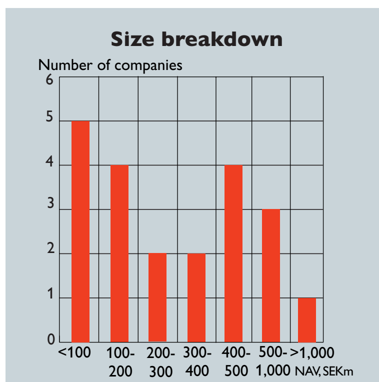
1. Ratos's approach to its ownership role in unlisted companies
2. Rules for Ratos employees' share transactions
3. Financial strategy
4. Information and crisis policy
5. Sponsorship policy
6. Incentive policy for senior executives in Ratos's holdings
7. Pensions policy for senior executives in Ratos's holdings
8. Principles for reporting options.

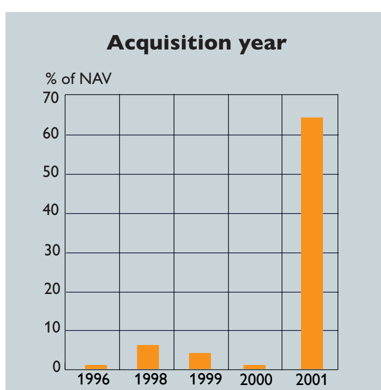
Portfolio composition 2002

Ratos's portfolio contains 21 holdings that, together with other assets, correspond to a total estimated net asset value at year-end 2002 of SEK 8.4 billion. The portfolio has a good spread with regard to sectors and the size of the holdings.

The largest part of Ratos's portfolio, in relation to reported net asset value, is invested within the industry sector, where seven holdings account for 40%. The next largest segments are investment management and consumer goods, with 12% and 7% respectively.

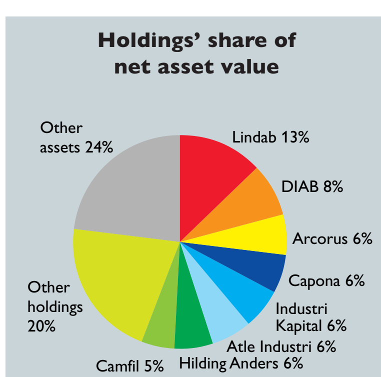






Due to the change of strategy towards private equity on 1 January 1999, a large number of acquisitions have been made in recent years.

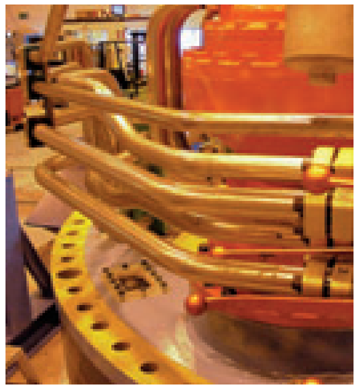
Ratos's largest single holding, in terms of consolidated net asset value, is the industrial company Lindab. Then come industrial companies DIAB and Arcorus, hotel property company Capona, and Industri Kapital and Atle Industri in the investment management sector. The six largest companies account for 45% of net asset value.



Arcorus

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

Read more about Arcorus on page 54.



GS-Hydro is the world's leading supplier of non-welded piping systems.

	31 Dec 2002
Sales	SEK 1,456m
Pre-tax profit	SEK 87m
CEO	Anders Lindblad
Ratos's holding	77%
Contribution to Ratos's earnings	SEK 75m
Book value in Ratos	SEK 514m

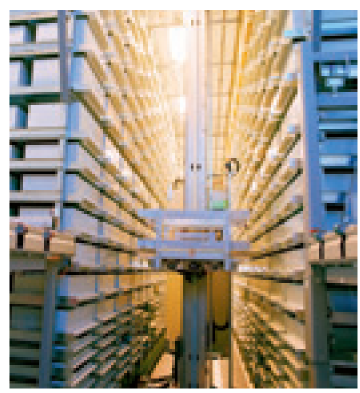
www.arcorus.com

Atle Industri

Atle Industri comprises a portfolio of 15 companies, of which 13 are wholly owned. The portfolio was created when Ratos and the British company 3i acquired Atle. The companies in the portfolio operate in the engineering industry, trading, waste management and IT/technology sectors.

Read more about Atle Industri on page 56.

	31 Dec 2002
Sales	SEK 2,454m
Pre-tax profit	SEK 17m
CEO	Hans Åke Norås
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -5m
Book value in Ratos	SEK 464m



Moving, one of the largest companies in Atle Industri, develops systems for effective materials handling.

Camfil

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

Read more about Camfil on page 58.

	31 Dec 2002
Sales	SEK 2,960m
Pre-tax profit	SEK 149m
CEO	Alan O´Connell
Ratos's holding	30%
Contribution to Ratos's earnings	SEK 37m
Book value in Ratos	SEK 455m

www.camfil.com

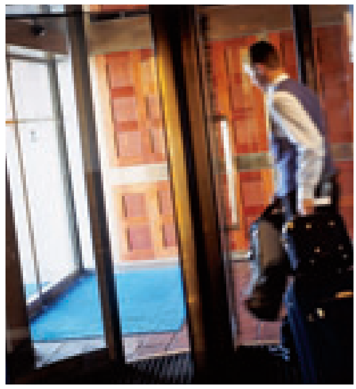
Manufacturing units for air filters include Trosa, Sweden.

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 properties, most of them located in Sweden.

Capona is listed on the Stockholm Stock Exchange.

Read more about Capona on page 60.



SAS Strand Hotel in Stockholm has refurbished its lobby, conference rooms and bathrooms.

	31 Dec 2002
Rental income	SEK 297m
Pre-tax profit	SEK 128m
CEO	Olle Persson
Ratos's holding	49%
Contribution to Ratos's earnings	SEK 58m
Book value in Ratos	SEK 345m

www.capona.se

Dahl

Dahl is the Nordic region's leading wholesaler and trading company for products within heating, ventilation & sanitation, as well as pipe products for industry.

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

Read more about Dahl on page 62.

Dahl has 261 units in six countries.

	31 Dec 2002
Sales	SEK 12,063m
Pre-tax profit	SEK 438m
CEO	Per-Olof Söderberg
Ratos's holding	41%
Contribution to Ratos's earnings	SEK 180m
Book value in Ratos	SEK -79m [1]

www.dahlinternational.com

[1] After refinancing of owners' holdings, where Ratos received a cash payment of SEK 928m at the beginning of 2003.

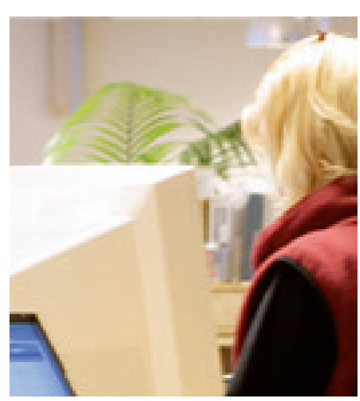
DataVis

DataVis is a Swedish IT company which offers qualified solutions within systems development, systems integration and technology related services. Operations focus mainly on the telecom, retail and industrial sectors and public administration.

Read more about DataVis on page 64.

	31 Dec 2002
Sales	SEK 192m
Pre-tax loss	SEK -25m
CEO	Åke Engquist
Ratos's holding	44%
Contribution to Ratos's earnings	SEK -12m
Book value in Ratos	SEK 74m

www.datavis.se



DataVis is established in Sundsvall, Stockholm and Gothenburg/Malmö.

DIAB

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

	31 Dec 2002
Sales	SEK 694m
Pre-tax profit	SEK 41m
CEO	Anders Paulsson
Ratos's holding [1]	48%
Contribution to Ratos's earnings	SEK -9m
Book value in Ratos	SEK 656m

www.diabgroup.com

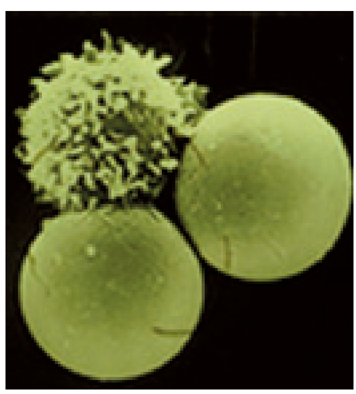
[1] Not yet transferred from Atle to Ratos.

The spinners in the blades for wind power stations are one of DIAB's key applications.

Read more about DIAB on page 66.

Dynal Biotech

Dynal Biotech is a 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.



Applications for Dynabeads® include cell separation.

	31 Dec 2002
Sales	SEK 593m
Pre-tax profit	SEK 106m
CEO	Jon Hindar
Ratos's holding	25%
Contribution to Ratos's earnings	SEK 27m
Book value in Ratos	SEK 310m

www.dynalbiotech.com

Read more about Dynal Biotech on page 68.

Gadelius

Gadelius is a technology oriented, modern distributor of selected high-tech products for professional niche markets in Japan and Europe.

Customers include the medical technology, construction, packaging, food and engineering/electronics industries.

	31 Dec 2002
Sales	SEK 812m
Pre-tax loss	SEK -11m
CEO	Hans Porat
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -10m
Book value in Ratos	SEK 118m

www.gadelius.com

Gadelius has been established in Japan since 1907.

Read more about Gadelius on page 70.

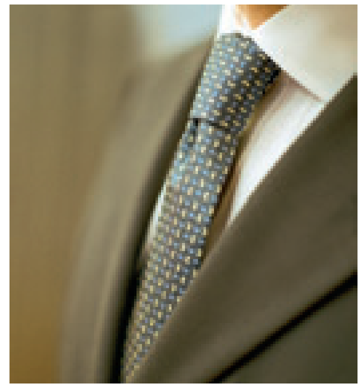
Giga Consulting

Giga Consulting is a Stockholm-based IT company with competence within IT infrastructure.

Read more about Giga Consulting on page 72.

	31 Dec 2002
Sales	SEK 93m
Pre-tax loss	SEK -34m
CEO	Olle Schmidt
Ratos's holding	39%
Contribution to Ratos's earnings	SEK -12m
Book value in Ratos	SEK 1m

www.giga.se



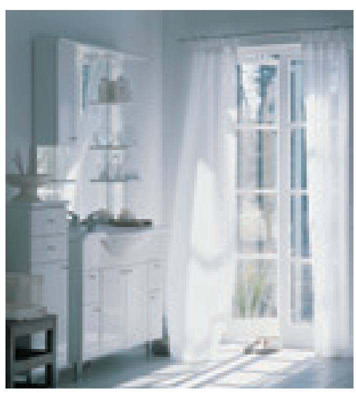
Giga Consulting specialises in IT infrastructure.

Haendig

Haendig is an active owner of small and medium-sized wholesalers with a focus on the DIY market and the professional sector in the Nordic region.

The Group includes the subsidiaries HDF-Bolagen, Markt & Co, Hafa, Duri, Sven Svenssons and Penope.

Read more about Haendig on page 74.



The new bathroom series from Hafa was well received by the market.

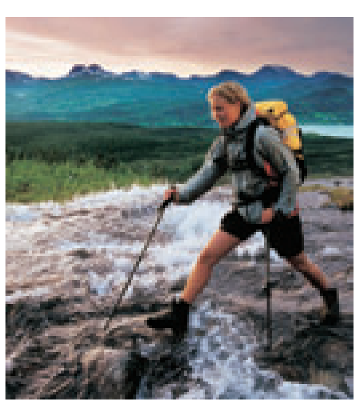
	31 Dec 2002
Sales	SEK 1,266m
Pre-tax profit	SEK 24m
CEO	Thomas Holmgren
Ratos's holding	49%
Contribution to Ratos's earnings	SEK 8m
Book value in Ratos	SEK 173m

www.haendig.com

Haglöfs

Haglöfs develops, produces and markets equipment and clothing for an active outdoor life. The product range includes rucksacks, sleeping bags, tents, footwear and clothes. The Group is market leader in the Nordic region and in recent years has established itself in selected markets in Europe.

Read more about Haglöfs on page 76.



Haglöfs' textiles are designed for an active outdoor life.

	31 Dec 2002
Sales	SEK 306m
Pre-tax profit	SEK 9m
CEO	Mats Hedblom
Ratos's holding	100%
Contribution to Ratos's earnings	SEK 6m
Book value in Ratos	SEK 114m

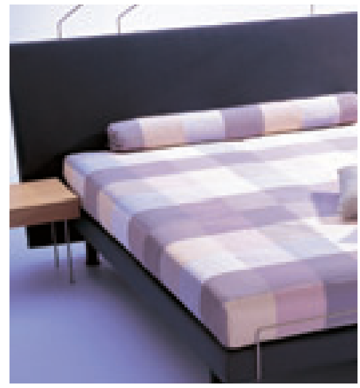
www.haglofs.se

Hilding Anders

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

	31 Dec 2002
Sales	SEK 3,656m
Pre-tax profit	SEK 349m
CEO	Anders Pålsson
Ratos's holding	27%
Contribution to Ratos's earnings	SEK 90m
Book value in Ratos	SEK 465m

www.hildinganders.se



Hilding Anders produces more than 3 million beds a year throughout Europe.

Read more about Hilding Anders on page 78.

HL Display

HL Display is Europe's leading supplier of products and systems for merchandising and in-store communication. The company has subsidiaries in 25 countries. Manufacture takes place in Sweden, the US and the UK.

HL Display is listed on the Stockholm Stock Exchange.

HL Display's products simplify handling of goods in the stores.

	31 Dec 2002
Sales	SEK 1,154m
Pre-tax profit	SEK 65m
CEO	Anders Remius
Ratos's holding	29%
Contribution to Ratos's earnings	SEK 11m
Book value in Ratos	SEK 239m

www.hl-display.com

Read more about HL Display on page 80.

Industri Kapital

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

INDUSTRI KAPITAL

Industri Kapital carried out three IPOs in 2002.

	31 Dec 2002
CEO	Björn Savén
Contribution to Ratos's earnings	SEK 18m
Book value in Ratos	SEK 331m

www.industrikapital.com

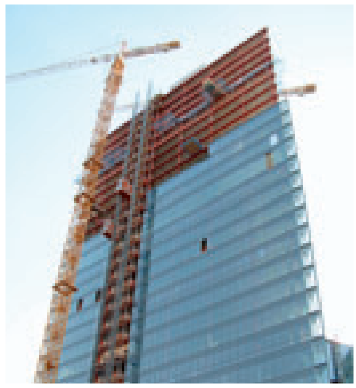
Read more about Industri Kapital on page 82.

Intervect

Intervect is a world leader in development, manufacture and sales of rack and pinion driven equipment for vertical access – hoists and platforms for customers in the construction, offshore and other industries.

The company was formed in 2001 when the Swedish company Alimak was merged with the Dutch company HEK International.

Read more about Intervect on page 84.


Intervect's construction hoists are capturing market shares from traditional scaffolding.

	31 Dec 2002
Sales	SEK 1,121m
Pre-tax loss	SEK -10m
Acting CEO	Björn Kumlin
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -8m
Book value in Ratos	SEK 204m

www.intervect.com

Lindab

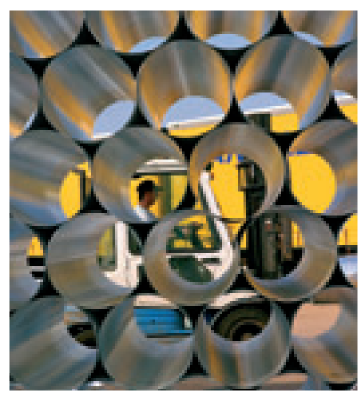
Lindab is a world leader in circular ventilation ducts and accessories, and is also a leading manufacturer of thin sheet-metal building materials.

Production is carried out in 21 countries and approximately 70% of sales go to countries outside Sweden.

Read more about Lindab on page 86.

	31 Dec 2002
Sales	SEK 5,235m
Pre-tax profit	SEK 83m
CEO	Kjell Åkesson
Ratos's holding	48%
Contribution to Ratos's earnings	SEK 40m
Book value in Ratos	SEK 1,084m

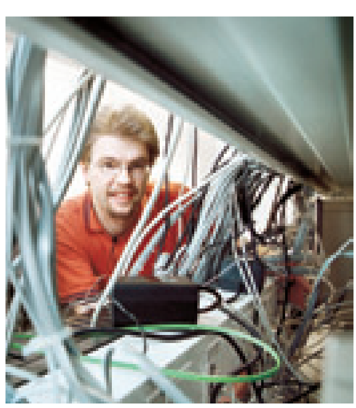
www.lindab.com


Circular ventilation ducts are gaining ground from rectangular ones.

Martinsson

Martinsson is a nationwide supplier which offers IT infrastructure solutions using its own consulting services and products from world-leading supplies. Martinsson has offices in 19 locations in Sweden.

Read more about Martinsson on page 88.


The acquisition of IMS Data has strengthened Martinsson's position in the server segment.

	31 Dec 2002
Sales	SEK 856m
Pre-tax profit	SEK 2m
CEO	Lars Pettersson
Ratos's holding	50%
Contribution to Ratos's earnings	SEK -1m
Book value in Ratos	SEK 153m

www.martinsson.se

Overseas Telecom

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

Read more about Overseas Telecom on page 90.

The portfolio company in Sri Lanka is called Suntel.

	31 Dec 2002
Sales	SEK 392m
Pre-tax profit	SEK 104m
CEO	Per O. Pedersen
Ratos's holding	9%
Book value in Ratos	SEK 64m

www.telia.se

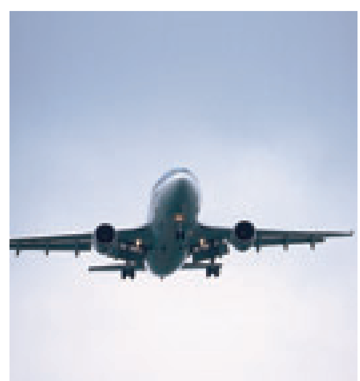
Q-Labs

Q-Labs is a consulting company for quality assurance of software development processes. The company has operations in Sweden, Germany, France and the US.

Read more about Q-Labs on page 92.

	31 Dec 2002
Sales	SEK 187m
Pre-tax loss	SEK -23m
CEO	Peter Rodholm
Ratos's holding	48%
Contribution to Ratos's earnings	SEK -14m
Book value in Ratos	SEK 45m

www.q-labs.com



The airline industry places high quality demands on software.

Superfos

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

Read more about Superfos on page 94.

Superfos strengthened its market position with the acquisition of Jotipac.

	31 Dec 2002
Sales	SEK 3,413m
Pre-tax loss	SEK -66m
CEO	Kim R. Andersen
Ratos's holding	33%
Contribution to Ratos's earnings	SEK -24m
Book value in Ratos	SEK 362m

www.superfos.com

Directors' Report

Directors' Report

The Board of Directors and the CEO of Ratos AB (publ) 556008-3585, hereby submit their report for 2002.

Results

The Ratos Group's pre-tax profit amounted to SEK 634m (1,926). This result includes profit from holdings of SEK 730m as well as management costs of SEK 109m and net financial items of SEK 13m.

Net asset value

Ratos's net asset value rose 4% in 2002, adjusted for dividends paid, to SEK 106 (108) per share. Net asset value at year-end amounted to SEK 8,368m (8,495). Net asset value includes holdings with SEK 6,424m, of which 88% (81) are unlisted.

Holdings

During the year Ratos carried out follow-on investments for SEK 369m (3,793). Exits from holdings were effected for SEK 1,932m (2,450). Follow-on investments were made in Arcorus and Superfos. Arcorus is now a subsidiary of Ratos and owned to 77%. Exits were made in Hilton Group, Esselte, Exceed and Kronans Droghandel.

Following a decision to reduce the share capital in Overseas Telecom, a total of SEK 3,105m was paid to the company's owners. Ratos's share amounted to SEK 264m.

A refinancing of owners' holdings in Dahl was carried out in December 2002, which included the formation of a new parent company in the Dahl Group. Ratos received SEK 928m which was paid in February 2003. The ownership stake in the new Dahl is more or less unchanged and amounts to 41%.

Industri Kapital carried out three IPOs during the year which made a positive contribution to Ratos's earnings.

At the beginning of May 2001, Ratos and the British company 3i acquired Atle via a 50/50 owned company. The Atle holdings have been transferred to the parties as conditions for such transfers are met. The financial implications of the agreement are that Ratos acquired shares in 12 companies. Some of these are owned by both Ratos and 3i. In addition, 3i alone acquired 85 holdings from Atle. The remaining Atle holdings were placed in Atle Industri which is controlled equally by Ratos and 3i. At the end of the year two Atle companies had not yet been transferred to Ratos and 3i since the conditions for these transfers had not yet been met. Haendig was transferred at the beginning of 2003. This makes DIAB the only company yet to be transferred.

Financial position

Liquid assets in the Group amounted to SEK 173m (57) at year-end. Short-term interest-bearing investments amounted to SEK 911m. Liquidity was affected by the completed exits. The receivable that arose from the refinancing of Ratos's holding in Dahl, SEK 928m, is classified as a current receivable and not included in these figures.

The parent company has substantial liquid resources. Liabilities, which are limited, are mainly related to centrally administered, small subsidiaries.

The 2002 Annual General Meeting gave the Board a mandate to make a decision, prior to the next Annual General Meeting, to repurchase a maximum number of shares so that the company's holding of own shares at any time does not exceed 7% of all the shares in the company. During the year B shares were repurchased for SEK 27m (nominal SEK 4m) corresponding to less than 1% of the total number of shares. Including previous years, shares have been repurchased corresponding to 3% and SEK 219m. Share buy-backs have been carried out in order to improve the company's capital structure and thereby increase shareholder value.

Future development

Ratos's strategy means that in the future the return to shareholders will mainly depend on Ratos's ability to acquire, develop and divest holdings, and take any 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 seven members elected by the Annual General Meeting. The CEO is a member of the Board.

The work of the Board is regulated by an annually adopted work plan.

This work plan stipulates, among other things

– instructions to the company's CEO
– decision-making procedures within the company
– board meeting procedures and assignment of tasks
– the chairman's duties
– the provision of information between the company and the Board

The decision-making procedures stipulate, among other things, that all decisions regarding investments and divestments of Ratos's holdings must be submitted to the Board.

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

The Board established an Audit Committee during the year. This comprises all members of the Board with the exception of the CEO.

Other

The Group's unrestricted funds amounted to SEK 5,779m, 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	6,239
Net profit for the year	348
	6,587

The Board of Directors and the CEO propose the following distribution of profit:	
Dividend to holders of A and B shares SEK 6.75 per share [1]	531
To be carried forward	6,056

[1] Based on the number of shares outstanding on 21 February 2003, 78,645,440.

Stockholm, 21 February 2003

Olof Stenhammar
Chairman

Lars Berg — Peggy Bruzelius — Göran Grosskopf

Jan Söderberg — Per-Olof Söderberg — Arne Karlsson, CEO

Consolidated Profit and Loss Account

SEKm	Note 1	2002	2001
Holdings			
Profit/loss from subsidiaries	Note 2,3	71	-27
Exit gains, subsidiaries	Note 4	90	–
Share of profits of associated companies	Note 2	326	230
Exit gains, associated companies	Note 4	206	1,722
Write-downs, associated companies	Note 5	-45	-248
Dividends, other companies		14	10
Exit gains, other holdings		68	130
Profit from holdings		730	1,817
Asset management			
Dividends		–	16
Capital gains		–	218
Profit from asset management		–	234
Central income and expenses			
Management costs	Note 3,6	-109	-106
Financial items	Note 7	13	-19
Net expenses		-96	-125
Profit before tax		634	1,926
Tax	Note 8	-262	-182
Minority interest		-9	–
Net profit for the year		363	1,744
Earnings per share, SEK			
before and after dilution		4.60	22.07
Number of shares outstanding before and after dilution			
at the end of the period		78,645,440	78,958,226
average		78,867,216	79,029,299

Consolidated Balance Sheet

SEKm			31 Dec 2002		31 Dec 2001
ASSETS					
Fixed assets					
Intangible					
Capitalised expenses	Note 9	16		2	
Goodwill	Note 10	319	335	125	127
Tangible					
Land and buildings	Note 11	114		19	
Equipment	Note 12	110	224	24	43
Financial					
Long-term receivables, associated companies	Note 13,15	1,091		1,292	
Long-term receivables, other	Note 15	37		28	
Shares	Note 13	4,247		6,549	
Other shares and participations	Note 14	0	5,375	13	7,882
Total fixed assets			5,934		8,052
Current assets					
Inventories		363	363	76	76
Current receivables					
Trade debtors		341		160	
Other current receivables	Note 16	1,013		96	
Prepaid expenses and accrued income	Note 17	168	1,522	127	383
Short-term investments, shares and participations	Note 18	22	22	73	73
Short-term investments, other	Note 19	911		–	
Cash and bank balances		173	1,084	57	57
Total current assets			2,991		589
Total assets			8,925		8,641

SEKm			31 Dec 2002		31 Dec 2001
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	Note 20				
Share capital		1,008		1,008	
Restricted reserves		1,250		887	
Unrestricted reserves		5,416		4,538	
Net profit for the year		363	8,037	1,744	8,177
Minority interests				118	
Provisions	Note 21				
Provisions for pensions		59		3	
Provisions for taxes		14		11	
Other provisions		12	85	–	14
Long-term liabilities					
Non-interest bearing liabilities					
Option premiums received		3		3	
Other liabilities		–	3	3	6
Interest-bearing liabilities					
Bond issues and debentures		52		56	
Bank overdraft facilities		3		52	
Bank loans and promissory notes		14	69	15	123
Current liabilities					
Non-interest bearing liabilities					
Trade creditors		117		136	
Advance payments from customers		29		–	
Other current liabilities		58		19	
Accrued expenses and deferred income	Note 22	115	319	89	244
Interest-bearing liabilities					
Bank loans and promissory notes		214		9	
Other current liabilities		80	294	68	77
Total shareholders' equity and liabilities			8,925		8,641
Pledged assets	Note 23		121		136
Contingent liabilities	Note 23				
Guarantees and contingent liabilities			13		2

Consolidated Cash Flow Statement

SEKm	Note 19, 24	2002	2001
Operating activities			
Consolidated profit before tax		634	1,926
Adjustment for items not included in cash flow		-480	-1,812
		154	114
Paid tax		-29	-27
Cash flow from operating activities before change in working capital		125	87
Cash flow from change in working capital			
Decrease (+) in inventories		36	2
Decrease (+) in operating receivables		-9	19
Decrease (-) in operating liabilities		-32	-72
Cash flow from operating activities		120	36
Investing activities			
Acquisition of subsidiaries		-381	-102
Sale of subsidiaries		142	–
Sale of shares, holdings		1,932	2,450
Purchase of shares, holdings		-369	-3,793
Sale of shares, asset management		–	3,326
Purchase of shares, asset management		–	-143
Purchase of other tangible fixed assets		-25	-10
Change, financial assets [1]		211	-1,363
Cash flow from investing activities		1,510	365
Financing activities			
Buy-back of own shares		-27	-16
Option premiums		4	2
Decrease (-) in interest-bearing liabilities		-87	46
Dividends paid		-493	-435
Cash flow from financing activities		-603	-403
Cash flow for the year		1,027	-2
Cash and cash equivalents at the beginning of the year		57	59
Cash and cash equivalents at the end of the year		1,084	57

[1] The refinancing of Dahl SEK 928m, had no effect on cash flow in 2002, since the amount was not paid until 2003.

Parent Company Profit and Loss Account

SEKm	Note 26	2002	2001
Holdings			
Exit gains, subsidiaries		8	–
Dividends from associated companies		49	87
Exit gains, associated companies		569	2,088
Write-downs, associated companies		-356	-332
Dividends, other companies		14	10
Exit gains, other holdings		68	130
Profit from holdings		352	1,983
Asset management			
Dividends		–	14
Capital gains		–	246
Profit from asset management		–	260
Central income and expenses			
Management costs		-103	-86
Financial items		99	83
Net expenses		-4	-3
Profit before tax		348	2,240
Tax		–	-1
Profit after tax		348	2,239

Parent Company Balance Sheet

SEKm		31 Dec 2002		31 Dec 2001	
ASSETS					
Fixed assets					
Tangible					
Land and buildings	Note 27	11		11	
Equipment	Note 28	6	17	6	17
Financial					
Holdings					
Long-term receivables, associated companies	Note 29	1,091		1,292	
Long-term receivables, other	Note 29	28		24	
Shares in subsidiaries	Note 30	572		258	
Shares	Note 13,31	4,239	5,930	6,452	8,026
Total fixed assets			5,947		8,043
Current assets					
Current receivables					
Receivables from subsidiaries					
Interest-bearing		32		86	
Non-interest bearing		11		11	
Other current receivables	Note 32	1,001		81	
Prepaid expenses and accrued income	Note 33	145	1,189	81	259
Short-term investments, other	Note 19	911			
Cash and bank balances		73	984	23	23
Total current assets			2,173		282
Total assets			8,120		8,325

SEKm			31 Dec 2002		31 Dec 2001
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	Note 34				
Restricted equity					
Share capital		1,008		1,008	
Statutory reserve		251	1,259	251	1,259
Unrestricted equity					
Profit brought forward		6,239		4,516	
Net profit for the year		348	6,587	2,239	6,755
Provisions					
Provisions for pensions		6	6	3	3
Long-term liabilities					
Non-interest bearing liabilities					
Option premiums received	Note 34	3	3	3	3
Interest-bearing liabilities					
Bank overdraft facilities		–		52	
Liabilities to subsidiaries		144	144	159	211
Current liabilities					
Non-interest bearing liabilities					
Trade creditors		3		4	
Liabilities to subsidiaries		2		0	
Other current liabilities		10		3	
Accrued expenses and deferred income	Note 35	22	37	15	22
Interest-bearing liabilities					
Liabilities to subsidiaries		4		4	
Other current liabilities		80	84	68	72
Total shareholders' equity and liabilities			8,120		8,325
Pledged assets			None		None
Contingent liabilities			None		None

Parent Company Cash Flow Statement

SEKm	Note 19, 24	2002	2001
Operating activities			
Profit before tax		348	2,240
Adjustment for items not included in cash flow, etc.		-285	-2,130
		63	110
Paid tax		–	-1
Cash flow from operating activities before change in working capital		63	109
Cash flow from change in working capital			
Increase (-) in operating receivables		-69	-68
Increase (+) in operating liabilities		13	-3
Cash flow from operating activities		7	38
Investing activities			
Acquisition of subsidiaries		-462	-104
Sale of shares, subsidiaries		156	–
Sale of shares, holdings		2,870	2,450
Purchase of shares, holdings		-369	-3,793
Sale of shares, asset management		–	3,273
Purchase of shares, asset management		–	-62
Purchase of other tangible fixed assets		-3	-3
Changes, financial assets		-668	-1,407
Cash flow from investing activities		1,524	354
Financing activities			
Buy-back of own shares		-27	-16
Option premiums		4	2
Decrease (-) in interest-bearing liabilities		-54	55
Dividends paid		-493	-435
Cash flow from financing activities		-570	-394
Cash flow for the year		961	-2
Cash and cash equivalents at the beginning of the year		23	25
Cash and cash equivalents at the end of the year		984	23

Shareholdings

31 Dec 2002	Number	Change 2002, number	Market price, per share	Consolid. book, value, SEKm	Market value, SEKm [2]	Share of capital, %	Share of votes, %
Arcorus AB [3] (subsidiary)	21,874,609	21,874,609		513.7		77.0	77.0
Atle Industri [4]							
Bierregaard [4]	9,800			6.2		49.0	49.0
Camfil A	422,414			455.3		29.7	29.7
Camfil B	2,956,896						
Capona	9,334,452		55.00	344.6	513.4	49.1 [5]	49.1 [5]
Dahl International A [6]		-1,108,109					
Dahl International B [6]		-2,216,205		-79.1		41.1	41.1
Dahl International TVA [6]	819,823	819,823					
DataVis	1,601,850						
DataVis convertible debenture loan	362,068			74.1		43.7	43.7
DataVis warrants	2,800						
DIAB [7]				656.1		48.1	48.1
Dynal Biotech	2,500,000			310.2		24.9	24.9
Envac Centralsug AB [8]	160,000	159,500		137.1		50.0	50.0
Esselte A		-5,163,207					
Esselte B		-611,600					
Exceed (subsidiary)		-150,000					
Gadelius [9]	9,000	9,000		77.0		50.0	50.0
GIGA-gruppen [10]	317					14.4	14.4
Giga Consulting [10]	1,055,424			1.0		38.9	38.9
Haendig [7]				172.6		49.0	49.0
Haglöfs (subsidiary)	50,000			114.1		100.0	100.0
Hilding Anders A	1,172,155			464.5		27.3	16.2
Hilding Anders B	2,050,045						
Hilton		-17,627,886					
HL Display A	109,216		91.00	239.2	202.4	28.9	20.2
HL Display B	2,115,854						
Intervect	3,000,000			204.1		50.0	50.0
Kronans Droghandel		-148,030					
Lindab [11]	482,380	477,534		1,084.3		48.2	48.2
Martinsson	1,761,191			153.1		50.0	50.0
Overseas Telecom [12]	159,000	158,800		63.5		8.8	8.8
Programmera		-1,840					
Q-Labs	80,000	13,333		44.9		48.0	48.0
Superfos Industries A/S	3,433,571	628,571		362.0		32.7	32.7
Telelogic		-310,000					
Woodrose Invest AB [4]	250,500			0.8		50.0	50.0
Industri Kapital				331.3	500.0		
Total holdings				5,730.6			
Total holdings, excluding subsidiaries				5,102.8			
Less:							
Receivable for companies not yet transferred				-856.3			
Shareholding, Fixed assets				4,246.5			
Shareholding, Current assets				21.8	33.0		

1) Latest price paid on 31 December 2002.

2) Consolidated book value is used for unlisted associated companies and for subsidiaries. Unlisted holdings in Industri Kapital are stated at an amount obtained from Industri Kapital's valuations.

3) Arcorus acquired during the year. See Note 30.

4) Atle Industri is not a legal group. Atle Industri includes companies owned indirectly by Ratos through Woodrose as well as Bierregaard and Envac which are owned directly by Ratos. The consolidated value of Atle Industri amounts to SEK 463.5m. Woodrose Invest AB 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, with a consolidated value of SEK 320.2m (excl. the directly owned companies Bierregaard and Envac), and a net debt in Atle and Woodrose which amounts to SEK 319.4m. Taken together, the consolidated value of Woodrose is SEK 0.8m.

5) Taking buy-backs into account, 49.8%.

6) Sale and exchange of shares.

7) The planned transfer of holdings from Atle to Ratos had not been completed by year-end.

8) New issue.

9) The consolidated value pertains to Gadelius Holding BV, which owns 100% of Gadelius KK, Japan.

10) The shares in Giga-gruppen will be transferred to Giga Consulting, after which Giga-gruppen will be a wholly owned subsidiary of Giga Consulting.

11) Split 10:1 and sale.

12) Formerly Telia Overseas. Reduction of share capital with payment to shareholders and new issue.

Notes to the Financial Statements

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

Consolidated financial statements

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

One of the subsidiaries applies the pooling method, which does not have any effect on the Ratos Group.

Financial statements of associated companies

The Group applies the equity method of accounting for associated companies in which Ratos has a significant influence, which normally means ownership corresponding to 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, consolidated surplus and deficit values and the owned portion of unrealised intra-company profit. 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 worked up 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.

If the accounting principles of associated companies differ from those of the Group, the associated company's accounts are adjusted to an amount which corresponds to accounting according to the Group's principles, provided this is practically possible and is not of immaterial significance.

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

Since the parent company is taxed according to the rules for investment companies, the Swedish Financial Accounting Standards Council's 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 2002. Since the possibility to offset these against future profits is generally uncertain because ownership periods are limited, these are not assigned any value.

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 on the accounting date are valued at the closing day rate. The difference between the previous book value and the closing day value is taken up as income. If hedging has been carried out, such as forward cover, the forward rate is used. Gains and losses on receivables and liabilities of an operating nature are reported net among other operating income or among other operating expenses. In the event of any equity hedging, exchange rate differences are reported in the consolidated accounts directly against shareholders' equity.

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. Other intangible fixed assets are amortised by 10-25%.

Write-downs

The stated values of the Group's assets are tested on each closing day to determine whether there is any indication of a write-down requirement. If such indication exists, the recoverable amount of the asset is assessed as the higher of its value in use and net selling price. A write-down is made if the recoverable amount is less than the stated value. When value in use is calculated, future cash flows are discounted.

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	2002	2001
Net sales	1,781	1,583
Other operating income	8	14
Other external costs	-1,422	-1,548
Personnel costs, Note 25	-365	-187
Depreciation and write-downs of tangible and intangible assets	-50	-18
Result from participations in group companies	90	–
Result from participations in results of associated companies	487	1,700
Results from other securities and receivables accounted for as fixed assets	90	412
Operating profit after depreciation	619	1,956
Other interest income and similar income	118	92
Interest expenses and similar charges	-103	-122
Profit before tax	634	1,926
Tax on profit for the year	-37	-3
Tax from associated companies on net profit for the year	-225	-177
Deferred tax	0	-2
Minority share of profit for the year	-9	
Net profit for the year	363	1,744

Profit excluding goodwill amortisation in the Group and associated companies amounted to SEK 685m (2,009).

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

SEKm	Profit/loss share of profit/loss	Of which share of companies' goodwill amortisation	Of which Ratos's goodwill amortisation
Profit/loss from subsidiaries			
Arcorus	72	-6	-5
Exceed	-7	-1	-2
Haglöfs	6	-1	-3
	71	-8	-10
Share of profit/loss of associated companies			
Arcorus	3	-2	-2
Atle Industri	-5	-17	-11
Camfil	37	-17	-8
Capona	58	0	-2
Dahl	180	-41	
DataVis	-12	-1	-1
DIAB *)	-9	0	-28
Dynal Biotech	27	-26	
Esselte	24	-4	
Gadelius	-10	-5	-1
Giga Consulting	-12	-2	-1
Haendig *)	8	-5	-4
Hilding Anders	90	-22	-5
HL Display	11	0	-8
Intervect	-8	-1	-3
Kronans Droghandel	-57	-4	-4
Lindab	40	-56	
Martinsson	-1	-7	-2
Q-Labs	-14	1	4
Superfos	-24	-18	-1
	326	-227	-77
Profit from holdings, excluding exit gains	397	-235	-87

*) The planned transfer from Atle to Ratos had not been completed by year-end.

Note 2 cont.

Profit/loss from subsidiaries

SEKm	2002	2001
Net sales	1,731	1,523
Other operating income	2	8
Other external costs	-1,261	-1,391
Personnel costs	-342	-142
Depreciation	-47	-16
Share of profits of associated companies		-4
Operating profit/loss after depreciation	83	-22
Other interest income and similar income	11	2
Interest expenses and similar charges	-23	-7
Profit/loss before provisions and taxes	71	-27

Earnings for 2002 include Haglöfs and the forwarding company Exceed until its divestment in April, and Arcorus which was acquired during the year and included in earnings from May onwards. Arcorus' earnings in January-April are included in result from associated companies. Earnings for 2001 included Exceed for the full year and Haglöfs from May onwards.

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

	2002			2001		
SEKm	Holdings	Central	Total	Holdings	Central	Total
Equipment	25	2	27	6	2	8
Buildings	3	0	3	0	0	0
Goodwill	18	–	18	10	–	10
Capitalised expenses	2	–	2	–	–	–
	48	2	50	16	2	18

NOTE 4 Exit gains

SEKm	2002	2001
Subsidiary		
Exceed	90	–
	90	–
Associated company		
Exit gain		
Esselte	98	–
Kronans Droghandel	108	–
Scandic Hotels	–	1,751
Sweden On Line	–	-29
	206	1,722

NOTE 5 Write-downs, associated companies

SEKm	2002	2001
Associated company		
DataVis	-25	-69
Giga/Programmera	-20	-74
Q-Labs	–	-105
	-45	-248

SEK 6m of write-downs for the year pertain to receivables.

NOTE 6 Management costs

SEKm	2002	2001
External costs	-44	-59
Personnel	-62	-45
Depreciation	-3	-2
	-109	-106

NOTE 7 Financial items, central operations

SEKm	2002	2001
Financial fixed assets		
interest income	25	12
Financial current assets	19	21
Financial long-term liabilities and provisions	-1	–
Financial current liabilities	-30	-52
	13	-19

NOTE 8 Group taxes

SEKm	2002	2001
Current tax	-34	-2
Deferred tax	-4	-2
Share in taxes of associated companies	-224	-178
	-262	-182
Reconciliation effective tax, Group		
Profit before tax	634	1,926
Less:		
profit from associated companies	326	230
profit from associated companies, re-allocated	-89	-125
Tax according to current tax rate, 28%	-111	-510
Effect of special taxation rules for investment companies	96	522
Difference in tax rates in other countries, non-capitalised tax loss carry-forward and temporary differences, Arcorus	-13	–
Increase in tax loss carry-forward without corresponding capitalisation of deferred tax	-7	-15
Use of previously non-capitalised tax loss carry-forward	2	1
Tax effect, consolidated goodwill	-5	-2
Tax in associated companies	-224	-178
Reported effective tax	-262	-182

NOTE 9 Capitalised expenses

SEKm	2002	2001
Accumulated acquisition values at 1 January	2	–
Investments	3	2
Capitalised expenditure in acquired company	20	
Translation differences	0	
	25	2
Accumulated depreciation according to plan		
At 1 January	–	–
Capitalised expenditure in acquired company	-7	
Depreciation for the year	-2	
Translation differences	0	–
	-9	–
Value according to consolidated balance sheet	16	2

Pertains to software and rights to product names.

NOTE 10 Goodwill

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	206	145
Reclassifications	2	-6
Investments	130	67
Goodwill in acquired company	187	
Goodwill in sold company	-139	
Translation differences	-1	
	385	206
Accumulated amortisation according to plan		
At 1 January	-75	-64
Reclassifications	-2	
Amortisation for the year	-18	-11
Goodwill in acquired company	-47	
Goodwill in sold company	76	
Translation differences	0	–
	-66	-75
Accumulated write-downs		
At 1 January	-6	-6
Write-downs for the year	–	
Write-down in sold company	6	
	0	-6
Value according to consolidated balance sheet	319	125

NOTE 11 Land and buildings

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	30	17
Investments	4	
Building in acquired subsidiaries	116	13
Translation differences	3	
	153	30
Accumulated depreciation according to plan		
At 1 January	-11	-5
Buildings in acquired subsidiaries	-25	-6
Depreciation for the year	-2	0
Translation differences	-1	
	-39	-11
Value according to consolidated balance sheet	114	19
Tax assessment value, Sweden	107	76

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

	SEKm
Charges paid this year	23
Charges within 1 year	15
Charges within 2-5 years	40
Charges after 5 years	4

NOTE 12 Equipment

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	51	39
Investments	16	7
Equipment in acquired subsidiaries	392	15
Equipment in sold subsidiaries	-26	–
Divestments	-1	-10
Translation differences	-23	–
	409	51
Accumulated depreciation according to plan		
At 1 January	-27	-22
Equipment in acquired subsidiaries	-282	-9
Equipment in sold subsidiaries	14	
Divestments	1	11
Depreciation for the year	-27	-7
Translation differences	22	
	-299	-27
Value according to consolidated balance sheet	110	24

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

	SEKm
Charges paid this year	20
Charges within 1 year	20
Charges within 2-5 years	17
Charges after 5 years	23

NOTE 13 Holdings, shares

SEKm	2002	2001
Value on consolidation, associated companies		
Accumulated acquisition values		
At 1 January	6,596	2,975
Profit shares for the year after tax	102	52
Profit shares, re-allocation	-89	-125
Investments	338	4,451
Associated companies that have become subsidiaries	-337	–
Divestments	-1,685	-525
Write-downs	-39	-248
Reclassified as receivable	-140	–
Less dividends from associated companies	-49	-87
Translation difference for the year	11	103
Value on consolidation, associated companies	4,708	6,596
Less:		
Receivable for companies not yet transferred	-856	-1,292
Unsettled debt		-7
Holdings, not associated companies, Note 31	395	1,252
Value on consolidation, holdings	4,247	6,549

cont. below

Note 13, cont.

Specification of Parent Company's participations in associated companies

Associated company, corporate identity number, reg. office	In associated companies Adjusted equity	In associated companies Profit/loss for the year	Number of participations	Share of capital, % [1]	Book value in Parent Company	Value on consolidation
Atle Industri, 556563-2899, Stockholm [3]				50		
Bierregaard AB, 556570-8103, Malmö [3]	16	2	9,800	49	4	6
Camfil AB, 556230-1266, Trosa	1,087	77	3,379,310	30	450	455
Capona AB, 556547-6073, Stockholm	841	92	9,334,452	49(50)	224	345
Dahl International Två AB, 556633-7993, Stockholm	1,560	289	819,823	41	21	-79
DataVis Gruppen AB (Publ), 556404-4120, Sundsvall	53	-25	1,601,850	44	74	74
DIAB International AB, 556509-3027, Stockholm [2]						656
Dynal Biotech Holding AS, 983 413 609, Oslo, Norway	1,251	57	2,500,000	25	292	310
Envac Centralsug AB, 556611-5555, Stockholm [3]	135	21	160,000	50	128	137
Gadelius Holding BV, 1206646, Amsterdam, Netherlands	154	-20	9,000	50	64	77
Giga-Holding AB, 556613-5124, Stockholm [4]	-5	-32	1,055,424	39	1	1
GIGA-gruppen AB, 556410-5665, Stockholm [4]			317	14	0	0
Haendig AB, 556554-3625, Halmstad [2]	208	13		49		173
Hilding Anders AB, 556546-5589, Hästveda	1,335	218	3,222,200	27	378	465
HL Display AB, 556286-9957, Stockholm	316	43	2,225,070	29	229	239
Intervect AB, 556064-1739, Uppsala	300	-5	3,000,000	50	226	204
Lindab Intressenter, 556606-5446, Stockholm	2,248	18	482,380	48	1,061	1,084
Martinsson Gruppen AB, 556135-5701, Stockholm	229	0	1,761,191	50	156	153
Quality Laboratories Sweden AB, 556241-7781, Lund	86	-21	80,000	48	45	45
Superfos Industries A/S, Vedbaek, Denmark	1,039	-71	3,433,571	33	405	362
Woodrose Invest AB, 556603-1711, Stockholm [3][5]	173	-651	250,000	50	86	1
					3,844	4,708
	Less: Receivable for companies not yet transferred					-856
	Holdings, not associated companies					395
	Value on consolidation, holdings					4,247

[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.

[3] Atle Industri is not a legal group. Atle Industri includes companies owned indirectly by Ratos through Woodrose as well as Bierregaard and Envac which are owned directly by Ratos. The consolidated value of Atle Industri amounts to SEK 463.5m. Woodrose Invest AB 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, with a consolidated value of SEK 320.2m (excl. the directly owned companies Bierregaard and Envac), and a net debt in Atle and Woodrose which amounts to SEK 319.4m. Taken together, the consolidated value of Woodrose is SEK 0.8m.

[4] The shares in GIGA-gruppen will be transferred to Giga Consulting, making GIGA-gruppen a wholly owned subsidiary of Giga Consulting.

[5] The company does not prepare consolidated accounts.

NOTE 14 Holdings, other shares and participations

Participations in associated companies outside the Parent Company

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	10	8
Participations in associated companies in sold subsidiaries	-10	–
Investments	–	2
	0	10
Accumulated share in profits		
At 1 January	3	6
Participations in associated companies in sold subsidiaries	-3	–
Share in profits for the year	–	-3
	0	3
Value according to consolidated balance sheet	0	13

NOTE 15 Long-term receivables, associated companies

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	1,292	–
Additional receivables	–	1,292
Settled receivables	-201	–
	1,091	1,292

Receivables from associated companies include SEK 856m relating to companies not yet transferred from Atle to Ratos, see Note 13.

Long-term receivables, other

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	28	46
Additional receivables	11	4
Settled receivables	-2	-22
	37	28

Of allocated client company funds from Alecta a total of SEK 3m was received during the year in the form of a cash payment and through use to pay premiums. The remaining receivable amounts to SEK 6m and is expected to be used over the next year, which is why it is stated as current.

NOTE 16 Other current receivables

SEKm	2002	2001
Receivables from associated companies	986	31
Other	27	65
	1,013	96

NOTE 17 Prepaid expenses and accrued income

SEKm	2002	2001
Accrued freight income	–	37
Accrued interest income	142	77
Other items	26	13
	168	127
Of which, accrued interest income, associated companies	139	77

NOTE 18 Short-term investments

Shares and participations, current assets

SEKm	Number	Book value	Market value
Avalon Oil	190,000	0	0
Boliden	43,400	1	1
Cash Cap	2,193	0	0
ETMS Ltd	112	0	0
ETMS Ltd, convertible debenture	360,000	0	0
Health Cap KB	10,000,000	8	15
Health Cap CoInvest KB	10,000,000	10	14
Investor B	20,000	1	1
SSAB A	10,000	1	1
Stora Enso R	10,000	1	1
Total shares		22	33

Listed holdings are valued at market price. Unlisted holding within Health Cap is stated at values assessed internally by Health Cap. Other unlisted holdings are stated at internally assessed values.

NOTE 19 Short-term investments other, Group and Parent Company

SEKm	2002	2001
Treasury bills	713	–
Certificates of deposit	198	–
	911	–

Reported as cash and cash equivalents in cash flow, since maturities are less than three months.

NOTE 20 Shareholders' equity

SEKm	Share capital	Restricted reserves	Unrestricted reserves	Net profit for the year	Total equity
Opening equity	1,008	887	4,538	1,744	8,177
Dividends paid			-493		-493
Other appropriation of profits			1,744	-1,744	0
Translation difference, associated companies and subsidiaries			10		10
Buy-backs of own shares			-27		-27
Effect of associated companies' buy-backs of own shares			1		1
Option premiums			6		6
Transfer between restricted and unrestricted equity		363	-363		0
Net profit for the year				363	363
Closing equity	1,008	1,250	5,416	363	8,037

Restricted reserves include equity method reserve with SEK 948m (581).	
Exchange rate differences at the beginning of the year	105
Exchange rate differences for the year	-45
Effect of hedging	10
Exchange rate differences in sold companies	46
Exchange rate differences at the end of the year	116

NOTE 21 Provisions

Provision for taxes includes deferred tax liabilities relating to untaxed reserves of SEK 6.0m (1.3).

Other provisions

Provisions in acquired subsidiaries	
Guarantee reserve	7
Ongoing disputes	5
	12

NOTE 22 Accrued expenses and deferred income

SEKm	2002	2001
Accrued freight costs		34
Accrued personnel costs	67	23
Other	48	32
	115	89

NOTE 23 Pledged assets and Contingent liabilities for liabilities to credit institutions

SEKm	2002	2001
Pledged assets		
Property mortgages	7	7
Floating charges	80	95
Other pledged assets	34	34
	121	136
Contingent liabilities	13	2

Refers to pledged assets and contingent liabilities in subsidiaries.

NOTE 24 Cash flow

Group

SEKm	2002	2001
Interest received	45	29
Interest paid	-20	-19

Acquisition of subsidiaries

During the year Ratos acquired 77% of the shares in Arcorus. The previous year's figures related to the acquisition of Haglöfs. The value of acquired assets and liabilities according to the acquisition analysis was as follows:

	2002	2001
Intangible assets	247	67
Tangible assets	212	13
Inventories	324	78
Current receivables	331	89
Liquid assets	81	2
Total assets	1,195	249
Minority shares	111	
Provisions	72	
Long-term liabilities	52	64
Current liabilities	498	81
Total liabilities	733	145
Purchase price paid	462	104
Less: Liquid assets in the acquired operations	-81	-2
Effect on consolidated liquid assets	381	102
Acquisition of associated companies, holdings	369	3,152
Acquisition of other holdings	–	784
Acquisition of shares, holdings	750	4,038

Note 24, cont.

Sale of subsidiaries

	2002
During the year Ratos sold all the shares in Exceed AB	
Sold assets and liabilities	
Intangible assets	57
Tangible assets	12
Financial assets	14
Current receivables	177
Liquid assets	14
Total assets	274
Provisions	1
Long-term liabilities	18
Current liabilities	188
Total liabilities	207
Sales price	156
Less liquid assets	-14
Effect on consolidated liquid assets	142

Parent Company

SEKm	2002	2001
Interest received	42	31
Interest paid	-12	-20

"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 25 Personnel and remuneration to Board of Directors and Auditors

Average number of employees

	2002 Total	2002 of whom men, %	2001 Total	2001 of whom men, %
Parent Company	23	48	19	47
Subsidiaries	635	78	353	48
Total Group	658	77	372	48
Of whom, in				
Sweden	272	77	263	49
Norway	139	64	43	42
Finland	56	86	21	43
Denmark	6	88	25	44
Other countries	185	85	20	80

The 2001 figures include the subsidiary Exceed, which was sold during the year. Exceed is not included in the figures for 2002. Arcorus was acquired during the year and is included from the acquisition date.

Parent Company

Salaries and other remuneration

SEKm	2002	2001
Board of Directors, CEO and		
Deputy CEO (Sweden)	11.2	9.2
(of which bonus)	(3.0)	(2.1)
Other employees (Sweden)	20.5	14.3
	31.7	23.5
Payroll overhead	23.7	15.9
(of which pension costs)	(9.1)	(5.1)

Of the Parent Company's pension costs, SEK 5.6m (2.8) refers to the present and former Board of Directors and CEO. The company's outstanding pension commitments to these amount to SEK 5.7m (3.5) and pertain to former Board members.

Cont. next page.

Note 25, cont.

Group

Salaries and other remuneration

SEKm	Board of Directors, CEO and Deputy CEO 2002	2001	Others 2002	2001
Group	34.5	15.9	236.7	113.1
(of which bonus)	(5.2)	(2.1)		
of whom, in				
Sweden	16.6	12.2	96.3	85.8
(of which bonus)	(3.2)	(2.1)		
Other countries	17.9	3.7	140.4	27.3
(of which bonus)	(2.0)	(0.0)		

	2002	2001
Payroll overhead	96.4	54.1
(of which pension costs)	(22.0)	(13.7)

Of the Group's pension costs, SEK 5.4m (3.4) refers to the present and former Board of Directors and CEO. The Group's outstanding pension commitments to these amounts to SEK 5.4m (3.5).

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. A complete list of salaries and employees per country is available at the Patent and Registration Office.

Incentive system

An incentive system for the company's business organisation is of major strategic importance for Ratos. The Board has decided as follows: A warrant programme issued in 1999 and a call options programme decided at the Annual General Meetings in 2001 and 2002, and for which a proposal will also be made to the 2003 Annual General Meeting, meet owners' demands that the company's management shall be motivated to work for a positive development of the company's shares. Management has paid market premiums for the options in both programmes. The number of warrants within the framework of the warrant programme issued in 1999 is 530,000 which corresponds to a maximum dilution of 0.6%. Subscription for shares may take place between 1 June 2002 and 15 February 2004. The exercise price is SEK 75.

The call options are issued on already repurchased shares. By year-end 2002, 847,000 options had been issued which corresponds to a maximum dilution effect of 1.1%. The exercise price for options issued in 2001 was SEK 102 and for options issued in 2002, SEK 135. The price per option amounted to SEK 4.05 in 2001 and SEK 10.40 in 2002.

In addition to the option programmes, the Compensation Committee has drafted guidelines for a bonus system for parts of the business organisation. Bonus is distributed according to this system after certain conditions have been met regarding return on the company's equity and a qualitative assessment of implementation matters given priorty by the Board during the year. Payment of an allocated bonus is divided over three years, with 50% in the first year and 25% in the remaining two years. Full payment requires the person concerned not to have terminated his or her employment during these three years. Normally, bonus can amount to a maximum of a couple of per cent of the company's pre-tax profit. Of this amount, 60% is earnings related and paid on a rising scale starting when a 8% return on opening reported net asset value is achieved. Both earnings related and performance related bonus are distributed on a discretionary basis.

Remuneration to senior executives and Board members

Remuneration to the Chairman of the Board and the CEO

SEKm	Chairman of the Board	Other Board members	CEO
Each remuneration component			
basic salary			3.5
directors' fees	0.5	1.5	
variable remuneration			2.2
other emoluments			0.1
pension costs			0.7
Total remuneration and other emoluments	0.5	1.5	6.5

Holding, 31 December 2002

	Warrants 1999 Number	Call options 2001 Number	Call options 2002 Number	Call options 2002 Acquisition value, SEK 000	Call options 2002 Benefit value, SEK 000
Chairman of the Board	–	–	–		
Other Board members	–	–	–		
CEO	150,000	140,000	105,000	1,092	–

Remuneration to the CEO

Variable remuneration

The size and distribution of bonus is decided by the Compensation Committee and is 60% earnings related and 40% discretionary. The purchase of call options is subsidised through a cash bonus payment in an amount, which after deduction for 55% standard tax, corresponds to 60% of the purchase price for the call options. Payment of this bonus is made divided over five years and provided the person is still employed in the Ratos Group at the time of each bonus payment. Profit for the year was charged with SEK 2.2m.

Pension terms

Pension premiums are paid with 20% of basic salary. During the year SEK 0.7m was paid in premiums. This pension is a defined contribution plan. Pension is paid from the age of 65.

Terms for severance pay

The mutual notice period is 6 months. Severance pay corresponding to two annual salaries is paid 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 corresponding to two annual salaries may be triggered by the CEO.

Other senior executives

Five other senior executives have total emoluments for a combined amount of SEK 13.2m, of which SEK 5.7m pertains to variable remuneration. Variable remuneration is calculated on the same basis as for the CEO.

Holding, 31 December 2002

	Warrants 1999 Number	Call options 2001 Number	Call options 2002 Number	Call options 2002 Acquisition value, SEK 000	Call options 2002 Benefit value, SEK 000
Other senior executives	180,000	260,000	143,000	1,487	–

Pension terms

Pensions are defined contribution. Pension is paid from the age of 65, with some exceptions.

When determining pension premiums, bonus up to 50% of basic salary carries pension entitlement.

Severance pay

No other senior executives in the Ratos Group have agreements on severance pay which amounts to more than two annual salaries. Severance pay may not be triggered by an individual executive, except in one instance, in the event of change of principal owner.

Cont. next page

Note 25, cont.

Fees to auditors

Fees and reimbursement

	2002		2001	
SEKm	Group	Parent Company	Group	Parent Company
KPMG				
Audit assignment	1.3	0.5	0.9	0.3
Other assignment	2.7	2.0	3.1	2.4
Ernst & Young				
Audit assignment	0.2	0.2	0.2	0.2
Other auditors	0.6	0.0	0.0	0.0
	4.8	2.7	4.2	2.9

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 26 Parent Company Profit and Loss Account

SEKm	2002	2001
Net sales	–	–
Other operating income	6	6
Other external costs	-46	-47
Personnel costs	-62	-45
Depreciation	-3	-2
Operating loss after depreciation	-105	-88
Result from participations in group companies	8	
Result from participations in associated companies	262	-332
Result from other securities and receivables accounted for as fixed assets	85	2,587
Other interest income and similar income, group companies	3	3
Other interest income and similar income, associated companies	66	77
Other interest income and similar income, other	37	10
Interest expenses and similar charges, group companies	-6	-7
Interest expenses and similar charges, other	-2	-10
Profit before appropriations and tax	348	2,240
Tax on profit for the year	–	-1
Net profit for the year	348	2,239

Tax

The Parent Company is taxed in accordance with the rules for investment companies. These mean that capital gains are not taxable. In return, investment companies must enter a standard income of 1.5% of the market value of shares held on 1 January in their tax return. This standard income amounted to SEK 106m in 2002. Dividends received are taxable. Dividends paid are deductible. Net interest and overheads are deductible.

NOTE 27 Land and buildings

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	17	17
	17	17
Accumulated depreciation according to plan		
At 1 January	-6	-5
Depreciation for the year	0	-1
	-6	-6
Value according to balance sheet	11	11
Tax assessment value		
Buildings	89	70
Land	–	–

NOTE 28 Equipment, Parent Company

SEKm	2002	2001
Accumulated acquisition values		
At 1 January	11	8
Investments	3	3
	14	11
Accumulated depreciation according to plan		
At 1 January	-5	-4
Depreciation for the year	-3	-1
	-8	-5
Value according to balance sheet	6	6

NOTE 29 Long-term receivables associated companies, Parent Company

SEKm	2002	2001
Accumulated acquisition values		
At January 1	1,292	
Additional receivables		1,292
Settled receivables	-201	
	1,091	1,292

Receivables from associated companies include SEK 856m relating to companies not yet transferred from Atle to Ratos, see Note 13.

Long-term receivables other, Parent Company

SEKm	2002	2001
Accumulated acquisition values		
At January 1	24	38
Additional receivables	6	
Settled receivables	-2	-14
	28	24

Of allocated client company funds from Alecta a total of SEK 3m was received during the year in the form of a cash payment and through use to pay premiums. The remaining receivable amounts to SEK 6m and is expected to be used in the coming year, and is therefore reported as current.

NOTE 30 Holdings, shares in subsidiaries

SEKm	2002	2001
Book values		
At 1 January	258	154
Investments	462	104
Sales	-148	–
	572	258

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
Haglöfs Scandinavia AB, 556054-8694, Avesta	50,000	100	104
Arcorus AB [1] 556634-5632, Stockholm	21,874,609	77	462
			572

[1] During the year shares in Arcorus Oyj were acquired corresponding to 77% of the share capital and voting rights. These shares will be transferred to the newly formed company Arcorus AB via a non-cash issue and with an unchanged ownership structure. The issue application is under registration.

NOTE 31 Holdings, shares, Parent Company

SEKm	2002	2001
Associated companies	3,844	5,200
Other financial fixed assets	395	1,252
	4,239	6,452

Specification of Parent Company's associated companies, see Note 13.

Other financial fixed assets

SEKm	2002	2001
Hilton	–	565
Industri Kapital	331	359
Telelogic	–	1
Overseas Telecom	64	327
	395	1,252

NOTE 32 Other current receivables

SEKm	2002	2001
Receivables from associated companies, interest-bearing	985	31
Receivables from associated companies, non-interest bearing	1	42
Tax receivable	1	1
Alecta	6	6
Other	8	1
	1,001	81

NOTE 33 Prepaid expenses and accrued income, Parent Company

SEKm	2002	2001
Accrued interest income	142	77
Other items	3	4
	145	81

NOTE 34 Shareholders' equity

SEKm	Share capital	Statutory reserve	Profit brought forward	Net profit for the year	Total shareholders' equity
At 1 January	1,008	251	4,516	2,239	8,014
Dividends paid			-493		-493
Other appropriation of profit			2,239	-2,239	0
Buy-backs of own shares			-27		-27
Shareholders' contribution provided			-2		-2
Option premiums			6		6
Net profit for the year				348	348
At 31 December	1,008	251	6,239	348	7,846

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
Share buy-back 2002	-312,786
Number of shares outstanding	78,645,440

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 2,017,186.

Cont. next page

Note 34, cont.

Warrants 1999

The number of warrants 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. 1 option entitles the holder to subscribe for 1 new share. Option premiums are stated as long-term debt.

Call options 2001

The 2001 Annual General Meeting decided to issue a maximum of 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. The exercise price is SEK 102/share. Maturity 28 March 2006. Option premiums are stated directly against shareholders' equity.

Call options 2002

The 2002 Annual General Meeting decided to issue a maximum of 550,000 call options on repurchased shares. The call options were offered to key people who acquired 367,000 call options at the market price SEK 10.40. 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. The exercise price is SEK 135/share. Maturity 30 March 2007. Option premiums are stated directly against shareholders' equity.

NOTE 35 Accrued expenses and deferred income, Parent Company

SEKm	2002	2001
Accrued personnel costs	11	5
Other	11	10
	22	15

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 2002. 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 the 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 2003

Thomas Thiel
Authorised Public Accountant

Gunnar Widhagen
Authorised Public Accountant

Board of Directors and Auditors

Olof Stenhammar

Honorary Doctor of Economics. Born 1941.

Chairman. Board Member since 1994. Chairman of OM, Basen, Hela Programmet, Olympialaget Våga Vinna, Stiftelsen Mentor, Åre 2007. Board Member of the Stockholm School of Economics Advisory Board, Ljungberg-Gruppen, Svenska Sjöräddningssällskapet, Ledstiernan Partners.

Shareholding in Ratos: 200,000 B shares (private and company)

Lars Berg

Born 1947.

Board Member since 2000. Chairman of Netinsight. Board Member of Carnegie, Eniro, Ledstiernan, Anoto Group, Shibsted, Telefonica Moviles, 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

Göran Grosskopf

Professor, Doctor of Law. Born 1945.

Board Member since 1996. Board Member of BergendahlsGruppen AB, InterIKEA SA, Possio AB, Stiftelsen Mentor Sverige.

Shareholding in Ratos: 40,000 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

Per-Olof Söderberg
Born 1955.

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

Shareholding in Ratos: 2,225,729 A shares

Arne Karlsson
Born 1958.

CEO of Ratos since 1999. Board Member of Haglöfs, HL Display. Member of the Swedish Securities Council.

Shareholding in Ratos: 26,400 B shares
Number of options in Ratos:
150,000 warrants/1999
140,000 call options/2001
105,000 call options/2002

Auditors

Thomas Thiel
Authorised Public Accountant, KPMG Bohlins.

Gunnar Widhagen
Authorised Public Accountant, Ernst & Young.

Deputy Auditors

Helene Willberg
Authorised Public Accountant, KPMG Bohlins.

Torbjörn Hanson
Authorised Public Accountant, Ernst & Young.

Analysis

Results for the Ratos Group

Financial targets

Ratos's profitability target for each individual investment 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 that can be identified in the foreseeable future, Ratos also intends to exercise the buy-back mandate provided by the annual general meeting.

Equity method

Ratos's holdings are usually associated companies (20-50%). Ratos therefore applies the equity method where Ratos's equity-based share in the results of associated companies is reflected in the consolidated profit and loss account. This figure is stated 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 in principle with the value of accumulated profit shares in the company after tax. Where companies pay a dividend to Ratos, the book value for the holding decreases by a corresponding amount. A more detailed description of the equity method 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 a standard income corresponding to 1.5% of the market value of its shareholdings at the end of the year (with effect from the 2002 income year). Dividends received are also declared as income. Net interest and expenses are tax deductible as are dividends paid. Ratos's consolidated tax expense comprises the parent company's tax expense, which is normally 0, plus Ratos's share of subsidiaries' and associated companies' tax expenses. The Ratos Group's tax expense for 2002 amounted to SEK 262m (182).

Net profit for the year

The Group's pre-tax profit amounted to SEK 634m (1,926).

Profit from holdings decreased to SEK 730m (1,817). Ratos's share of the holdings' current profit amounted to SEK 397m (203).

Amortisation of goodwill in subsidiaries and associated companies and Ratos's share of goodwill amortisation in subsidiaries and associated companies totalled SEK 322m (265).

Ratos's results

SEKm	Ratos's [1] holding, %	Profit/share of profits 2002	Of which Ratos's goodwill amortisation 2002	Profit/share of profits 2001
Arcorus [2]	77	75	-7	44
Atle Industri	50	-5	-11	-23
Camfil	30	37	-8	21
Capona	49	58	-2	58
Dahl	41	180	–	147
DataVis	44	-12	-1	-62
DIAB	48	-9	-28	5
Dynal Biotech	25	27	–	-7
Esselte [3]		24	–	14
Exceed [3]		-7	-2	-32
Gadelius	50	-10	-1	6
Giga Consulting	39	-12	-1	-15
Haendig	49	8	-4	3
Haglöfs	100	6	-3	5
Hilding Anders	27	90	-5	56
HL Display	29	11	-8	15
Intervect	50	-8	-3	-15
Kronans Droghandel [3]		-57	-4	-15
Lindab	48	40	–	44
Martinsson	50	-1	-2	-1
Overseas Telecom	9	–	–	–
Q-Labs	48	-14	4	-26
Scandic Hotels		–	–	18
Superfos	33	-24	-1	-37
Total profit/share of profits		**397**	**-87**	**203**
Write-downs				
DataVis		-25		-69
Giga Consulting		-20		-74
Q-Labs		–		-105
Total write-downs		**-45**		**-248**
Exit gains				
Esselte		98		
Exceed		90		
Hilton		50		
Industri Kapital		18		46
Kronans Droghandel		108		
Scandic Hotels				1,751
Sweden On Line				-29
Telelogic				84
Total exit gains		**364**		**1,852**
Dividends from other companies		14		10
Profit from holdings		**730**		**1,817**
Profit from asset management		–		234
Net expenses		-96		-125
Consolidated profit before tax		**634**		**1,926**

[1] Excluding share buy-backs.
[2] Holding increased to 77% in second quarter of 2002.
[3] Entire holding divested. Share of profits from Kronans Droghandel includes a capital loss of SEK 56m from the sale of the Norwegian operations.

In the 2002 annual accounts, a review was made of the stated value of all Ratos's holdings, whereby the recoverable amount was determined as the estimated value in use of the assets. In these valuations a write-down requirement was identified in two holdings, Giga Consulting and DataVis. The combined cost of these write-downs amounts to SEK 45m (248).

Exit gains amounted to SEK 364m (1,852, of which the sale of Scandic Hotels provided SEK 1,751m). Exits were made in Hilton Group, Esselte, Exceed and Kronans Droghandel for a combined sales amount of approximately SEK 1,750m. In addition, Industri Kapital completed three IPOs which made a positive contribution to Ratos's earnings.

Trading was conducted primarily in Swedish equities within the subsidiary Johnson & Borsell. The value of the portfolio at year-end 2002 was SEK 33m.

Central income and expenses

Central income and expenses amounted to SEK -96m (-125), of which personnel costs amounted to SEK 62m (45). Other expenses, including costs for acquisition and exit processes, amounted to SEK 47m (61). Net financial items amounted to SEK 13m (-19), of which SEK -20m is the result from short equity trading.

Cash flow

Cash flow from operating activities and investing activities was SEK 1,630m (401) and the Group's liquid assets at year-end totalled SEK 1,084m (57) of which current interest-bearing investments comprised SEK 911m.

Financial strategy

The parent company should normally be unleveraged.

The parent company should have a credit facility for bridge financing for acquisitions. The credit facility should also be able to finance dividends and day-to-day operating expenses in periods with few or no exits. At present, the parent company has a five-year loan facility which amounts to SEK 1.3 billion, including a bank overdraft facility.

Investment of liquid assets may only be made in interest-bearing securities with a very low risk and high liquidity. There is no transaction exposure at Ratos.

The parent company's liquid assets including short-term investments amounted to SEK 984m (23). Interest-bearing liabilities amounted to SEK 228m (283).

When holdings are acquired, 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 buy-out in 1999, in the refinancing of Dahl at year-end 2002, and in the acquisitions of Superfos and Lindab.

Each holding, wholly or partly owned, bears independent responsibility for its treasury function, including hedging.

Net asset value

Ratos's net asset value (NAV) at year-end was SEK 8,368m (8,495) corresponding to SEK 106 (108) per share. Net asset value included holdings with SEK 6,424m, of which 88% (81) are unlisted, which are included in net asset value at consolidated book value, apart from participations in Industri Kapital's funds which are included at the market values for unlisted holdings estimated by Industri Kapital.

Reported net asset value (NAV)

SEKm	31 Dec 2002	% of NAV
Arcorus	514	6
Atle Industri	464	6
Camfil	455	5
Capona	513	6
Dahl	-79 [1]	-1
DataVis (incl. convertible)	74	1
DIAB	656	8
Dynal Biotech	310	4
Gadelius	118	1
Giga Consulting	1	0
Haendig	173	2
Haglöfs	114	1
Hilding Anders	464	6
HL Display	202	2
Industri Kapital	500	6
Intervect	204	2
Lindab	1,084	13
Martinsson	153	2
Overseas Telecom	64	1
Q-Labs	45	1
Superfos	362	4
Total holdings	**6,391**	**76**
Share trading	33	0
Parent company's property	60	1
Liquid assets/liabilities (net) in central companies [2]	1,884	23
Net asset value (NAV)	**8,368**	**100**
NAV per share, SEK [2]		**106**

[1] After refinancing.

[2] Number of shares outstanding on 31 December 2002 was 78,645,440.

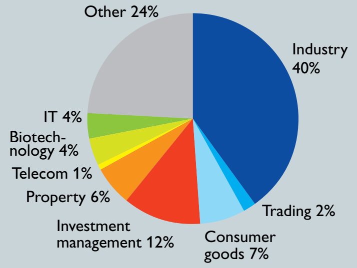
Goodwill

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.

The rules for treatment of goodwill differ between different countries. According to 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 during the period in use, normally a maximum of 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 where there is an indication of a decline in value.

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 the US rules relating, among other things, to accounting treatment of goodwill. Sweden is successively adapting to IAS and listed companies will comply with IAS with effect from 2005. Swedish accounting will therefore be affected by European adjustment to the US rules.

Sector breakdown/ net asset value



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 which arises in the respective company.

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 as part of the value of participations in the associated company.

Amortisation of Ratos's goodwill in subsidiaries and associated companies amounted to SEK 87m (86) in 2002 while total amortisation – including Ratos's share of goodwill amortisation in its holdings – amounted to SEK 322m (265).

Taking into account an underlying total goodwill of approximately SEK 4,600m and the amortisation periods chosen in each case, full year earnings in the Ratos Group in its present form would be charged with annual goodwill amortisation of approximately SEK 320m (350). In the event Ratos did not carry out any goodwill amortisation, the reported current profit would rise as

SEKm	31 Dec 2002
Ratos's goodwill in subsidiaries and associated companies	1,400
Ratos's share of goodwill reported in subsidiaries and associated companies	3,200
Total goodwill including Ratos's share of the holdings' goodwill	4,600

SEKm	2002 actual	2002 excl. goodwill amortisation	2001 actual	2001 excl. goodwill amortisation
Profit/loss, subsidiaries	71	89	-27	-16
Shares of profits, associated companies	326	630	230	524
Exit gains, subsidiaries	90	65	–	–
Exit gains, associated companies	206	150	1,722	1,688
Shares/participations	4,247	4,852	6,549	6,947
Shareholders' equity	8,037	8,642	8,177	8,575

Ratos's holdings at 31 December 2002

	Net sales		EBITA		EBT		Items affecting comparability		Goodwill amortisation
SEKm	2002	2001	2002	2001	2002	2001	2002	2001	2002
Arcorus	1,456	1,469	109	126	87	97	0	0	10
Atle Industri [1]	2,454	2,384	67	26	17	-28	0	0	35
Camfil	2,960	3,237	250	232	149	96	22	-7	58
Capona	297	291	213	203	128	128	0	0	0
Dahl [2]	12,063	11,660	632	569	438	351	0	-60	94
DataVis [3]	192	215	-22	-31	-25	-131	-15	-23	2
DIAB [4]	694	693	48	81	41	76	0	0	1
Dynal Biotech [5]	593	483	168	123	106	43	0	0	101
Gadelius [6]	812	1,025	1	50	-11	34	-20	-17	10
Giga Consulting [7]	93	88	-28	-30	-34	-29	-15	0	5
Haendig [4]	1,266	1,200	58	44	24	14	-10	0	11
Haglöfs	306	275	14	14	9	10	0	0	1
Hilding Anders	3,656	3,100	515	395	349	289	30	0	83
HL Display	1,154	1,072	76	86	65	82	0	0	2
Intervect	1,121	1,166	14	-4	-10	-35	0	-51	2
Lindab [5]	5,235	5,160	326	319	83	37	0	-26	115
Martinsson	856	480	14	-4	2	-6	1	0	14
Overseas Telecom	392	418	200	2,315	104	2,460	0	0	3
Q-Labs	187	221	-20	-53	-23	-67	-8	-31	-2
Superfos	3,413	2,924	139	73	-66	-108	-137	-54	55
Total [8]	**38,808**	**37,143**	**2,574**	**2,219**	**1,329**	**853**			
Change	**+4%**		**+16%**		**+56%**				

[1] Atle Industri is not a legal group. Since the extent of the group has been modified since year-end, shareholders' equity has changed.

[2] Dahl's shareholders' equity, interest-bearing net debt and goodwill is pro forma from 1 January 2003.

[3] The consolidated value includes a convertible debenture loan of SEK 63m.

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

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 2002 and 2001.

SEKm	2002	2001
Profit before tax and goodwill amortisation (EBTA)	956	2,191
Total goodwill amortisation	-322	-265
Profit before tax (EBT)	634	1,926

Other depreciation 2002	Investments 2002	Cash flow [*] 2002	Shareholders' equity 2002	Interest-bearing net debt 2002	Goodwill 2002	Average no. employees 2002	Consolidated value 2002	Investment year	Total invested through 31 Dec 2002	Ratos's holding, %	SEKm
38	31	111	507	193	134	788	514	2001	462	77	Arcorus
20	n/a	48	650	188	162	1,430	464	2001	616	50	[1] Atle Industri
90	86	293	1,087	642	769	2,635	455	2000	450	30	Camfil
27	24	120	841	1,412	0	140	345	1998	224	49	Capona
122	244	324	1,560	3,349	2,905	3,300	-79	1999	neg.	41	[2] Dahl
5	1	-8	53	-9	36	211	74	2000	254	44	[3] DataVis
35	-69	-8	289	126	1	665	656	2001	688	48	[4] DIAB
25	34	60	1,252	547	1,365	283	310	2001	292	25	[5] Dynal Biotech
7	3	79	140	230	47	183	118	2001	140	50	[6] Gadelius
1	n/a	n/a	-5	15	5	49	1	2001	111	39	[7] Giga Consulting
18	16	41	208	358	122	410	173	2001	169	49	[4] Haendig
3	9	3	57	51	5	110	114	2001	104	100	Haglöfs
90	331	111	1,335	1,458	1,168	2,414	465	2001	378	27	Hilding Anders
47	49	32	316	35	3	925	239	2001	229	29	HL Display
49	28	291	300	321	40	840	204	2001	227	50	Intervect
185	186	380	2,248	1,870	1,961	3,766	1,084	2001	1,061	48	[5] Lindab
5	59	53	229	-68	134	353	153	2001	156	50	Martinsson
92	444	-397	1,198	-18	3	389	64	1996	64	9	Overseas Telecom
7	1	-33	86	-63	0	151	45	2000	188	48	Q-Labs
284	1,150	-671	1,039	2,124	974	2,359	362	1999	485	33	Superfos

Definitions, see page 97.

[5] Dynal's and Lindab's figures for the previous full year were pro forma for the group, including holding companies i.e. including goodwill amortisation and net financial items in the holding companies. These were formed at the time of Ratos's acquisition in 2001.

[6] Gadelius is owned via a Dutch holding company. These figures exclude the holding company.

[7] Giga Consulting's figures for the previous year pertain to Programmera.

[8] Excluding Overseas Telecom which is not an associated company.

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

Arcorus – stable development

Ratos became an owner of Arcorus in 2001 in conjunction with the acquisition of Atle. In April 2002 Ratos acquired an additional 28% from ten minor shareholders. Ratos's holding now amounts to 77%, the remainder is owned by 3i.

Ratos has invested a total of SEK 462m in Arcorus. The consolidated book value in Ratos at year-end 2002 was SEK 514m.

Stig Karlsson is the Investment Manager for this holding and he also represents Ratos on Arcorus's Board.

Hydraulic systems

Arcorus is a group comprising the subsidiaries Hägglunds Drives, GS-Hydro and Lidan Marine. The subsidiaries in the Group develop, manufacture and market advanced, customised hydraulic systems on a global basis. The companies supply hydraulic drive systems, winch systems, hydraulic motors, and non-welded piping systems.

Sales are well diversified over different customer segments and geographic markets. Arcorus has its customer base in the industrial, marine and offshore sectors. 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.

Stable development in weak market

Arcorus enjoyed stable development in 2002 despite a weak global economy. Both the Group's sales and pre-tax profit were unchanged at EUR 159m and EUR 10m respectively. Sales are well diversified over different customer groups and markets. Cash flow from operating activities was strong and amounted to EUR 15m.

Hägglunds Drives (55% of sales) compensated for weak demand in the North American market with upturns in growth markets such as China and Brazil, and in Germany. North America is Hägglunds Drives' largest market and is judged to have considerably more potential.

GS-Hydro manufactures non-welded piping systems and accounts for approximately 40% of sales. Operations benefited from a recovery in the Norwegian offshore market, but also developed well in other markets and segments. A new CEO took over in 2002.

Lidan Marin (5% of sales) manufactures winch systems. Measures have been taken under new management to improve profitability.

Prospects for 2003

Based on their strong market positions, the subsidiaries in the Arcorus Group will grow within new applications, geographic areas, segments and aftermarket services. As an active owner in Arcorus, Ratos wishes to create conditions in which the company can realise its growth strategy, with its annual sales growth target of at least 10%, both organically and through value-creating acquisitions.

Anders Lindblad, CEO

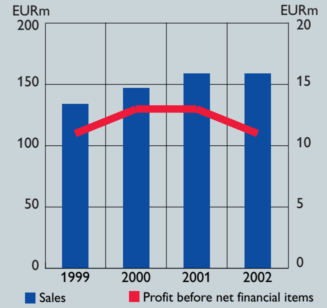
Board of Directors

Bo Ulván	Chairman, former CEO Atle Industri
Rolf Ahlqvist	former CEO Scana Industrier
Johnny Alvarsson	CEO Elektronikgruppen
Stig Karlsson	Ratos
Anders Lindblad	CEO

Management

Anders Lindblad	CEO
Olle Olofsson	CFO
Lasse Mannola	CEO GS-Hydro
Per Nordgren	CEO Hägglund Drives
Lars Berglund	CEO Lidan Marine

Sales and profit before net financial items

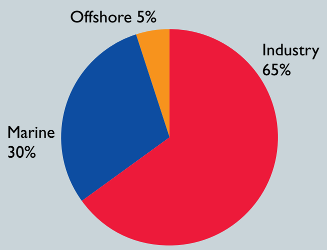


EURm	2002	2001	2000	1999	1998
Profit and Loss Account				Pro forma	
Net sales	159	159	147	134	
Operating expenses	-143	-141	-131	-118	
Other income	0	0	0	0	
Items affecting comparability	0	0	1	0	
EBITDA	16	18	17	15	
Depreciation	-4	-4	-4	-4	
EBITA	12	14	14	11	
Goodwill amortisation	-1	-1	-1	-1	
EBIT	11	13	13	11	
Financial income	1	-1	1	0	
Financial expenses	-2	-3	-3	-1	
EBT	10	10	11	10	
Tax	-4	-4	-4	-4	
Minority interests	0	0	0	0	
Net profit for the year	5	6	7	6	
Balance Sheet					
Goodwill	15	16	17	17	
Other intangible fixed assets	1	2	0	0	
Tangible fixed assets	20	21	22	7	
Financial fixed assets	1	1	1	0	
Total fixed assets	37	39	40	23	
Inventories	31	31	32	12	
Current receivables	35	40	42	10	
Cash, bank, other short-term invest.	9	7	7	2	
Total current assets	75	78	81	24	
Total assets	112	117	121	48	
Shareholders' equity	55	50	44	16	
Minority interests	0	0	0	0	
Interest-bearing provisions	6	0	0	0	
Non-interest bearing provisions	2	2	3	0	
Interest-bearing long-term liabilities	1	10	14	10	
Non-interest bearing long-term liabilities	0	0	0	0	
Interest-bearing current liabilities	23	30	32	12	
Non-interest bearing current liabilities	25	25	29	9	
Total shareholders' equity and liabilities	112	117	121	48	
Cash Flow Statement					
Cash flow from operating activities	15	11	5	3	
of which change in working capital	6	-1	-7	–	
Cash flow from investing activities	-3	-4	-4	-1	
of which investments	-3	-5	-4	-1	
of which sales	0	0	0	0	
Cash flow from financing activities	-10	-6	-3	-2	
of which change in loans	-10	-5	-2	-2	
of which capital contribution	–	0	0	0	
of which dividends	–	0	-6	0	
Cash flow for the year	2	0	-2	0	
Key figures					
EBITA margin, %	7.5	9.0	9.4	8.5	
EBT margin, %	6.0	6.0	7.2	7.3	
Return on equity, %	10.0	12.9	23.0	–	
Return on capital employed, %	13.8	14.0	20.8	–	
Equity ratio, %	49	43	36	35	
Interest-bearing net debt	21	32	39	20	
Debt/equity ratio, times	0.5	0.8	1.1	1.4	
Average number of employees	778	770	757	731	

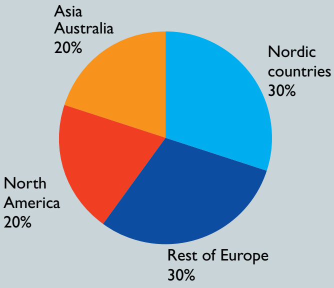
The relatively high tax rate is mainly due to the company's international operations.

The good cash flow allowed the company to amortise loans.

Sales by segment



Sales by market



Atle Industri – focus on value creation

In connection with the acquisition of Atle in 2001 by Ratos and 3i, the holdings in 17 companies were placed in a separate group called Atle Industri. Ratos and 3i each own directly and indirectly 50% of Atle Industri. Of the 15 holdings today, 13 are wholly owned.

Ratos has invested a total of SEK 616m in Atle Industri. Consolidated book value in Ratos amounted to SEK 464m at year-end 2002.

Ratos is represented on the Board by Thomas Mossberg and Anna Ahlberg, with Stig Karlsson as a co-opted member. Thomas Mossberg is the Investment Manager for this holding.

Hans Åke Norås, CEO

Four operating areas

The companies in Atle Industri operate in the engineering industry, trading, waste management and IT/technology. Seven of the companies – AKA Tempcold, Ekman, Elpress, Envac (formerly Centralsug), Jens S Transmissioner, Moving and Pressmaster Tool – account for 85% of Atle Industri's book value in Ratos.

Earnings

The Group's sales amounted to SEK 2,454m (2,384). Operating profit before tax and goodwill amortisation (EBITA) was SEK 67m (26).

Several of the trading and engineering companies were negatively affected by the weak economic climate. However, several of the companies with negative earnings in 2001 recovered following completion of action programmes. The present economic climate has had a limited negative impact within waste management where order bookings are dependent on large project orders and public investment. Envac, Elpress, Jens S, Navigera and Näsström showed positive development, while Moving and Nordhydraulic report a decline in earnings. Several efficiency enhancement programmes have been initiated with positive effects on results for the year.

Prospects for 2003

Atle Industri works as an active owner in the 15 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	2002 Sales SEKm	2001 Sales SEKm	2002 EBT SEKm	2001 EBT SEKm
Engineering						
Elpress	Manufactures and sells crimping systems for electrical applications.	100%	127	129	11.2	9.9
Luma Metall	Manufactures and sells thin metal wire, filaments and cathodes.	100%	20	22	-3.0	0.1
Moving	Develops and produces equipment and systems for effective materials handling.	100%	330	360	0.6	11.9
Nordhydraulic	Manufactures and sells hydraulic valves for mobile applications.	100%	137	139	-21.9	-8.3
Pressmaster Tool	Develops, manufactures and markets high-quality crimping tools.	100%	74	86	-3.4	-8.3
Trading						
AKA Tempcold	Comprehensive range of cooling products.	100%	346	399	4.1	8.1
Bierregaard	Wholesaler in the plumbing and heating supplies sector.	100%	163	170	2.9	4.0
Ekman International	Trading house that markets, sells and distributes pulp and paper products worldwide.	36%	5,488	5,790	26.1	33.8
Jens S Transmissioner	Mechanical transmission components.	70%	204	207	9.9	5.7
Kablema	Sells machines, tools and accessories for cable fabrication.	100%	57	72	-6.0	-0.9
Näsströms System	Wholesale and engineering company in the hydraulics and pneumatics sectors.	100%	170	178	6.2	-40.3
Waste Management						
Bala Industri	Systems for baling and handling waste fractions.	100%	30	35	-3.8	-4.6
Envac (incl. Optibag)	Systems for transporting waste fractions via pipeline systems using vacuum technology, as well as optic sorting systems for waste management.	100%	629	444	37.1	28.6
IT						
Navigera	Sales, implementation, consulting and development of Navision's business system.	100%	60	44	2.9	-4.5
Teknikgruppen	Swedish distributor for various motor and generator manufacturers. Construction of mechanical, power and tele-technical equipment.	100%	85	91	0.5	-5.7

SEKm	2002	2001	2000	1999	1998
Profit and Loss Account			Pro forma		
Net sales	2,454	2,384	2,340		
Operating expenses	-2,409	-2,358	-2,148		
Other income	22	0	0		
Items affecting comparability	0	–	–		
EBITA	67	26	192		
Goodwill amortisation	-35	-37	-34		
EBIT	32	-11	158		
Financial income	3	11	–		
Financial expenses	-18	-28	-14		
EBT	17	-28	144		
Tax	-27	-24	–		
Minority interests	-2	-1	–		
Net loss/profit for the year	-13	-52	144		
Balance Sheet					
Goodwill	162	192			
Other intangible fixed assets	8	16			
Tangible fixed assets	170	175			
Financial fixed assets	79	53			
Total fixed assets	419	436			
Current assets	1,083	1,073			
Cash, bank, other short-term invest.	131	91			
Total current assets	1,214	1,164			
Total assets	1,633	1,600			
Shareholders' equity	650	577			
Minority interests	8	6			
Interest-bearing liabilities	318	404			
Non-interest bearing liabilities	657	613			
Total shareholders' equity and liabilities	1,633	1,600			
Key figures					
EBITA margin, %	2.7	1.1	8.2		
EBT margin, %	0.7	neg	6.2		
Return on equity, %	neg	–			
Return on capital employed, %	3.6	–			
Equity ratio, %	40	36			
Interest-bearing net debt	188	313			
Debt/equity ratio, times	0.5	0.7			

Board of Directors

Lars Gårdö	Chairman, former CEO Atle
Anna Ahlberg	Ratos
Alan MacKay	3i
Thomas Mossberg	Ratos
Chad Murrin	3i
Bo Ulván	former CEO Atle Industri
Hans Åke Norås	CEO
Stig Karlsson	Co-opted, Ratos

Management

Hans Åke Norås	CEO
Lars Carlson	CFO

Camfil – streamlining of operations

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 455m at year-end.

Mats Lönnqvist is the Investment Manager and a member of Camfil's Board with Per Frankling as deputy.

World leader in clean air technology and air filters

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 two main application areas. Comfort provides filter products which contribute to a good indoor climate. Clean Processes offers filter solutions for sensitive manufacturing processes, including clean rooms. Another significant application area is filters for gas turbines. Production is carried out in three continents and the Group is represented by 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.

Improved gross margins

Camfil's sales were affected by the weak market for clean room filters, continued streamlining within the Group, and a less favourable market for filters for gas turbines. Camfil's sales totalled SEK 2,960m (3,237). Measures have been taken to improve the Group's profitability. A more long-term action programme has also been initiated in order to create profitability through a more effective product programme and purchasing routines. The EBITA margin improved from 7.2% to 8.5%.

During the year the work of streamlining the company's operations continued and parts of Farr that do not belong in the core business were sold. In May, the manufacture of engine filters (Engine) was sold to the American group Parker Hannifin. The operations in the subsidiary Camfil Components were also divested.

Alan O'Connell, CEO

Since a large proportion of demand within Comfort is for replacement of existing filters, the market is showing continued growth despite the weak development in the new construction market. Demand for filters for clean room processes, on the other hand, is directly related to new facilities and has declined considerably. In the autumn demand for filters for gas turbines also weakened. In all three of these areas, however, Camfil is assessed as having won market shares. Sales in Europe increased while sales in the US decreased.

Operating profit before goodwill amortisation (EBITA) improved by 8% during the year to SEK 250m. Profit after net financial items amounted to SEK 149m (96).

Prospects for 2003

Camfil Farr has 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 opportunities for further growth are regarded as good. However, the weak trend in the clean rooms segment of the electronics industry is expected to continue in 2003. Efforts in the immediate future will focus on profitability improvements as well as internal efficiency enhancement and consolidation.

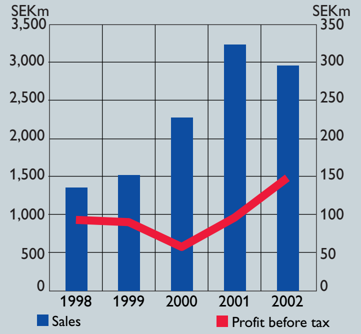
Board of Directors

Jan Eric Larson	Chairman, former CEO Camfil
Erik Giertz	Rector KTH Executive School
Mats Lönnqvist	Ratos
Johan Markman	former CFO Camfil
Carl Wilhelm Ros	formerly Ericsson
Carl Sundvik	SEB
Christer Zetterberg	former CEO Volvo
Per Frankling	Deputy, Ratos
Björn Larsson	Deputy
Johanna Markman	Deputy

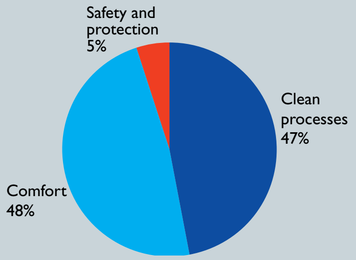
Management

Alan O'Connell	CEO
Johan Ryrberg	Deputy CEO, CFO

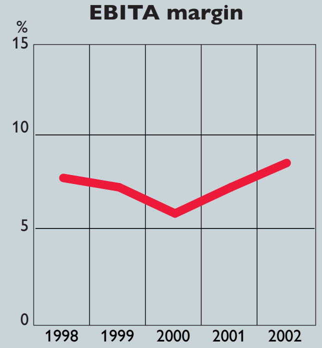
Sales and profit before tax



Sales by application area



EBITA margin



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	2,960	3,237	2,277	1,526	1,369
Operating expenses	-2,658	-2,945	-2,119	-1,373	-1,224
Other income	16	39	49	20	16
Items affecting comparability	22	-7	0	0	0
EBITDA	340	324	207	173	161
Depreciation	-90	-92	-76	-63	56
EBITA	250	232	131	110	105
Goodwill amortisation	-58	-62	-35	-7	-5
EBIT	192	170	96	103	100
Financial income	30	41	35	12	10
Financial expenses	-73	-115	-74	-25	-17
EBT	149	96	57	90	93
Tax	-72	-49	-7	-28	-30
Minority interests	0	0	0	0	0
Net profit for the year	77	47	50	62	63
Balance Sheet					
Goodwill	769	1,010	967	81	63
Other intangible fixed assets	2	0	0	0	0
Tangible fixed assets	594	704	654	416	416
Financial fixed assets	120	163	148	2	1
Total fixed assets	1,485	1,877	1,769	499	480
Inventories	340	434	427	245	223
Current receivables	570	701	609	343	314
Cash, bank, other short-term investments	374	279	237	109	99
Total current assets	1,284	1,414	1,273	697	636
Total assets	2,769	3,291	3,042	1,196	1,116
Shareholders' equity	1,087	1,137	1,026	490	455
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	59	54	20	22
Non-interest bearing provisions	273	256	259	38	33
Interest-bearing long-term liabilities	846	1,204	1,152	326	303
Non-interest bearing long-term liabilities	0	11	7	6	4
Interest-bearing current liabilities	170	138	56	22	27
Non-interest bearing current liabilities	393	487	488	294	272
Total shareholders' equity and liabilities	2,769	3,291	3,042	1,196	1,116
Cash Flow Statement					
Cash flow from operating activities	247	117	115	93	117
of which change in working capital	47	-22	-48	-38	-9
Cash flow from investing activities	46	- 85	0	-62	-129
of which invest. in fixed assets and shares	-86	-101	-66	-81	-111
of which sales	132	31	41	7	8
Cash flow from financing activities	-191	0	9	-14	30
of which change in loans	-168	23	26	3	50
of which capital contribution	0	0	0	0	0
of which dividends	-23	-23	-16	-16	-16
Cash flow for the year	102	32	124	17	18
Key figures					
EBITA margin, %	8.5	7.2	5.8	7.2	7.7
EBT margin, %	5.0	3.0	2.5	5.9	6.8
Return on equity, %	7.0	4.3	6.6	13.1	–
Return on capital employed, %	9.6	8.7	8.3	13.8	–
Equity ratio, %	39	35	34	41	41
Interest-bearing net debt	642	1,122	1,025	259	253
Debt/equity ratio, times	0.9	1.2	1.2	0.8	0.8
Average number of employees	2,635	2,760	2,199	1,487	1,281

Capital gain from the sale of US company Engine.

Sale of Engine led to extra tax expense of SEK 22m.

Consolidated debt rose due to the Farr acquisition.

Divestments during the year were used to amortise loans.

EBITA margin has returned to the level prior to the Farr acquisition due to efficiency improvements and closure of unprofitable units.

Capona – total return +10%

Capona has been in Ratos's portfolio since 1998, when the company was distributed to PriFast's shareholders. Ratos's holding amounts to 49%.

Ratos has invested a total of SEK 224m in Capona. The market value of Ratos's holding in Capona amounted to SEK 513m at year-end 2002. Consolidated book value amounted to SEK 345m.

Ratos is represented on the Board by Bo Jungner who is also the 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 is one of the few listed hotel property companies. In Sweden there is Pandox, which is relatively similar to Capona but with a relatively large proportion of hotels outside the Nordic region. There are some listed hotel property companies in the US with close links to hotel operating companies.

The year in brief

The decline in the Nordic hotel market at the beginning of the year gradually levelled out and stabilised. Despite the fall in occupancy, room rates rose, which limited the effects of the decline to some extent. Capona's rental income rose 2% to SEK 297m (291). For a comparable property portfolio, rental income decreased by 3%. Sweden accounted for 78% of revenues, Norway for 11%, Denmark for 7% and Finland for 4%. Capona's own hotel operator business accounted for SEK 37m of rental income. The direct yield amounted to 9.9% (9.8). Profit after net financial items amounted to SEK 128m (128).

During the year SAS Strand Hotel in Stockholm was refurbished, this work included the lobby, conference rooms and bathrooms.

Olle Persson, CEO

Shares

In accordance with a decision taken at Capona's Annual General Meeting on 8 April 2002, the share capital was reduced by SEK 5.2m to SEK 95m through withdrawal of 1,044,100 shares. The number of shares then totalled 18,995,946.

During the year, 243,400 shares were repurchased, corresponding to 1.3% of the total number of Capona shares. The total return on Capona shares during the year was 10% (-2) while the SIX Return Index fell 36% (-15). The Board proposes a dividend of SEK 3.50 (3.50) per share.

Future prospects

The business climate for the hotel industry, which levelled out and stabilised during the year following a decline at the end of 2001 and early in 2002, is expected to remain stable in 2003. Capona expects that profit after net financial items for 2003 will be on a par with the 2002 result.

Major shareholders

	Capital/ votes, %	Adjusted voting rights, %
Ratos	49.1	49.8
Skandia	5.5	5.6
SHB funds	2.5	2.5
Robur funds	1.9	1.9
Bengt & Christina Norman	1.8	1.8
Wasa Fastighetsfond	1.6	1.7
Alecta	1.5	1.5
Spar Hotel AB	1.4	1.4
Provobis /Hotel Invest Rolf Lundström	1.3	1.3

Source: VPC

Board of Directors

Kerstin Lindberg Göransson	Chairman, Airport Director, Arlanda
Monica Caneman	formerly SEB
Kjell-Åke Dahlström	former CEO PriFast
Olle Isberg	CEO Visionalis
Bo Jungner	Ratos
Olle Persson	CEO

Financial calendar

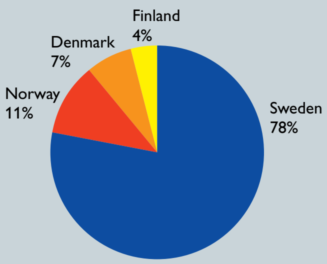
Interim Report Jan-March:	24 April 2003
Interim Report Jan-June:	16 July 2003
Interim Report Jan-Sept:	16 October 2003
Annual General Meeting	25 March 2003

www.capona.se

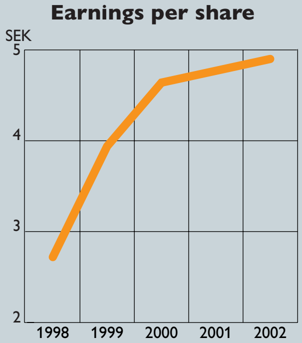
Management

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

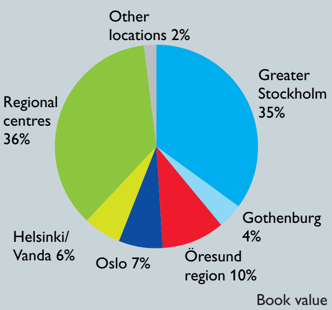
Rental income by geographic region



Earnings per share



Property portfolio by geographic region



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					Pro forma
Net sales	297	291	267	234	205
Operating expenses	-75	-86	-81	-70	-70
Other income	0	0	0	0	0
Items affecting comparability	0	0	5	0	0
EBITDA	222	205	192	164	135
Depreciation	-27	-25	-22	-21	-20
Hotel operator income	140	159	164	147	133
Hotel operator expenses	-122	-136	-142	-130	-118
EBITA	213	203	192	160	130
Goodwill amortisation	0	0	0	0	0
EBIT	213	203	192	160	130
Financial income	4	3	3	2	–
Financial expenses	-89	-78	-65	-58	-56
EBT	128	128	130	104	74
Tax	-36	-36	-27	-15	-19
Minority interests	0	0	0		0
Net profit for the year	92	92	103	89	55
Balance Sheet					
Goodwill	0	0	0	0	0
Other intangible fixed assets	0	0	0	0	0
Tangible fixed assets	2,435	2,433	2,106	1,964	1,877
Financial fixed assets	0	0	1	0	0
Total fixed assets	2,435	2,433	2,107	1,965	1,877
Inventories	1	1	1	1	1
Current receivables	19	29	29	22	17
Cash, bank, other short-term invest.	117	79	86	69	37
Total current assets	137	109	116	92	55
Total assets	2,572	2,542	2,223	2,057	1,932
Shareholders' equity	841	823	838	822	781
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	0	0	0	0
Non-interest bearing provisions	78	58	6	9	5
Interest-bearing long-term liabilities	1,520	1,516	1,226	1,126	1,066
Non-interest bearing long-term liabilities	0	0	0	0	0
Interest-bearing current liabilities	9	10	22	11	9
Non-interest bearing current liabilities	124	135	131	88	72
Total shareholders' equity and liabilities	2,572	2,542	2,223	2,057	1,932
Cash Flow Statement					
Cash flow from operating activities	143	141	166	130	88
of which change in working capital	4	14	22	9	26
Cash flow from investing activities	-23	-311	-161	-128	-22
of which investments	-24	-312	-168	-128	-22
of which sales	1	1	7	0	0
Cash flow from financing activities	-82	162	12	31	-70
of which change in loans	-2	251	104	71	-819
of which capital contribution	-14	-22	-32	0	749
of which dividends	-66	-67	-60	-41	0
Cash flow for the year	38	-8	17	33	-3
Key figures					
EBITA margin, %	71.8	69.8	71.7	68.4	68.4
EBT margin, %	43.2	44.0	48.5	44.4	36.1
Return on equity, %	11.1	11.1	12.3	11.1	–
Return on capital employed, %	9.2	9.3	9.6	8.5	–
Equity ratio, %	33	32	38	40	40
Interest-bearing net debt	1,412	1,447	1,162	1,068	1,038
Debt/equity ratio, times	1.8	1.9	1.5	1.4	1.4
Average number of employees	140	140	142	135	127

Capona operates 3 of its total of 42 hotels.

According to external valuations, the market value of Capona's properties is SEK 2,925m.

Dahl – good profitability, release of SEK 2.1 bn

Ratos and EQT effected a buy-out of Dahl from the stock exchange in 1999. The buy-out was implemented via a leveraged buy-out company.

Consolidated book value in Ratos amounted to SEK -79m after refinancing at year-end 2002 (see below). Ratos's holding then amounted to 41%.

Ratos is represented on the Board by Thomas Mossberg and by Thomas Hofvenstam as a deputy. Thomas Mossberg is the Investment Manager for this holding.

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

Strengthened market positions

Except for Sweden, development was relatively weak in Dahl's markets. Dahl strengthened its position, however, and increased its market share in several geographic areas.

The planned programme to raise efficiency, primarily within logistics, administration and sales, continued to have a positive earnings impact. Dahl made five acquisitions in 2002 with total annual sales of nearly SEK 500m. The acquisition of the Swedish ventilation and sheet-metal wholesaler Bevego, places Dahl in second place within this segment of the Swedish market.

Dahl's sales in 2002 totalled SEK 12.1 billion, an increase of 3.5%. Profit before goodwill amortisation and items affecting comparability was SEK 632m (629). Dahl's strong cash flow led to marked improvements in net financial items. Pre-tax profit amounted to SEK 438m (351), an improvement of 25%.

Varying earnings trend

In Dahl's Danish operations, sales were unchanged and earnings fell. Dahl increased its market share in the Danish market which decreased by 4% in total during the year. The decline in earnings is due to continued losses in two subsidiaries. Parts of a groupwide business system were installed in 2002 and this work will be completed in 2003.

Sales in Norway increased. Demand weakened in the second half of the year. Earnings fell, mainly due to increasing price pressure. The company received an award as the best logistics company during the year.

The Swedish operations showed a sales increase of 10%, of which 5% is attributable to acquisitions during the year. Dahl retained its market share in the Swedish market, which increased by 5%. Earnings improved due to higher sales and completion of business efficiency programmes.

The Finnish market decreased by 2% which had a negative impact on Dahl's sales in Finland. Earnings declined but the company strengthened its market share. The extension of the main warehouse outside Helsinki which was completed in 2002, means that the product range and customer service can be extended. The operations in Estonia showed increased sales with a good earnings trend.

The Polish company strengthened its market position considerably. Both sales and earnings rose despite an estimated 10% decline in the total market. Several new branch offices were opened during the year.

New capital structure from 2003

In view of the positive development of Dahl's operations over the last four years, a refinancing of owners' holdings was carried out at year-end 2002 designed to achieve a more effective capital structure in the company. This was done by the shareholders forming a new company which with a combined cash and shares offering acquired existing shares in Dahl. The newly formed company financed the acquisition by raising new loans and by a share issue. The refinancing released SEK 2.1 billion, of which Ratos received SEK 928m which was paid at the beginning of 2003. The consolidated book value in Ratos therefore declined and was negative, SEK -79m. Ratos's holding in Dahl fell from 44% to 41%.

Prospects for 2003

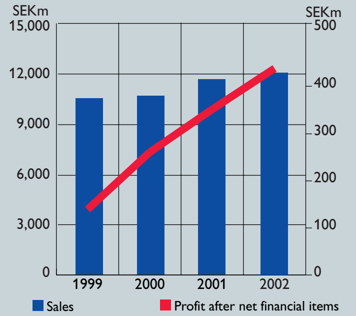
Taken as a whole the markets are expected to remain unchanged. Acquisitions carried out in 2002 will have a positive impact on 2003 sales. Effects are expected from the ongoing development programme and from investments made in IT and logistics systems. There will be a greater focus on measures designed to promote growth.

Key figures, subsidiaries

Denmark	2002	2001	2000	1999	1998
Sales, DKKm	2,767	2,789	2,905	2,823	2,674
Operating profit, DKKm	156	184	133	139	170
Operating margin, %	5.6	6.6	4.5	4.9	6.4
Number of employees	1,000	1,023	1,091	1,072	1,006
Number of branches	64	61	61	61	61
Norway	**2002**	**2001**	**2000**	**1999**	**1998**
Sales, NOKm	2,477	2,421	2,285	2,184	2,365
Operating profit, NOKm	100	120	78	34	113
Operating margin, %	4.0	5.0	3.4	1.6	4.8
Number of employees	638	636	632	710	732
Number of branches	56	55	55	55	57
Sweden	**2002**	**2001**	**2000**	**1999**	**1998**
Sales, SEKm	3,346	3,030	2,876	2,798	2,780
Operating profit, SEKm	205	148	108	42	15
Operating margin, %	6.1	4.9	3.8	1.5	0.5
Number of employees	885	865	906	901	934
Number of branches	80	67	67	65	70
Finland	**2002**	**2001**	**2000**	**1999**	**1998**
Sales, EURm	166.8	161.8	163.8	148	141.6
Operating profit, EURm	8.3	9.5	8.4	5.3	1.9
Operating margin, %	4.9	5.6	5.1	3.5	1.4
Number of employees	325	303	288	276	245
Number of branches	24	22	20	20	17
Poland	**2002**	**2001**	**2000**	**1999**	**1998**
Sales, PLNm	313	308	357	372	318
Operating profit, PLNm	11.2	7	8	17	8
Operating margin, %	3.6	2.1	2.2	4.6	2.5
Number of employees	484	514	534	535	453
Number of branches	37	34	34	34	30

Per-Olof Söderberg, CEO

Sales and profit after net financial items



Board of Directors

Carl Wilhelm Ros	Chairman, Board member SEB, NCC, LKAB, and others
Göran Brodin	former CEO Rexel Senate Ltd
Kjell-Åke Dahlström	former CEO PriFast
Bengt Lindahl	CEO Ovako Steel
Thomas Mossberg	Ratos
Jan Ståhlberg	EQT
Caspar Callerström	Deputy, EQT
Thomas Hofvenstam	Deputy, Ratos

Management

Per-Olof Söderberg	CEO
Kåre O Malo	Senior Vice President, Purchasing & Markets
Mats Norberg	Vice President, Group Controller
Eva Hemb	Vice President, Finance & Taxes

SEKm	1 Jan 2003	2002	2001	2000	1999
Profit and Loss Account	Dahl Int.TVA	Dahl International 1			
Net sales	–	12,063	11,660	10,674	10,531
Operating expenses	–	-11,329	-10,933	-10,148	-10,093
Other income	–	20	24	27	17
Items affecting comparability	–	0	-60	35	0
EBITDA	–	754	691	588	455
Depreciation	–	-122	-122	-113	-109
EBITA	–	632	569	475	346
Goodwill amortisation	–	-94	-89	-83	-76
EBIT	–	538	480	392	270
Financial income	–	5	14	21	8
Financial expenses	–	-105	-143	-153	-140
EBT	–	438	351	260	138
Tax	–	-148	-77	-50	-46
Minority interests	–	-1	0	-7	-3
Net profit for the year	–	289	273	203	89
Balance Sheet					
Goodwill	2,905	1,553	1,571	1,531	1,568
Other intangible fixed assets	84	84	0	0	0
Tangible fixed assets	324	324	415	404	365
Financial fixed assets	41	41	0	0	40
Total fixed assets	3,354	2,002	1,986	1,935	1,973
Goods for resale	1,465	1,465	1,441	1,480	1,446
Current receivables	1,549	1,549	1,440	1,567	1,412
Other current assets	0	0	111	92	183
Cash, bank, short-term investments	148	105	175	224	82
Total current assets	3,162	3,119	3,167	3,363	3,123
Total assets	6,516	5,121	5,153	5,298	5,096
Shareholders' equity	1,560	2,291	1,987	1,569	1,304
Minority interests	2	2	1	9	3
Interest-bearing provisions	222	222	182	172	182
Non-interest bearing provisions	21	21	23	30	0
Interest-bearing long-term liabilities	2,476	376	1,223	1,574	1,817
Non-interest bearing long-term liabil.	8	8	0	0	0
Interest-bearing current liabilities	799	799	308	478	63
Non-interest bearing current liabilities	1,428	1,402	1,429	1,466	1,727
Total shareholders' equity and liabilities	6,516	5,121	5,153	5,298	5,096
Cash Flow Statement					
Cash flow from operating activities	–	527	632	412	251
of which change in working capital	–	-52	53	51	-15
Cash flow from investing activities	–	-203	-149	-139	-64
of which investments	–	-244	-182	-205	-199
of which sales	–	41	31	66	135
Cash flow from financing activities	–	-378	-515	-109	-105
of which change in loans	–	-378	-515	-109	n/a
of which capital contribution	–	0	0	0	n/a
of which dividends	–	0	0	0	n/a
Cash flow for the year	–	-54	-32	164	82
Key figures					
EBITA margin, %	–	5.2	4.9	4.5	3.3
EBT margin, %	–	3.6	3.0	2.4	1.3
Return on equity, %	–	13.5	15.3	14.1	–
Return on capital employed, %	–	15.4	13.2	11.5	–
Equity ratio, %	24	45	39	30	26
Interest-bearing net debt	3,349	1,292	1,538	2,000	1,980
Debt/equity ratio, times	2.3	0.6	0.9	1.4	1.6
Average number of employees	3,300	3,300	3,341	3,451	3,503

Dahl Int TVA is the new parent group which took over on 30 December 2002. A pro forma balance sheet at 1 January 2003 is provided here.

The strong cash flow enabled rapid amortisation of debts. At year-end 2002 the capital structure created at the buy-out in spring 1999 was restored.

EBT margin improved in pace with efficiency gains.

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 2002 amounted to SEK 74m, 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 Investment Manager for this holding.

Operations

DataVis is an IT consulting company which offers services within systems development and systems integration, as well as customised technology related services for the telecom, trading, industrial and administrative sectors.

The company's largest offices are in Sundsvall, Stockholm and Gothenburg/Malmö. Customers include Saab Automobile, the Telia Group, HL Display, Valmet, Microsoft, SCA and four government agencies.

The year in brief

The market for IT consulting services remained difficult in 2002 and the expected recovery failed to materialise. The weaker economic development has led to longer lead times for IT investments and fewer projects have come onto the market. Operations were also characterised by greater market adjustment. Sales and marketing efforts were intensified and the sales organisation was strengthened. The range of services was concentrated within a number of niches which clarify the position of DataVis within each area. Sales efforts focused mainly on existing customers.

An action programme including staff cuts and closure of unprofitable offices was initiated in the autumn in order to improve profitability.

Åke Engquist became the new CEO of DataVis during the year. He was previously with Teleca/AU-system.

Åke Engquist, CEO

Negative result

The Group's total sales amounted to SEK 192m (215). The company was adversely affected by a decline in demand during the year, particularly in the telecom sector. The operating loss, before goodwill amortisation and items affecting comparability, was SEK 7m (loss 8). The pre-tax loss amounted to SEK 25m (loss 131). This result included items affecting comparability of SEK -15m (-23), relating to bad debts and the costs of completed action programmes.

Future prospects

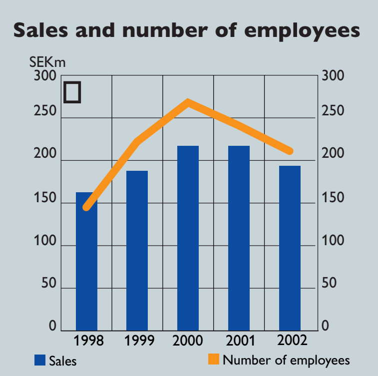
Uncertainty about market development is expected to remain in 2003. During the year DataVis will give priority to profitability before growth with a focus on new business, primarily with existing customers. Continued adjustment of the cost structure will also take place as well as ongoing improvements in operational efficiency.

Board of Directors

Bengt Paulsson	Chairman, former CEO Atle IT
Magnus Dahlbeck	Ratos
Kent Hertzell	CFO HL Display
Bo Jungner	Ratos
Lars Olof Norell	former deputy CEO Cap Gemini Norden
Johan Örtenblad	former CEO DataVis
Åke Engquist	CEO

Management

Åke Engquist	CEO
Sven Lundmark	Sales
Anders Norberg	Partners
Jard Gimbergsson	CFO



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	192	215	215	186	161
Operating expenses	-194	-219	-228	-182	-155
Other income	0	0	0	0	0
Items affecting comparability	-15	-23	-6	-4	0
EBITDA	-17	-26	-19	0	6
Depreciation	-5	-5	-5	-3	-3
EBITA	-22	-31	-24	-3	3
Goodwill amortisation	-2	-100	-5	-1	0
EBIT	-24	-132	-29	-4	3
Financial income	3	5	7	0	1
Financial expenses	-4	-4	-3	0	-1
EBT	-25	-131	-25	-4	3
Tax	0	-1	-1	0	-1
Minority interests	0	0	0	0	0
Net loss/profit for the year	-25	-132	-26	-4	2
Balance Sheet					
Goodwill	36	40	144	14	3
Other intangible fixed assets	0	0	0	2	0
Tangible fixed assets	4	8	10	8	6
Financial fixed assets	1	0	0	0	0
Other long-term receivables	0	2	3	0	0
Total fixed assets	41	50	157	24	9
Inventories	0	1	2	4	3
Current receivables	42	52	46	47	34
Prepaid expenses	0	5	11	0	0
Cash, bank, short-term investments	73	90	121	3	8
Total current assets	115	148	180	54	45
Total assets	156	198	337	78	54
Shareholders' equity	53	76	207	26	20
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	0	0	0	0
Non-interest bearing provisions	0	0	0	0	0
Interest-bearing long-term liabilities	1	63	67	10	3
Non-interest bearing long-term liabil.	0	3	2	1	2
Interest-bearing current liabilities	63	4	0	0	2
Non-interest bearing current liabilities	39	52	62	41	27
Total shareholders' equity and liabilities	156	198	337	78	54
Cash Flow Statement					
Cash flow from operating activities	-7	-26	-2	-3	-3
of which change in working capital	–	-10	14	0	-8
Cash flow from investing activities	-1	-6	-115	-19	-7
of which investments	-1	-6	-112	-19	-7
of which sales	0	0	0	0	0
Cash flow from financing activities	-9	1	236	17	7
of which change in loans	–	1	56	6	4
of which capital contribution	–	0	177	11	4
of which dividends	–	0	0	0	-1
Cash flow for the year	-17	-31	119	-5	-3
Key figures					
EBITA margin, %	neg	neg	neg	neg	1.9
EBT margin, %	neg	neg	neg	neg	1.9
Return on equity, %	neg	neg	neg	neg	–
Return on capital employed, %	neg	neg	neg	neg	–
Equity ratio, %	34	38	61	33	37
Interest-bearing net debt	-9	-23	-54	7	-3
Debt/equity ratio, times	1.2	0.9	0.3	0.4	0.3
Average number of employees	211	241	268	222	145

In 2001, following a review, goodwill pertaining to the acquisition of System-integration was written down.

Ratos provided a convertible debenture loan in 2000 which will be repaid in February 2003.

DIAB – lower earnings but good potential

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%.

Ratos has invested a total of SEK 688m in DIAB. Consolidated book value in Ratos amounted to SEK 656m at year-end.

Stig Karlsson is the Investment Manager for this holding and will represent 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, or on a balsa material which is simpler and less expensive. The most important applications are hulls and decks for large pleasure boats which account for almost 50% of sales and blades for wind power stations.

DIAB has production units in Sweden (Laholm), Italy, the US, Australia and Ecuador. In the world market for sandwich-based composite materials with a cellular plastic core, DIAB is the clear market leader. This market is undergoing growth and new applications are continuously developed. The largest competitor is the Swiss company Airex.

DIAB is also number two in the global market for manufacture and sales of balsa materials. The US company Baltek is the market leader.

The year in brief

DIAB's sales were unchanged and amounted to SEK 694m in 2002. Pre-tax profit fell to SEK 41m (76). This decline in earnings was mainly due to a delayed political process related to financing of the American wind power industry and to an election campaign in Germany which led to postponed orders. Temporary production disruptions also had a negative earnings impact. The initially weak market for pleasure boats in the US recovered to some extent in the second half of the year. Anders Paulsson has been DIAB's new CEO since 1 January 2003.

Anders Paulsson, CEO

Prospects for 2003

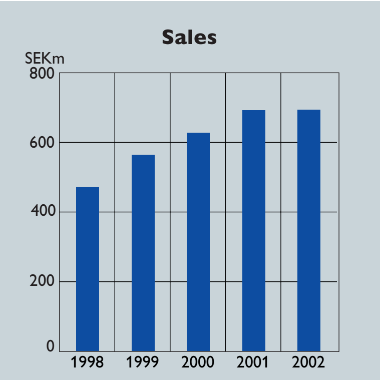
DIAB is a world-leading company in an attractive market with good potential for long-term growth, in the wind power segment and new applications. As an active owner in DIAB, Ratos wishes to create conditions for profitable growth through well-balanced investments in capacity, organisation, product development and marketing.

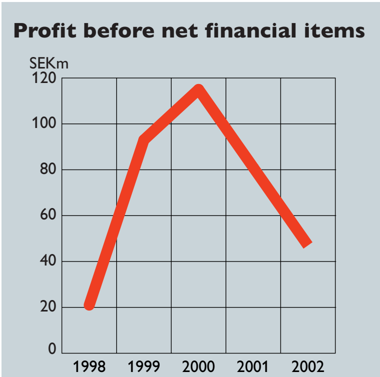
Board of Directors

Stelio Demark	Chairman, formerly ABB
Gustav Bard	3i
Sven-Åke Henningsson	formerly Beckers
Mats Lönnqvist	Ratos
Gert Schyborger	Vice President Saab
Anders Paulsson	CEO

Management

Anders Paulsson	CEO
Harald Kolmert	Deputy CEO, CFO





SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	694	693	627	564	473
Operating expenses	-611	-583	-519	-455	-412
Other income	0	0	0	0	0
Items affecting comparability	0	0	31	5	-40
EBITDA	83	110	139	114	21
Depreciation	-35	-29	-23	-20	
EBITA	48	81	116	94	21
Goodwill amortisation	-1	-1	-1	-1	
EBIT	47	81	115	93	21
Financial income	0	1	1	1	
Financial expenses	-6	-6	-6	-6	
EBT	41	76	110	88	21
Tax	-7	-21	-23	-23	-20
Minority interests	0	0	0	0	0
Net profit for the year	34	55	87	65	1
Balance Sheet					
Goodwill	1	2	2	3	3
Other intangible fixed assets	0	0	0	0	0
Tangible fixed assets	308	284	199	171	122
Financial fixed assets	12	8	14	10	16
Total fixed assets	321	294	215	184	141
Inventories	132	133	111	101	83
Current receivables	129	148	116	108	89
Cash, bank, short-term investments	16	14	32	35	34
Total current assets	277	295	259	244	206
Total assets	598	589	474	428	347
Shareholders' equity	289	290	243	156	87
Minority interests	0	0	0	0	0
Interest-bearing provisions	11	10	9	9	9
Non-interest bearing provisions	27	31	35	59	54
Interest-bearing long-term liabilities	99	60	45	40	51
Non-interest bearing long-term liabil.	0	0	0	0	3
Interest-bearing current liabilities	33	47	30	30	40
Non-interest bearing current liabilities	139	151	112	134	103
Total shareholders' equity and liabilities	598	589	474	428	347
Cash Flow Statement					
Cash flow from operating activities	58	74	54	89	71
of which change in working capital	7	13	-17	-12	14
Cash flow from investing activities	-66	-99	-46	-67	-12
of which investments	-69	-105	-45	-76	-25
of which sales	3	6	0	3	0
Cash flow from financing activities	10	5	-8	-21	-39
of which change in loans	30	25	2	-21	-39
of which capital contribution	0	0	0	0	0
of which dividends	-20	-20	-10	0	0
Cash flow for the year	2	-20	0	1	20
Key figures					
EBITA margin, %	6.9	11.6	18.5	16.7	4.4
EBT margin, %	5.8	10.9	17.5	15.6	4.4
Return on equity, %	11.9	20.6	43.6	53.5	–
Return on capital employed, %	11.5	22.1	41.3	44.5	–
Equity ratio, %	48	49	51	36	25
Interest-bearing net debt	126	103	52	44	66
Debt/equity ratio, times	0.5	0.4	0.4	0.5	1.2
Average number of employees	665	596	561	501	435

DIAB has made extensive investments in its production facilities in recent years.

The company's higher debt has occurred while retaining a high equity ratio.

Dynal Biotech – strong growth

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

Consolidated book value in Ratos amounted to SEK 310m at year-end.

Ratos is represented on the Board by Mats Lönnqvist, who is also the Investment Manager, with Magnus Dahlbeck as a deputy member of the Board.

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. The global market for Dynal's area of operations 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 research and production facilities are located in Oslo and Lillestrøm. The company's products are sold via subsidiaries and distributors in more than 30 countries.

Good profitability

The market for biological separation continued its favourable development during the year. Dynal Biotech's sales rose 16% to NOK 487m (420). Average growth during the period 1998-2002 has been 24% per year. The operating margin before goodwill amortisation amounted to 28% (25). EBITA rose 29% during the year. Profit after net financial items amounted to NOK 87m (37), which includes NOK 82m in unrealised positive currency effects on borrowings.

Jon Hindar took over as the new CEO during the year. Management was also strengthened by employment of a person to be responsible for the US operations. A share-related incentive programme for management and key people in the company was introduced in 2002.

Future prospects

Dynal Biotech is showing high growth, good margins and a strong cash flow. The company has a leading position in its segments, a unique process expertise and its own patented technology with major potential in a number of different applications. The favourable trend is expected to continue in 2003 with a positive market development.

Jon Hindar, CEO

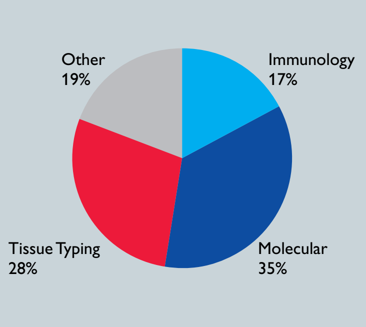
Board of Directors

Toni Weitzberg	Chairman, Nordic Capital
Maris Hartmanis	CEO Gyros
Mats Lönnqvist	Ratos
Kristoffer Melinder	Nordic Capital
Örjan Olsvik	Professor Tromsø University
Magnus Dahlbeck	Deputy, Ratos
Anders Hultin	Deputy, Nordic Capital
Jonas Agnblad	Deputy, Nordic Capital

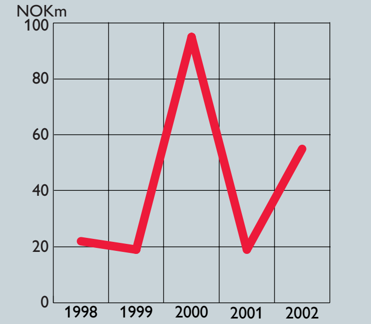
Management

Jon Hindar	CEO
Tone Kvåle	Finance/Accounting
Peter Maguire	HLA Diagnostics
Kari Krogstad	Molecular Systems
Håkan Hangen	Immunosystems
Ralf Schmidt	Production & Non-Magnetic
Dino DiCamillo	Dynal USA

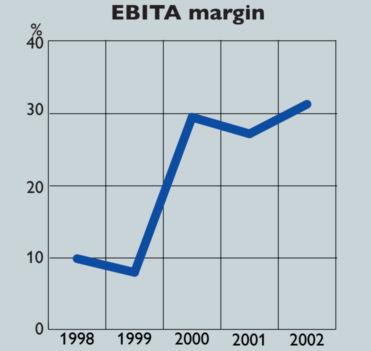
Sales by business area



Profit before net financial items



EBITA margin



NOKm	2002	2001 [1]	2000	1999	1998
Profit and Loss Account					
Net sales	487	420	353	245	235
Operating expenses	-329	-295	-248	-214	-206
Items affecting comparability	0	0	0	-3	0
EBITDA	158	125	105	28	29
Depreciation	-20	-18	-10	-9	-7
EBITA	138	107	95	19	22
Goodwill amortisation	-83	-83	0	0	0
EBIT	55	24	95	19	22
Financial income	92	13	8	6	2
Financial expenses	-60	0	-12	-8	-12
EBT	87	37	91	17	12
Tax	-39	-27	-32	-8	-3
Minority interests	0	0	0	0	0
Net profit for the year	48	10	59	9	9
Balance Sheet					
Goodwill	1,084	1,199	100	1	1
Other intangible fixed assets	85	39	4	0	1
Tangible fixed assets	218	222	164	105	92
Financial fixed assets	0	5	5	8	8
Total fixed assets	1,387	1,465	273	114	102
Inventories	80	98	64	43	37
Current receivables	84	72	67	52	54
Cash, bank, short-term investments	45	44	52	12	8
Total current assets	209	214	183	107	99
Total assets	1,596	1,679	456	221	201
Shareholders' equity	994	946	99	43	30
Minority interests	0	1	1	1	0
Interest-bearing provisions	7	8	0	0	0
Non-interest bearing provisions	0	0	0	0	0
Interest-bearing long-term liabilities	472	589	244	110	107
Non-interest bearing long-term liabil.	0	1	7	2	4
Interest-bearing current liabilities	0	13	0	16	5
Non-interest bearing current liabilities	123	122	105	49	55
Total shareholders' equity and liabilities	1,596	1,679	456	221	201
Cash Flow Statement					
Cash flow from operating activities	70	13	65	11	-17
of which change in working capital	-36	12	5	-9	-23
Cash flow from investing activities	-21	-1,315	-140	-26	-13
of which investments	-28	-1,315	-139	-26	-14
of which sales	7	0	1	0	1
Cash flow from financing activities	-41	1,345	113	14	26
of which change in loans	-49	377	113	14	26
of which capital contribution	8	968	0	0	0
of which dividends	0	0	0	0	0
Cash flow for the year	8	44	38	-1	-4
Key figures					
EBITA margin, %	28.2	25.6	26.9	7.8	9.4
EBT margin, %	17.9	8.9	25.8	6.9	5.1
Return on equity, %	5.0	2.4	83.1	24.7	–
Return on capital employed, %	9.7	8.3	40.1	16.0	–
Equity ratio, %	62	56	22	20	15
Interest-bearing net debt	434	566	192	114	104
Debt/equity ratio, times	0.5	0.6	2.5	2.9	3.7
Average number of employees	283	242	238	183	171

[1] New group structure from 1 October 2001 in connection with acquisition by Ratos. The 2001 figures pertain to pro forma values for the consolidated profit and loss account including a new holding company, i.e. full-year figures for the holding company's goodwill amortisation and net financial items.

Annual growth rate 1998-2002 was 24%.

2002 net financial items were affected by unrealised positive currency effects on borrowings.

An acquisition company was formed in 2001 through which Dynal was acquired.

Gadelius – strong cash flow in weak market

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

Ratos has invested a total of SEK 140m in Gadelius. Consolidated book value in Ratos amounted to SEK 118m at year-end 2002.

Ratos is represented on the Board by Stig Karlsson who is also the Investment Manager for this holding.

Operations

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. Gadelius has developed from a traditional trading house into a distributor which uses modern methods. Gadelius offers its partners added value in the form of logistics, technical expertise, aftermarket services, market knowledge and strategic planning.

Customers are in the medical technology, construction, packaging and food sectors as well as the engineering and electronics industries. The product range is focused within the three operating areas: Industrial Machinery, Industrial Components and Medical Equipment. Imports to the Japanese market account for approximately three-quarters of Gadelius's sales. The remainder is exports of Japanese products to Europe.

The year in brief

The Japanese economy deteriorated further during the year. Lower order bookings led to a 13% decline in sales which amounted to JPY 10,452m (12,027). Loss after net financial items amounted to JPY 142m (profit 402). This result includes non-recurring costs for adjustment to lower volumes. Efforts to improve tied-up capital resulted in a strong improvement in cash flow. Cash flow from operating activities in 2002 amounted to JPY 995m (708). Hans Porat has been the new CEO of the company since 1 March 2002.

Future prospects

The scope for a 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. Gadelius's strong brand and long presence in Japan guarantee stable business relationships. Future efforts will concentrate on growth, both organic and through acquisitions.

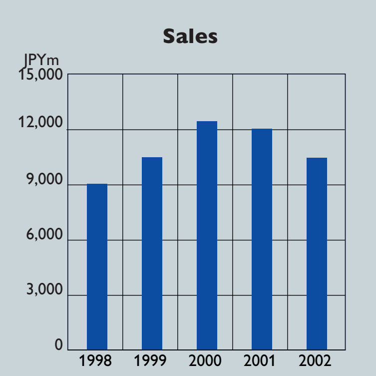
Hans Porat, CEO

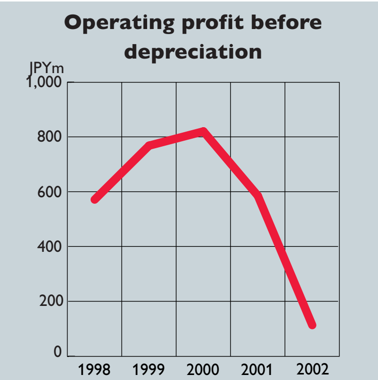
Board of Directors

Lars Gårdö	Chairman, former CEO Atle
Atsushi Hasegawa	formerly Gadelius
Jan Heiniö	formerly Pharmacia Japan
Stig Karlsson	Ratos
Nobuyoshi Ota	Gadelius
Hans Porat	CEO

Management

Hans Porat	CEO
Kazuaki Goto	Material Division
Yoshiyuki Kurihara	Machinery Division
Shinga Wada	Administration
Nobuyoshi Ota	Human Resources
Olof Bruno	Business Control
Göran Edman	IT, Business Development
Sakaru Tanaka	Medical Division
Sauli Ylikoski	Gadelius Europe Division
Hans Rodiner	Manson Medical





JPYm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	10,452	12,027	12,429	10,470	8,987
Operating expenses	-10,078	-11,412	-11,608	-9,701	-8,415
Other income	1	265	0	0	0
Items affecting comparability	-261	-194	0	0	0
EBITDA	114	687	821	769	572
Depreciation	-96	-101	- 81	-72	-27
EBITA	18	586	740	697	545
Goodwill amortisation	-125	-132	-130	-125	-122
EBIT	-107	454	610	572	423
Financial income	2	2	n/a	n/a	n/a
Financial expenses	-37	-54	-56	-69	-70
EBT	-142	402	554	503	353
Tax	-10	-266	-348	-584	-326
Minority interests	0	0	0	0	0
Net loss/profit for the year	-152	136	206	-81	27
Balance Sheet					
Goodwill	631	751	931	1,004	1,128
Other intangible fixed assets	17	21	0	0	0
Tangible fixed assets	247	332	558	388	457
Financial fixed assets	314	404	0	0	0
Total fixed assets	1,209	1,508	1,489	1,392	1,585
Inventories	1,268	1,982	2,181	2,014	1,911
Other current assets	3,483	3,546	3,886	4,046	3,902
Current receivables	108	206	653	964	1,535
Cash, bank, short-term investments	97	30	200	67	279
Total current assets	4,956	5,764	6,920	7,091	7,627
Total assets	6,165	7,272	8,409	8,483	9,212
Shareholders' equity	1,888	2,040	1,904	1,699	1,780
Minority interests	0	0	0	0	0
Interest-bearing provisions	293	379	262	262	174
Non-interest bearing provisions	-623	-626	15	103	76
Interest-bearing long-term liabilities	0	80	1,793	1,882	2,258
Non-interest bearing long-term liabil.	0	0	0	0	0
Interest-bearing current liabilities	2,910	3,778	2,539	2,758	2,987
Non-interest bearing current liabilities	1,697	1,621	1,896	1,779	1,937
Total shareholders' equity and liabilities	6,165	7,272	8,409	8,483	9,212
Cash Flow Statement					
Cash flow from operating activities	995	708	762	727	-3,622
of which change in working capital	976	223	131	57	–
Cash flow from investing activities	18	-420	-270	-198	-2,282
of which investments	-39	-430	-270	-306	–
of which sales	57	10	0	108	–
Cash flow from financing activities	-948	-489	-358	-741	5,943
of which change in loans	–	–	–	–	–
of which capital contribution	–	–	–	–	–
of which dividends	–	–	–	–	–
Cash flow for the year	65	-201	133	-212	39
Key figures					
EBITA margin, %	0.2	4.9	6.0	6.7	6.1
EBT margin, %	neg	3.3	4.5	4.8	3.9
Return on equity, %	neg	6.9	11.4	neg	–
Return on capital employed, %	neg	7.1	9.3	8.3	–
Equity ratio, %	31	28	23	20	19
Interest-bearing net debt	3,106	4,207	4,394	4,835	5,140
Debt/equity ratio, times	1.7	2.1	2.4	2.9	3.0
Average number of employees	183	228	234	229	191

Pertains to tax receivable.

Focused efforts to reduce tied-up capital led to a strong improvement in cash flow in 2002.

Giga – profitable underlying business

Ratos became a owner in Programmera in 2001 in conjunction with the acquisition of Atle. The Yarrow Group, which was formed at the beginning of the year through a merger of Programmera and Giga, sold its operations within application maintenance and development in July. The remaining operations took back the Giga name. Ratos owns 42% of the Giga Group after all the transactions agreed in conjunction with the sale had been formally completed.

Ratos has invested a total of SEK 111m in Giga. Consolidated book value amounted to SEK 1m at year-end.

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

Olle Schmidt, CEO

Operations

Giga Consulting is a Stockholm-based IT company with competence in IT infrastructure. The company has approximately 50 employees within the operating areas: Windows, Unix/DB, Project Management and Development.

Earnings trend

Sales in the remaining operations, Giga Consulting, were unchanged compared with the previous year and amounted to SEK 52m. The operating loss (EBITA) in the operating company Giga Consulting was SEK 4m (profit 4), and earnings were charged with SEK 9m for overhead services from discontinued parts of the Group.

The Group was charged with costs of SEK 16m for the sale of operations within application maintenance and development. The loss after net financial items amounted to SEK 34m (loss 29).

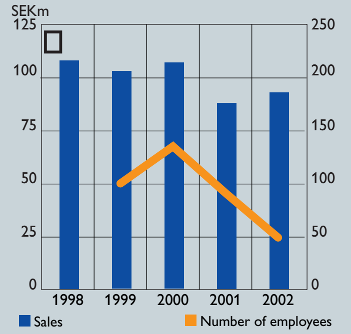
Board of Directors

Eva Gidlöf	Chairman, former CEO Cap Gemini Sweden
Gösta Ericsson	Mandrion Data
Per Frankling	Ratos
Johan Seeman	3i

Management

Olle Schmidt	CEO

Sales and number of employees



SEKm	2002	2001 [1]	2000 [1]	1999 [1]	1998 [1]
Profit and Loss Account					
Net sales	93	88	107	103	108
Operating expenses	-105	-116	-102	-91	-91
Other income	0	0	0	1	1
Items affecting comparability	-15	0	0	0	0
EBITDA	-27	-29	5	13	18
Depreciation	-1	-1	0	0	0
EBITA	-28	-30	5	13	18
Goodwill amortisation	-5	0	0	0	0
EBIT	-33	-30	5	13	18
Financial income	0	2	1	0	1
Financial expenses	-1	-1	0	0	0
EBT	-34	-29	6	13	19
Tax	1	3	-2	-4	–
Minority interests	1	0	0	0	0
Net loss/profit for the year	-32	-26	4	9	19
Balance Sheet					
Goodwill	5	1	0	0	0
Other intangible fixed assets	0	0	0	0	0
Tangible fixed assets	1	3	4	1	1
Financial fixed assets	0	19	0	0	0
Total fixed assets	6	23	4	1	1
Inventories	1	0	0	0	0
Receivables	15	23	27	16	20
Cash, bank, short-term investments	1	2	32	36	27
Total current assets	17	25	59	52	47
Total assets	23	48	63	53	48
Shareholders' equity	-5	11	37	33	23
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	0	0	0	0
Non-interest bearing provisions	0	0	3	3	2
Interest-bearing long-term liabilities	4	0	0	0	0
Non-interest bearing long-term liabilities	0	0	0	0	0
Interest-bearing current liabilities	13	0	0	0	0
Non-interest bearing current liabilities	11	37	23	17	23
Total shareholders' equity and liabilities	23	48	63	53	48
Cash Flow					
Cash flow from operating activities	n/a	-10	n/a	n/a	n/a
of which change in working capital	–	16	–	–	–
Cash flow from investing activities	n/a	-21	n/a	n/a	n/a
of which investments	–	-21	–	–	–
of which sales	–	0	–	–	–
Cash flow from financing activities	n/a	0	n/a	n/a	n/a
of which change in loans	–	0	–	–	–
of which capital contribution	–	0	–	–	–
of which dividends	–	0	–	–	–
Cash flow for the year	n/a	-31	n/a	n/a	n/a
Key figures					
EBITA margin, %	neg	neg	4.7	12.6	16.7
EBT margin, %	neg	neg	5.6	12.6	17.6
Return on equity, %	neg	neg	11.4	32.1	–
Return on capital employed, %	neg	neg	17.1	46.4	–
Equity ratio, %	–	22	59	62	48
Interest-bearing net debt	15	-2	-32	-36	-27
Debt/equity ratio, times	neg	0	0	0	0
Average number of employees	49	91	135	100	n/a

[1] Comparative figures relate to Programmera.

Sales in the operating company Giga Consulting were unchanged at SEK 52m.

The deficit in shareholders' equity is stated due to new issue agreed but not yet effected.

Haendig – stimulating earnings boost

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

Ratos has invested a total of SEK 169m in Haendig. Consolidated book value in Ratos amounted to SEK 173m at year-end 2002.

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

Nordic wholesalers

Haendig owns and develops Nordic wholesale companies with sales to the DIY market and the professional sector. Subsidiaries should be among the leaders within their niches and have a primary focus on private labels or exclusive agencies. The Group was formed in 2000 through a merger of HDF-Bolagen and Markt, and has subsequently grown through acquisition of six complementary wholesale companies.

Markt focuses on the professional sector and the company's Hitachi agency is one of the largest within power tools. Hafa is one of the largest bathroom companies in Sweden. Duri is the market leader in floor accessories for flooring professionals. The HDF-Bolagen's wholesale operations are estimated to be the second largest in the Nordic region after Luna. Sven Svenssons is Sweden's leading wholesaler in plant pots and garden ornaments. The Finnish company Penope imports and distributes power tools and woodworking machines.

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 home improvements and furnishings. The bathroom product category is expected to show rapid growth. Sweden is showing a higher growth rate than the other Nordic countries.

Consolidation is taking place within the DIY market where new retail trading 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 wholesalers with the ongoing modernisation of distribution patterns.

The year in brief

The focus on consolidation of acquisitions, continued capital rationalisation and improved margins has had an impact on both earnings and tied-up capital. Sales rose 6% and amounted to SEK 1,266m (1,200) which was mainly due to the acquisition of Penope in 2001. Earnings for 2002 improved substantially compared with the previous year due to completed action programmes and a stronger Swedish krona. Pre-tax profit amounted to SEK 24m (14). The successful bathroom operations in Hafa were incorporated on 1 January 2002.

Thomas Holmgren, CEO

Future prospects

As an active owner of wholesale companies, Haendig conducts business development activities in the subsidiaries belonging to the Group with a focus on private labels and agencies and on business segments with potential for long-term growth. Ongoing efforts to improve profitability and cash flows are expected to create opportunities for value-creating acquisitions.

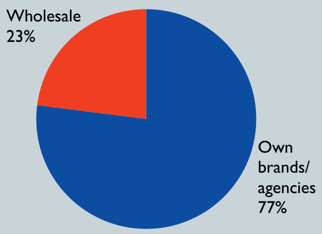
Board of Directors

Stig Karlsson	Chairman, Ratos
Fredrik Karlsson	3i
Henning Oeglaend	Lawyer Lindh Stabell Horten
Bengt Olsson	former CEO Ahlsell
Thomas Holmgren	CEO
Henrik Blomé	Deputy, Ratos
Stein Thielert	Deputy, CEO Markt

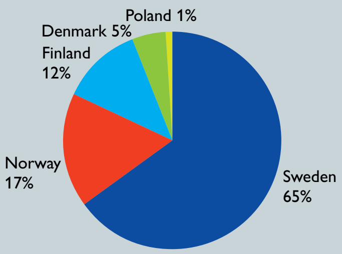
Management

Thomas Holmgren	CEO Haendig and HDF-Bolagen
Ulf Carlsson	CFO
Stein Thielert	CEO Markt
Jarmo Kivistö	CEO Penope
Staffan Jehander	CEO Duri
Ola Andrée	CEO Hafa
Peter Holgersson	CEO Sven Svenssons

Sales by operations



Sales by market



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	1,266	1,200	945		
Operating expenses	-1,180	-1,144	-880		
Other income	0	3	1		
Items affecting comparability	-10	0	2		
EBITDA	76	59	68		
Depreciation	-18	-15	-27		
EBITA	58	44	41		
Goodwill amortisation	-11	-8	-6		
EBIT	47	36	35		
Financial income	2	3	2		
Financial expenses	-25	-24	-13		
EBT	24	14	24		
Tax	-11	-8	-10		
Minority interests	0	0	0		
Net profit for the year	13	6	14		
Balance Sheet					
Goodwill	122	127	107		
Other intangible fixed assets	5	8	8		
Tangible fixed assets	157	167	126		
Financial fixed assets	4	2	5		
Total fixed assets	288	304	246		
Inventories	256	267	214		
Current receivables	213	202	164		
Cash, bank, short-term investments	8	4	10		
Total current assets	477	472	388		
Total assets	765	776	634		
Shareholders' equity	208	191	155		
Minority interests	0	0	0		
Interest-bearing provisions	13	12	11		
Non-interest bearing provisions	21	25	21		
Interest-bearing long-term liabilities	351	388	299		
Non-interest bearing long-term liabil.	0	1	0		
Interest-bearing current liabilities	1	1	0		
Non-interest bearing current liabilities	172	159	147		
Total shareholders' equity and liabilities	765	776	634		
Cash Flow Statement					
Cash flow from operating activities	54	16	50		
of which change in working capital	11	-9	11		
Cash flow from investing activities	-13	-77	-71		
of which investments	-16	-78	-67		
of which sales	3	1	0		
Cash flow from financing activities	-37	55	18		
of which change in loans	-37	27	18		
of which capital contribution	0	30	0		
of which dividends	0	2	0		
Cash flow for the year	4	-6	-3		
Key figures					
EBITA margin, %	4.6	3.7	4.3		
EBT margin, %	1.9	1.2	2.5		
Return on equity, %	6.5	3.6	–		
Return on capital employed, %	8.5	7.2	–		
Equity ratio, %	27	25	24		
Interest-bearing net debt	358	397	300		
Debt/equity ratio, times	1.8	2.1	2.0		
Average number of employees	410	452	453		

Acquisitions carried out in 2001 made a positive contribution to earnings.

The operations finance both their own investments and amortisation.

Haglöfs – exports rose 82%

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 114m at year-end 2002.

Ratos is represented on the Board by Stig Karlsson and Arne Karlsson. The Investment Manager for this holding is Stig Karlsson.

Operations

Haglöfs develops, produces and markets equipment and clothes for an active outdoor life. The product range includes rucksacks, sleeping bags, tents, footwear and clothes. The subsidiary Alfa develops and produces hiking and hunting boots, ski boots and work boots. Haglöfs has a leading position in the Nordic region and has become established in selected markets in the rest of Europe in recent years.

In October 2002, management, product development and the marketing organisation moved to new premises in Kallhäll outside Stockholm.

Strategic position

Haglöfs' business idea and comprehensive concept are unique and offer a wide range of products for an active outdoor life which maintain a consistent high quality and image. The market is showing stable growth due to a rising interest in outdoor activities and the fact that the products can also be used in several other contexts. This provides major opportunities to sell products to consumers outside the core target group. In June 2002 Haglöfs was awarded a prize for its innovative textile design in competition with some of the world's largest outdoor players such as Salomon, Mammut and The North Face. Haglöfs had an average annual sales growth of 26% in 1989-2002.

Results

Sales increased by 11% to SEK 306m (275). Exports outside the Nordic home market rose 82%. Particularly strong growth was noted in sales to Germany, the Netherlands and Japan. Sales outside the Nordic region accounted for 13% of total sales compared with 9% in 2001.

Operating profit (EBIT) amounted to SEK 13m (13) and profit before tax was SEK 9m (10). During the year earnings were charged with higher costs for advertising and trade fairs, delivery and quality assurance, as well as some development costs.

Mats Hedblom, CEO

Future prospects

Haglöfs has a leading position in the Nordic region and has become established in selected markets in the rest of Europe in recent years. Continued favourable growth is expected as a result of wider distribution and a focus on product development. Action programmes completed in 2002 within the organisation and supply chain will improve profitability in 2003.

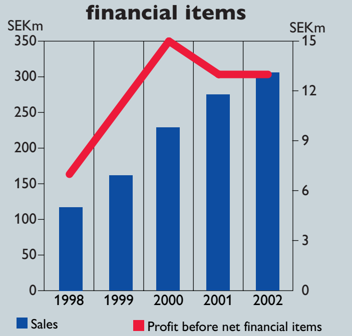
Board of Directors

Stig Karlsson	Chairman, Ratos
Lars Göthlin	Lawyer Södermarks
Arne Karlsson	Ratos
Anders Reuthammar	CEO Marbodal
Mats Hedblom	CEO

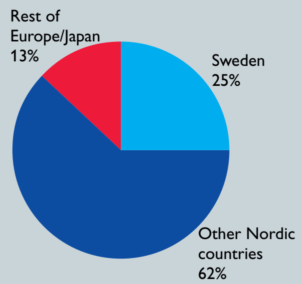
Management

Mats Hedblom	CEO
Jim Jonsson	Business Controller
Anders Westberg	Finance
Henrik Ottosson	Markets
Anita Desai	Production, Textiles
Fredrik Lundberg	Product Development, Textiles
Lennart Svensson	Production and Product Development, Equipment and Footwear
Jörn Prestkvern	CEO, Alfa Skofabrik AS
Martin Kössler	Exports

Sales and profit before net financial items



Sales by market



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	306	275	229	162	117
Operating expenses	-289	-259	-208	-149	-108
Other income	0	0	0	0	0
Items affecting comparability	0	0	-3	0	0
EBITDA	17	16	18	13	9
Depreciation	-3	-2	-2	-2	-2
EBITA	14	14	16	11	7
Goodwill amortisation	-1	-1	-1	0	0
EBIT	13	13	15	11	7
Financial income	0	1	0	0	0
Financial expenses	-4	-4	-2	-1	-1
EBT	9	10	13	10	6
Tax	-2	-3	-4	-2	-2
Minority interests	0	0	0	0	0
Net profit for the year	7	7	9	8	4
Balance Sheet					
Goodwill	5	5	5	6	0
Other intangible fixed assets	3	2	0	0	0
Tangible fixed assets	19	14	13	12	10
Financial fixed assets	3	3	0	0	0
Total fixed assets	30	24	18	18	10
Inventories	79	76	59	42	33
Current receivables	57	44	38	34	24
Cash, bank, short-term investments	10	7	5	20	3
Total current assets	146	127	102	96	60
Total assets	176	151	120	114	70
Shareholders' equity	57	48	37	33	27
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	2	2	3	3
Non-interest bearing provisions	2	0	0	0	0
Interest-bearing long-term liabilities	57	57	34	28	18
Non-interest bearing long-term liabilities	0	0	1	1	1
Interest-bearing current liabilities	4	4	4	3	0
Non-interest bearing current liabilities	56	40	42	46	21
Total shareholders' equity and liabilities	176	151	120	114	70
Cash Flow Statement					
Cash flow from operating activities	12	-15	-13	16	-2
of which change in working capital	2	-3	-2	-2	3
Cash flow from investing activities	-9	-6	-2	-10	-1
of which investments	-9	-6	-2	-10	-1
of which sales	0	0	0	0	0
Cash flow from financing activities	0	22	1	10	5
of which change in loans	0	22	6	10	5
of which capital contribution	0	0	-5	0	0
of which dividends	0	0	0	0	0
Cash flow for the year	3	1	-15	17	3
Key figures					
EBITA margin, %	4.6	5.1	7.1	6.8	6.0
EBT margin, %	2.9	3.6	5.8	6.2	5.1
Return on equity, %	13.3	16.1	26.3	26.7	–
Return on capital employed, %	11.4	14.9	21.1	19.1	–
Equity ratio, %	32	32	31	29	39
Interest-bearing net debt	51	56	35	14	18
Debt/equity ratio, times	1.1	1.3	1.1	1.0	0.8
Average number of employees	110	102	98	58	25

Annual sales growth of 27% in the last five years.

Hilding Anders – ongoing profitable expansion

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 (the Adolfsson family) and Nordic Capital.

Ratos's investment amounts to SEK 378m. Consolidated book value in Ratos amounted to SEK 465m at year-end.

Ratos is represented on the Board by Bo Jungner who is the Investment Manager for this holding.

Strong growth

Hilding Anders has experienced very rapid growth since 1999 when the company merged with Apax to become the leading manufacturer of beds in the Nordic region. The Group has subsequently expanded considerably through organic growth and acquisitions and currently has 23 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. There are a large number of national bed manufacturers in Europe, and Hilding Anders has a market share of about 15% which makes the company Europe's largest bed manufacturer today, closely followed by Recticel of Belgium. Major customers include IKEA, Jysk, Benson and Conforma. The market for the company's products has an annual growth of 3-4%. Growth is mainly driven by the development of consumer purchasing power, housing construction, repairs to properties and the frequency with which people move house. Greater awareness of the importance of a good quality bed has led to a rise in average prices for beds.

Profitable expansion

Following a highly expansive 2001, the acquisition rate was lower in 2002. The British company Dunlopillo was acquired and integrated with existing operations in Slumberland Plc. An agreement has been signed with the former agent Slumberland Asia under which Hilding Anders will have a 20% stake in these operations with sales in Malaysia, Hong Kong, Singapore, Indonesia, Thailand and China. In 2002, in addition to integrating the acquired units, Hilding Anders focused on rationalising its production structure and exploiting purchasing synergies between the different group companies. The company has established a new business organisation with two geographical business areas as part of this continued growth. Anders Pålsson has been the company's new CEO since 1 January 2003.

Sales amounted to SEK 3,656m (3,100), an increase of 18%. Profit before net financial items and goodwill amortisation (EBITA) amounted to SEK 515m (395) and profit before tax (EBT) was SEK 349m (289).

The European bed market showed weak development during the year with some recovery in the second half. The Hilding Anders companies all succeeded in maintaining their margins and market positions.

Prospects for 2003

The focus for 2003 is to continue to improve margins. This can be achieved by exploiting synergies within purchasing, product development and production. Preparations for a possible future IPO will also continue. Hilding Anders' strong market position and established formula for success, with its focus on efficiency, product development and strong brands, creates good opportunities for continued high growth. Since today Hilding Anders only holds marginal positions in several of Europe's largest furniture markets, there is potential for continued expansion.

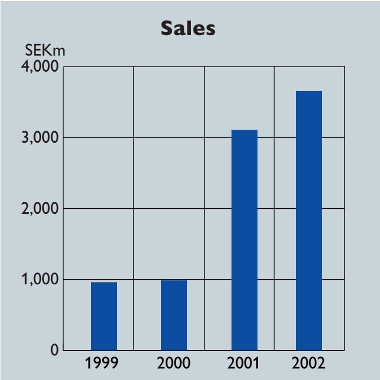
Anders Pålsson, CEO

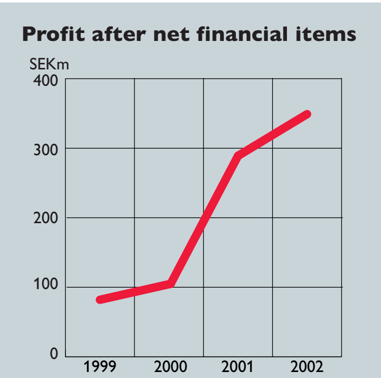
Board of Directors

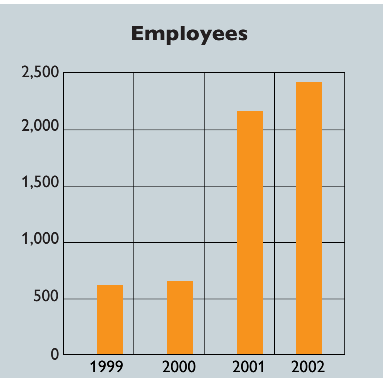
Bengt Adolfsson	Chairman
Fred Andersson	CEO Nicator, Board member Asko and H&M
Roland Bengtsson	former CEO Ramlösa
Bo Jungner	Ratos
Anders Moberg	former CEO IKEA, CEO Home Depot Int
Morgan Olsson	Nordic Capital
Anders Pålsson	CEO

Management

Anders Pålsson	CEO
Anders Larsson	CFO
Poul Erik Rasmussen	Head of Nordic Area
Klaus Billerbeck	Head of West and Central Europe
Tommy Larsson	Purchasing Director
Lars Haux	Production Director







SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	3,656	3,100	1,001	958	
Operating expenses	-3,123	-2,650	-834	-814	
Other income	42	28	9	11	
Items affecting comparability	30	0	0	0	
EBITDA	605	478	176	155	
Depreciation	-90	-83	-21	-21	
EBITA	515	395	155	134	
Goodwill amortisation	-83	-47	-31	-31	
EBIT	432	348	124	103	
Financial income	5	33	4	5	
Financial expenses	-88	-92	-23	-26	
EBT	349	289	105	82	
Tax	-131	-108	-34	-31	
Minority interests	0	0	0	0	
Net profit for the year	218	181	71	51	
Balance Sheet					
Goodwill	1,168	1,162	471	502	
Other intangible fixed assets	81	0	0	0	
Tangible fixed assets	964	1,007	234	240	
Financial fixed assets	0	1	3	1	
Long-term receivables	199	167	0	0	
Total fixed assets	2,412	2,337	708	743	
Inventories	453	446	147	109	
Current receivables	507	458	144	103	
Cash, bank, short-term investments	176	292	26	24	
Total current assets	1,136	1,196	317	236	
Total assets	3,548	3,533	1,025	979	
Shareholders' equity	1,335	1,122	483	408	
Minority interests	0	0	0	0	
Interest-bearing provisions	52	42	20	19	
Non-interest bearing provisions	168	148	49	57	
Interest-bearing long-term liabilities	1,513	1,613	255	308	
Non-interest bearing long-term liabilities	8	9	0	0	
Interest-bearing current liabilities	69	182	88	85	
Non-interest bearing current liabilities	403	417	130	102	
Total shareholders' equity and liabilities	3,548	3,533	1,025	979	
Cash Flow Statement					
Cash flow from operating activities	400	383	73	91	
of which change in working capital	-52	8	-50	-16	
Cash flow from investing activities	-289	-343	-20	-364	
of which investments	-334	-381	-66	-364	
of which sales	45	38	48	0	
Cash flow from financing activities	-226	206	-51	282	
of which change in loans	-226	-244	-52	85	
of which capital contribution	–	450	0	200	
of which dividends	–	0	0	-3	
Cash flow for the year	-115	246	2	9	
Key figures					
EBITA margin, %	14.1	12.7	15.5	14.0	
EBT margin, %	9.5	9.3	10.5	8.6	
Return on equity, %	17.7	22.5	15.9	–	
Return on capital employed, %	14.7	20.0	15.4	–	
Equity ratio, %	38	32	47	42	
Interest-bearing net debt	1,458	1,545	337	388	
Debt/equity ratio, times	1.2	1.6	0.8	1.0	
Average number of employees	2,414	2,157	651	616	

Hilding Anders has made several acquisitions in the last four years which have contributed to the strong sales growth.

Acquisition strategy has positive earnings impact.

Acquisitions including Slumberland in the UK were financed with loans and new issues.

HL Display – continued growth

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.

Ratos has invested SEK 229m in HL Display. The market value of the holding at year-end 2002 was SEK 202m. The consolidated book value amounted to SEK 239m.

Ratos is represented on the Board by Arne Karlsson and Stig Karlsson, who is the Investment Manager for this holding.

Market-leading player in merchandising

HL Display is a market-leading supplier of products and systems for merchandising and in-store communication. The company's main market is Europe, but sales are also increasing in Asia and the US. The company was formed in 1954 and listed on the Stockholm Stock Exchange in 1993. Manufacture is carried out in Sundsvall, Karlskoga (extrusion/injection moulding), Falun (screen printing), Falkenberg and Lesjöfors (metal). HL Display has sales companies in 24 countries. Exports account for more than 80% of sales. The company has had annual growth of 23% since 1993.

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

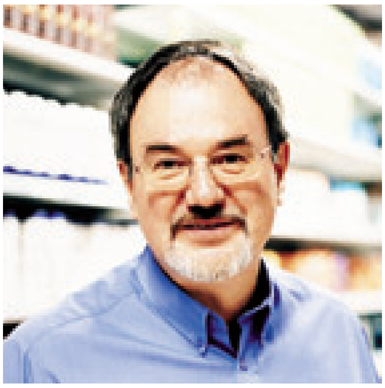
Growth +8%

Sales increased by 8% during the year and amounted to SEK 1,154m (1,072). The lower growth rate compared with previous years is mainly due to lower sales in the Benelux countries and Germany. Sales in France and the UK are rising steadily. Profit before net financial items amounted to SEK 74m (83).

Action has been taken to raise growth and improve profitability. In 2002 new sales companies were established in Romania, Taiwan, Thailand, Malaysia and Hong Kong. A decision was also made to set up a new sales company in Spain. All production in Lesjöfors was transferred to the factory in Falkenberg.

Prospects for 2003

HL Display's growth and profitability targets remain unchanged. With its broad product programme and strong market presence, HL Display is well placed to continue to be the market leader in systems for merchandising. Sales should rise by an average of at least 20% per year over a business cycle, with a profit margin of 10-15% over the same period.



Anders Remius, CEO

Major shareholders

	Capital, %	Votes, %
Remius family	31.7	60.8
Ratos	28.9	20.2
Lannebo funds	7.7	3.7
Skandia	7.5	3.6
Robur	2.0	1.0

Source:VPC

Board of Directors

Åke Wester	Chairman, formerly Hexagon
Stefan Elving	formerly Unilever and ICA
Kent Hertzell	CFO HL Display
Arne Karlsson	Ratos
Stig Karlsson	Ratos
Anders Remius	CEO
Stefan Eriksson	Deputy

Financial calendar

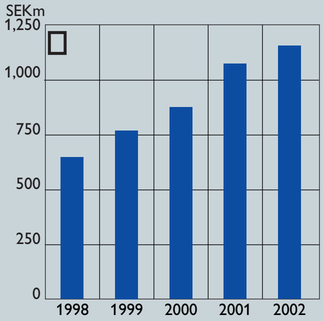
Interim Report Jan-March	15 April 2003
Interim Report Jan-June	15 July 2003
Interim Report Jan-Sept	14 October 2003
Annual General Meeting	18 March 2003

www.hl-display.com

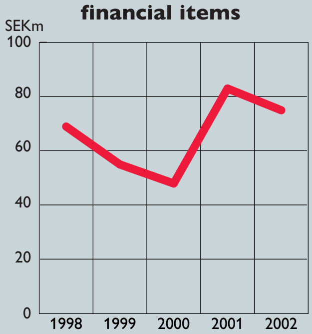
Management

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

Sales



Profit before net financial items



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	1,154	1,072	874	768	647
Operating expenses	-1,038	-946	-792	-682	-552
Other income	7	4	6	0	0
Items affecting comparability	0	0	0	0	0
EBITDA	123	130	88	86	95
Depreciation	-47	-44	-37	-29	-24
EBITA	76	86	51	57	71
Goodwill amortisation	-2	-3	-3	-2	-2
EBIT	74	83	48	55	69
Financial income	3	8	4	1	6
Financial expenses	-12	-9	-7	-9	-4
EBT	65	82	44	47	71
Tax	-21	-26	-17	-15	-26
Minority interests	0	0	0	0	
Net profit for the year	44	56	27	32	45
Balance Sheet					
Goodwill	3	4	7	10	6
Other intangible fixed assets	10	11	13	9	4
Tangible fixed assets	159	162	156	139	112
Financial fixed assets	22	21	10	10	10
Total fixed assets	194	198	186	168	132
Inventories	115	116	100	79	64
Current receivables	242	256	185	160	150
Cash, bank, short-term investments	100	65	31	23	39
Total current assets	457	437	316	262	253
Total assets	650	635	502	430	385
Shareholders' equity	316	284	239	222	200
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	0	0	0	0
Non-interest bearing provisions	23	26	17	14	18
Interest-bearing long-term liabilities	135	118	92	70	54
Non-interest bearing long-term liabilities	0	0	1	1	3
Interest-bearing current liabilities	0	0	0	0	0
Non-interest bearing current liabilities	176	206	152	123	110
Total shareholders' equity and liabilities	650	635	502	430	385
Cash Flow Statement					
Cash flow from operating activities	81	64	51	47	32
of which change in working capital	-7	-36	-21	-3	-46
Cash flow from investing activities	-49	-51	-59	-57	-68
of which investments	-49	-51	-59	-57	-72
of which sales	–	0	0	0	4
Cash flow from financing activities	5	20	15	-5	13
of which change in loans	17	31	25	5	22
of which capital contribution	–	0	0	0	0
of which dividends	-12	-11	-10	-10	-9
Cash flow for the year	37	33	8	-15	-22
Key figures					
EBITA margin, %	6.6	8.0	5.8	7.4	11.0
EBT margin, %	5.6	7.6	5.1	6.1	11.0
Return on equity, %	14.5	21.4	11.8	15.2	–
Return on capital employed, %	18.1	24.8	16.6	20.5	–
Equity ratio, %	49	45	48	52	52
Interest-bearing net debt	35	53	61	47	15
Debt/equity ratio, times	0.4	0.4	0.4	0.3	0.3
Average number of employees	925	855	773	706	582

Annual growth rate 16% over last five years.

Translation differences had negative earnings impact.

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 more than 40 investments in four funds within different sectors in Europe, with the majority in the engineering, retailing & wholesaling, and service sectors. Investors in Industri Kapital's funds comprise major Nordic, European and American institutions and insurance companies.

Ratos's investment

Ratos has invested in four funds. 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 1989 and 1994 funds Ratos invested directly in the portfolio companies, while investments in later funds were made via a British limited partnership. The market value of Ratos's holding in Industri Kapital's funds is estimated at SEK 500m, according to Industri Kapital's own calculations.

Thomas Mossberg is the Investment Manager for these investments.

The past year

Acquisitions during the year included 67% in the French listed company Labeyrie Group (goose liver and smoked salmon), a majority holding in the German garden products company Gardena, and 100% in the Dutch company Welzorg (mobility aids). Paroc was sold. In addition, Industri Kapital carried out IPOs for Alfa Laval, Intrum Justitia and Nobia which made a positive contribution to Ratos's earnings. The company Addtek acquired concrete structure operations in Germany and the Czech Republic, and a follow-on investment was made in Dynea Oy.

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

31 Dec 2002	Number	Change during the year	Book value, SEKm	Market value, SEKm
Industri Kapital 1994				
Viking Sewing Machines AB		-138,359		
Viking Sewing Machines Holding AB	137,805	137,805	9.9	16.5
Nobia AB A [1]	1,063,673	929,246	10.6	68.6
Addtek International Oy A	124,690		1.8	11.7
Addtek International Oy B	97,770		2.3	9.2
Addtek International Oy Inv. loan	269,100		3.9	4.2
Enermet Group Oy	23,615		3.5	2.2
Enermet Group Oy, Inv.loan	55,564		8.2	10.3
VestWood A/S		-45,672		
Blocked liquidity [2]				28.6
			40.2	151.3
Industri Kapital 1997			122.8	170.1
Industri Kapital 2000			168.3	178.6
Total shareholding, Industri Kapital			**331.3**	**500.0**

[1] Split and sale.

[2] Booked as long-term receivables in Ratos.

Intervect – focus on profitability

Ratos became an owner in Intervect in conjunction with the acquisition of Atle. Ratos's holding amounts to 50%. The co-owner is 3i with 50%.

Ratos has invested SEK 227m. Consolidated book value in Ratos at year-end was SEK 204m.

Ratos is represented on the Board by Bo Jungner who is also the Investment Manager for this holding.

Leaders in vertical access

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

Transporting 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 various types of aftermarket services is growing. The technology changeover from scaffolding to platforms and lifts is also expected to drive growth.

Weak market and continued action programme

The market for Intervect's products showed relatively weak development during the year. Intervect's sales decreased by 4% to SEK 1,121m. The efficiency improvement programme has provided results in the form of improvements in the company's production unit in Skellefteå and a general reduction in working capital. Operating profit before goodwill amortisation (EBITA) amounted to SEK 14m (-4). The loss after net financial items was SEK 10m (loss 35). Efforts to strengthen Intervect's competitive position and profitability will continue in 2003.

Events after year-end

The Chairman of Intervect's Board, Björn Kumlin, took over as acting CEO on 13 January 2003. He will remain in this position until a new CEO has been recruited.

Future prospects

The effects of the company's action programme are expected to contribute to improved earnings in 2003. As the leading global player, Intervect is well positioned for growth. This can take place organically by increasing sales to new user segments, geographic expansion, and by fully exploiting demand for the company's various aftermarket services. Intervect can also expand via strategic acquisitions.

The effects of the action programme already started are expected to contribute to a significant improvement in earnings for 2003.

Björn Kumlin, acting CEO

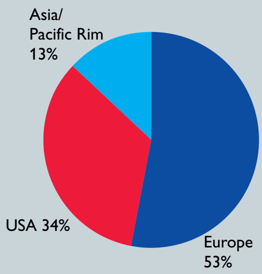
Board of Directors

Björn Kumlin	Chairman
Jan-Gunnar Glave	Skanska
Bo Jungner	Ratos
Arnfinn Ruud	formerly Svedala
Hans Werner	3i
Thomas Hofvenstam	Co-opted, Ratos

Management

Björn Kumlin	Acting CEO
Nils-Erik Häggström	Vice President, CEO Alimak
Ernst van Hek	Vice President, CEO HEK
Stefan Petersson	CFO

Sales by market



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account			Pro forma		
Net sales	1,121	1,166	1,106		
Operating expenses	-1,058	-1,054	-932		
Other income	0	11	0		
Items affecting comparability	0	-51	0		
EBITDA	63	72	174		
Depreciation	-49	-75	-72		
EBITA	14	-4	102		
Goodwill amortisation	-2	-3	-1		
EBIT	12	-7	101		
Financial income	3	14	10		
Financial expenses	-25	-42	-38		
EBT	-10	-35	73		
Tax	5	-2	-24		
Minority interests	0	0	0		
Net profit for the year	-5	-37	49		
Balance Sheet					
Goodwill	40	45	10		
Other intangible fixed assets	3	4	0		
Tangible fixed assets	214	303	291		
Financial fixed assets	17	5	9		
Total fixed assets	274	357	310		
Inventories	240	291	284		
Current receivables	335	447	430		
Cash, bank, short-term investments	35	41	19		
Total current assets	610	779	733		
Total assets	884	1,136	1,043		
Shareholders' equity	300	313	305		
Minority interests	0	0	0		
Interest-bearing provisions	46	50			
Non-interest bearing provisions	14	31	69		
Interest-bearing long-term liabilities	236	486	479		
Non-interest bearing long-term liabil.	0	0	0		
Interest-bearing current liabilities	74	5	0		
Non-interest bearing current liabilities	214	251	190		
Total shareholders' equity and liabilities	884	1,136	1,043		
Cash Flow Statement					
Cash flow from operating activities	174	134	-7		
of which change in working capital	128	42	-48		
Cash flow from investing activities	117	-74	-1		
of which investments	-28	-157	-80		
of which sales	145	83	79		
Cash flow from financing activities	-259	-19	47		
of which change in loans	-259	-19	47		
of which capital contribution	0	0	0		
of which dividends	0	0	0		
Cash flow for the year	32	41	39		
Key figures					
EBITA margin, %	1.2	neg	9.2		
EBT margin, %	neg	neg	6.6		
Return on equity, %	neg	neg	–		
Return on capital employed, %	1.9	0.9	–		
Equity ratio, %	34	28	29		
Interest-bearing net debt	321	500	461		
Debt/equity ratio, times	1.2	1.7	1.6		
Average number of employees	840	854	863		

Off-balance sheet solutions for the leasing fleet in 2002 reduced both depreciation and interest expenses.

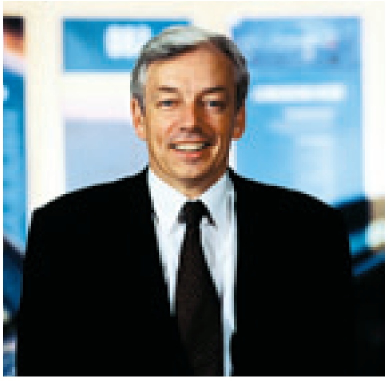
Capital rationalisation programme improved cash flow.

Lindab – strong growth in Eastern Europe

Together with companies including Skandia Liv and the Sixth Swedish National Pension Fund, Ratos implemented a buy-out of Lindab from the stock exchange in 2001. The buy-out was effected via the leveraged buy-out company Lindab Intressenter. Ratos's holding in Lindab Intressenter amounts to 48%. Skandia Liv owns 24% and the Sixth Swedish National Pension Fund 24%.

Ratos has invested SEK 1,061m in Lindab. Consolidated book value in Ratos amounted to SEK 1,084m at year-end.

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


Kjell Åkesson, 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 58% 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. The Dutch sales company Inatherm was acquired at the beginning of the year.

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 the Nordic market leader in most product groups. The Profile business area has achieved strong growth in Eastern Europe ever since the start in the early 1990s. The US company Butler's European operations within steel halls, which are based in Hungary, were acquired during the year.

The year in brief

Over the last five year, Lindab has had good sales growth with an average annual increase of about 12%. Sales in 2002 totalled SEK 5,235m (5,160), of which sales outside Sweden accounted for 72%. Sales in Eastern Europe rose 17% to SEK 784m (672). Weak investment in the US economy meant that sales in the US decreased by 8% in local currency, although Lindab continued to capture market shares in the US.

EBITA improved by 2% to SEK 326m (319). Profit before net financial items for the Lindab Intressenter Group amounted to SEK 211m (185). Rising sheet-metal prices in the autumn led to lower margins for Lindab.

The company carried out an extensive reorganisation during the year. Lindab's new CEO, Kjell Åkesson, previously Bilia's CEO, took up his position at the beginning of the year.

Future prospects

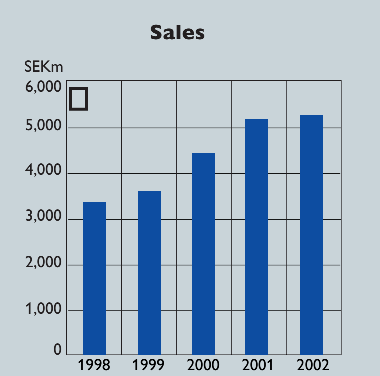
Lindab's leading market position, strength within distribution and excellent economies of scale, make the company well placed to grow faster than its competitors. The company plans to continue its growth strategy in Eastern Europe and the US and measures to optimise the production structure are planned during the year.

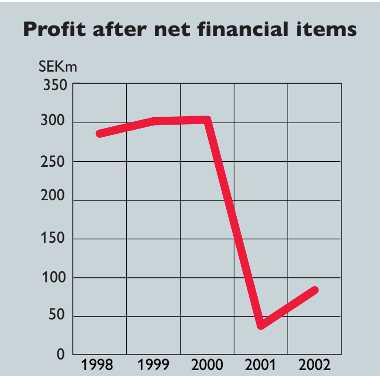
Board of Directors

Svend Holst-Nielsen	Chairman, Chairman Unilever Norden
Anders G. Karlsson	formerly Skanska
Mats Lönnqivst	Ratos
Hans-Olov Olsson	CEO Volvo Car Corporation
Walter Paulsen	former CFO Carlsberg
Hans Schmidt-Hansen	former deputy CEO Lindab
Carl-Gustaf Sondén	former CEO Lindab
Caroline af Ugglas	Deputy, Skandia Liv
Per Frankling	Deputy, Ratos
Urmas Kruusval	Deputy, Sixth Swedish National Pension Fund

Management

Kjell Åkesson	CEO
Nils-Johan Andersson	CFO
Johan Bergkvist	Head of Ventilation
Anders Persson	Head of Profile





SEKm	2002	2001 [1]	2000	1999	1998
Profit and Loss Account					
Net sales	5,235	5,160	4,415	3,569	3,330
Operating expenses	-4,724	-4,697	-3,937	-3,122	-2,909
Other income	0	56	34	18	10
Items affecting comparability	0	-26	0	0	0
EBITDA	511	493	512	465	431
Depreciation	-185	-174	-148	-127	-110
EBITA	326	319	364	338	321
Goodwill amortisation	-115	-134	-22	-15	-14
EBIT	211	185	342	323	307
Financial income	0	17	13	10	12
Financial expenses	-128	-165	-52	-32	-34
EBT	83	37	303	301	285
Tax	-65	-80	-100	-90	-79
Minority interests	0	0	0	0	0
Net profit/loss for the year	18	-43	203	211	206
Balance Sheet					
Goodwill	1,961	2,231	146	70	68
Other intangible fixed assets	183	23	29	35	44
Tangible fixed assets	1,284	1,566	1,406	1,139	964
Financial fixed assets	0	66	47	41	44
Total fixed assets	3,428	3,886	1,628	1,285	1,120
Inventories	853	818	811	585	661
Current receivables	826	820	742	562	491
Cash, bank, short-term investments	191	150	89	152	149
Total current assets	1,870	1,788	1,642	1,299	1,301
Total assets	5,298	5,674	3,270	2,584	2,421
Shareholders' equity	2,248	2,232	1,307	1,256	1,134
Minority interests	0	0	0	0	0
Interest-bearing provisions	64	72	52	47	42
Non-interest bearing provisions	148	163	149	128	134
Interest-bearing long-term liabilities	1,997	1,998	1,070	612	580
Non-interest bearing long-term liabil.	0	12	16	9	13
Interest-bearing current liabilities	0	459	7	8	35
Non-interest bearing current liabilities	841	738	669	524	483
Total shareholders' equity and liabilities	5,298	5,674	3,270	2,584	2,421
Cash Flow Statement					
Cash flow from operating activities	333	381	129	402	76
of which change in working capital	35	176	-257	47	-258
Cash flow from investing activities	47	-3,175	-474	-354	-244
of which investments	-186	-3,175	-474	-364	-264
of which sales	214	0	0	10	20
Cash flow from financing activities	-422	3,325	282	-45	3
of which change in loans	-462	1,145	469	6	50
of which capital contribution	40	2,200	-96	0	0
of which dividends	0	0	-72	-48	-36
Cash flow for the year	-42	531	-63	3	-165
Key figures					
EBITA margin, %	6.2	6.2	8.2	9.5	9.6
EBT margin, %	1.6	0.7	6.9	8.4	8.6
Return on equity, %	0.8	neg	15.8	17.7	–
Return on capital employed, %	4.7	5.6	16.3	17.9	–
Equity ratio, %	43	39	40	49	47
Interest-bearing net debt	1,870	2,379	1,040	515	508
Debt/equity ratio, times	0.9	1.1	0.9	0.5	0.6
Average number of employees	3,766	3,635	3,356	2,929	2,655

[1] New group structure from 1 July 2001 in connection with Ratos's acquisition. Operating result for 2001 pertains to pro forma figures for the consolidated profit and loss account including a new holding company, i.e. full-year figures for the holding company's goodwill amortisation and net financial items.

Lindab's growth in 2002 was mainly attributable to the European market.

Lindab's operations continue to generate a strong cash flow.

Two new acquisitions carried out while a large number of the Group's properties were sold.

Buy-out of Lindab from the stock exchange was financed with both loans and equity.

Martinsson – successful strategic acquisition

Ratos became a shareholder in Martinsson in 2001 in conjunction with the acquisition of Atle. Ratos's holding amounts to 50%. The co-owner is 3i with 50%.

Ratos has invested a total of SEK 156m in Martinsson. Consolidated book value in Ratos at year-end 2002 was SEK 153m.

Ratos is represented on the Board by Stig Karlsson who is also the Investment Manager for this holding.

Operations

Martinsson is a value-added reseller in the Swedish IT infrastructure market. Revenues come from product sales and related consulting services. The company focuses on the server segment, which has a high knowledge and technology content. Martinsson is established in 19 locations in Sweden.

The year in brief

In February, Martinsson effected a buy-out of its competitor IMS Data from the Stockholm Stock Exchange. The two companies had a good strategic fit in products and services as well as geographic spread. A successful integration process with IMS has considerably improved Martinsson's opportunities for profitability. Today, Martinsson is the largest player in the important server segment in Sweden.

Improved earnings

Sales increased by 78% and amounted to SEK 856m (480), due entirely to the acquisition of IMS. IMS was consolidated in Martinsson with effect from 1 July, which makes comparisons with the 2001 figures difficult. Profit before goodwill amortisation (EBITA) amounted to SEK 14m (-4). Profit after net financial items was SEK 2m (-6) and net cash amounted to SEK 69m. Earnings for the second half of the year amounted to SEK 5m.

Future prospects

Following the acquisition of IMS, Martinsson has established a strong platform and achieved a critical mass and synergies that allow clear profitability improvements. As an owner in Martinsson, Ratos wishes to be active in the continued consolidation of the industry, using the company's strong base as a foundation.

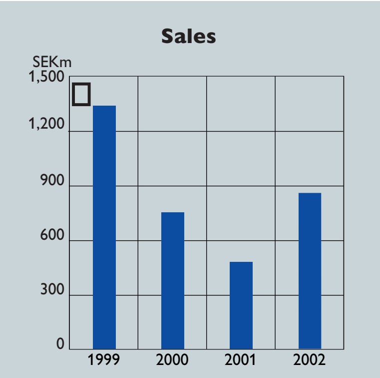
Lars Pettersson, CEO

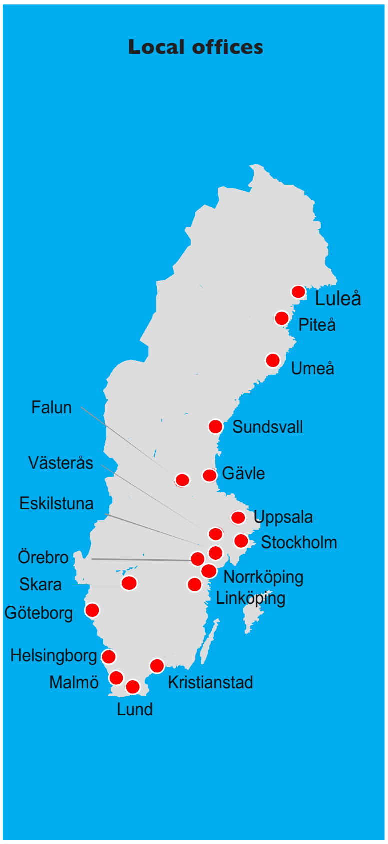
Board of Directors

Kenth-Åke Jönsson	Chairman, Saab
Jan-Åke Kark	former CEO Telia
Wille Laurén	formerly ABB
Stig Karlsson	Ratos
Åke Plyhm	Deputy CEO Tieto Enator
Lars Pettersson	CEO

Management

Lars Pettersson	CEO
Björn-Erik Karlsson	COO
Jens Andresen	CFO





SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	856	480	750	1,335	
Operating expenses	-841	-479	-785	-1,348	
Other income	3	1	9	9	
Items affecting comparability	1	0	7	0	
EBITDA	19	2	-19	-4	
Depreciation	-5	-7	-10	-27	
EBITA	14	-4	-29	-31	
Goodwill amortisation	-14	-8	-12	-1	
EBIT	0	-12	-41	-32	
Financial income	4	7	5	4	
Financial expenses	-2	-1	-10	-8	
EBT	2	-6	-46	-36	
Tax	-2	5	8	-2	
Minority interests	0	0	0	2	
Net profit/loss for the year	0	-1	-38	-36	
Balance Sheet					
Goodwill	134	37	45	49	
Other intangible fixed assets	0	1	0	0	
Tangible fixed assets	14	13	21	37	
Financial fixed assets	15	3	7	0	
Total fixed assets	163	54	73	86	
Inventories	11	5	5	34	
Current receivables	296	218	301	196	
Cash, bank, short-term investments	93	54	21	142	
Total current assets	400	277	327	372	
Total assets	563	331	400	458	
Shareholders' equity	229	229	259	272	
Minority interests	0	0	0	4	
Interest-bearing provisions	0	0	2	3	
Non-interest bearing provisions	0	0	3	12	
Interest-bearing long-term liabilities	0	2	4	7	
Non-interest bearing long-term liabil.	0	0	0	0	
Interest-bearing current liabilities	24	2	1	3	
Non-interest bearing current liabilities	310	99	131	157	
Total shareholders' equity and liabilities	563	331	400	458	
Cash Flow Statement					
Cash flow from operating activities	-2	52	-108	85	
of which change in working capital	-24	44	-83	90	
Cash flow from investing activities	55	6	-8	84	
of which investments	-59	-8	-29	-28	
of which sales	100	14	21	112	
Cash flow from financing activities	-14	-25	-4	-75	
of which change in loans	-14	0	-4	-61	
of which capital contribution	0	0	0	0	
of which dividends	0	-25	0	-8	
Cash flow for the year	39	32	-120	94	
Key figures					
EBITA margin, %	1.6	neg	neg	neg	
EBT margin, %	0.3	neg	neg	neg	
Return on equity, %	0.1	neg	neg	–	
Return on capital employed, %	1.6	neg	neg	–	
Equity ratio, %	41	69	65	60	
Interest-bearing net debt	-69	-50	-14	-129	
Debt/equity ratio, times	0.1	0.0	0.0	0.1	
Average number of employees	353	218	385		

Variations in the company's sales are mainly due to sale and acquisition of operations.

IMS acquisition is already providing positive synergy effects.

Acquisition of IMS Data was financed with own funds.

Pertains to repayment of current receivable.

Overseas Telecom – payment to owners

Overseas Telecom (formerly Telia Overseas) is owned to 9% by Ratos. Other owners are TeliaSonera with 65% and Skandia and Orkla each with 13%.

Ratos invested in Overseas Telecom between 1996 and 2002 with a total amount of SEK 328m. In 2002, Ratos received a payment of SEK 264m, following reduction of the share capital in the company. Consolidated book value in Ratos at year-end amounted to SEK 64m.

Ratos is represented on the Board by Thomas Mossberg and Magnus Dahlbeck (deputy). Thomas Mossberg is the Investment Manager for this holding.

Per O. Pedersen, CEO

Operations

Overseas Telecom 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 and one is in the process of being sold.

Development within mobile telephony in the developing countries remains 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

Overseas Telecom is working according to a strategy of realising built-up values in the company's portfolio holdings through successive divestment. The holdings in Brazil and Slovenia were sold in 2001. An agreement was concluded during the year on the sale of the holding in India. This deal has not yet been completed.

The year in brief

The company's remaining portfolio, in addition to the holding in India, comprises companies in Sri Lanka, Hong Kong, Uganda and Namibia. These holdings continued to show a strong increase in the subscriber base in 2002. At year-end 2002 the total number of subscribers was more than 2.2 million. The number of subscribers in relation to the stake in each holding increased by 64% in 2002 to 480,000. Growth in the subscriber base is expected to remain good.

Continued good financial development

Consolidated sales amounted to SEK 392m (418). Operating profit after goodwill amortisation was SEK 197m (2,305). The 2001 result included capital gains of SEK 2,370m. Liquid assets in the company amounted to SEK 271m. A total of SEK 3,105m was paid to shareholders in July, following an earlier decision to reduce the company's share capital. As a result of this, Ratos received SEK 264m. Financial development in Overseas Telecom's portfolio holdings remained favourable in 2002, particularly in the African holdings.

Future prospects

By direct representation on boards and follow-up of operating and financial developments, Overseas Telecom is pushing forward the development of the remaining holdings. The parent company's organisation has nine employees. Work on realising built-up values will continue in 2003. No new investments will be made in Overseas Telecom. On the other hand, follow-on investments may be made in existing holdings.

Board of Directors

Per Eric Fylking	Chairman, formerly Telia
Niklas Johansson	Skandia
Björn Lindegren	TeliaSonera
Thomas Mossberg	Ratos
Helena Sannestedt	TeliaSonera
Per Thunell	TeliaSonera
Ola Uhre	Orkla
Magnus Dahlbeck	Deputy, Ratos
Håkan Jansson	Deputy, TeliaSonera
Ole Christian Söhoel	Deputy, Orkla
Caroline af Ugglas	Deputy, Skandia

Management

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

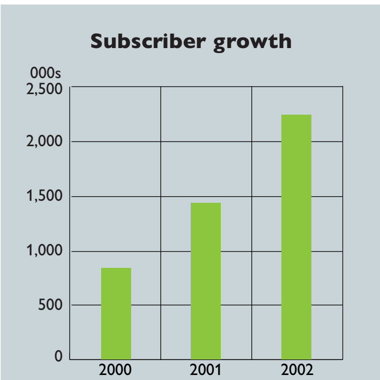
Portfolio companies, 31 December 2002

Country	Company	Holding	Population (000s) Licence area	Subscribers (000s) 2000	2001	2002	EBITDA SEKm 2002	Net debt SEKm 2002
Hong Kong	Peoples Phone	8%	6,800	396	642	806	632	82
India [1)]	Bharti Mobile	26%	115,000	156	396	866	452	1,159
Namibia	MTC	26%	1,650	90	122	159	191	81
Sri Lanka	Suntel	55%	18,700	63	73	67	207	282
Uganda	MTN	32%	22,800	135	202	344	504	305
			164,950	840	1,435	2,242		

[1)] An agreement has been concluded for the sale of the holding in India.

SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	392	418	445	340	257
Operating expenses	-185	-238	-293	-319	-301
Other income	0	0	0	0	0
Capital gains	0	2,370	26	0	279
Share of profits before depreciation	85	-136	-818	-558	-474
Items affecting comparability	0	0	0	0	0
EBITDA	292	2,414	-640	-537	-239
Depreciation	-92	-100	-92	-70	-49
EBITA	200	2,315	-732	-607	-288
Goodwill amortisation	-3	-9	-10	-10	-21
EBIT	197	2,305	-742	-617	-309
Financial income	121	347	89	26	23
Financial expenses	-214	-192	-134	-15	-18
EBT	104	2,460	-787	-606	-304
Tax	-1	-720	217	-1	-30
Minority interests	-12	-1	20	-1	19
Net profit/loss for the year	91	1,739	-550	-608	-315
Balance Sheet					
Intangible fixed assets	21	26	38	56	68
Tangible fixed assets	444	618	574	558	412
Financial fixed assets	398	398	1,902	328	625
Total fixed assets	863	1,042	2,514	942	1,105
Current assets	553	137	345	212	141
Cash, bank, short-term investments	271	3,692	108	147	65
Total current assets	824	3,829	453	359	206
Total assets	1,687	4,871	2,967	1,301	1,311
Shareholders' equity	1,198	449	2,288	499	674
Minority interests	113	122	123	72	57
Provisions	12	13	16	23	21
Long-term liabilities	248	345	357	0	6
Current liabilities	117	3,942	183	707	553
Total shareholders' equity and liabilities	1,687	4,871	2,967	1,301	1,311

Share capital was reduced in 2001 to allow a payment to shareholders in 2002. Some of this payment was used in a new issue in 2002.



Q-Labs – stabilised earnings

Ratos became a co-owner in Q-Labs in December 2000 and has owned 48% since the beginning of 2002. Det Norske Veritas (DNV) owns 48%.

Ratos has invested a total of SEK 188m in Q-Labs. Consolidated book value in Ratos amounted to SEK 45m at year-end.

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

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 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 is inherently error-free (process improvement).

Q-Labs is a world leader in process improvement of software engineering. Q-Labs 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 matters.

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 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.

Peter Rodholm, CEO

Stabilised earnings

At the end of 2001, Q-Labs carried out a major redundancy programme, particularly in Sweden. In the first half of 2002 earnings were still affected by costs in connection with the large cutbacks in operations.

In Germany, Q-Labs now serves several of the major automotive manufacturers and their suppliers. The French market was relatively stable during the year. In Sweden, the company was able to cultivate a new customer base despite a weak market, while the US operations had successful sales within the defence industry. In the UK, Q-Labs worked on an development assignment from Ericsson, which was completed, and the UK operations were closed down at the end of the year, which had an impact on earnings.

Q-Labs' total sales amounted to SEK 187m (221). Operating loss (EBIT) improved to SEK 18m (loss 71). The loss before tax (EBT) was SEK -23m (loss 67).

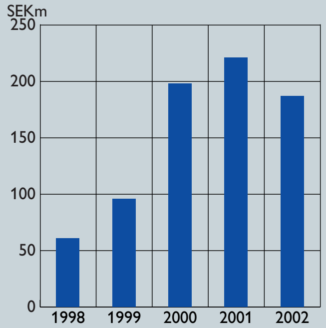
Board of Directors

Lars-Olof Norell	Chairman, former Deputy CEO Cap Gemini
Marcus Bayegan	ABB
Bo Jungner	Ratos
Iain Light	DNV
Trond Øverland	DNV
Wolfgang Wagner	formerly Booz Allen Hamilton
Per Frankling	Deputy, Ratos

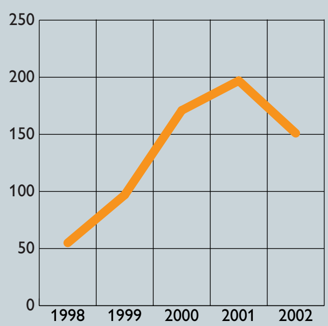
Management

Peter Rodholm	CEO
David Sutcliffe	CFO
Nicolás Martín-Vivaldi	Manager Sweden
Horst Degen-Hientz	Manager Germany
Annie Combelles	Manager France
Ron Lear	Manager USA

Sales



Number of employees



SEKm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	187	221	198	96	61
Operating expenses	-192	-236	-207	-114	-61
Other income	0	0	0	0	0
Items affecting comparability	-8	-31	0	0	0
EBITDA	-13	-46	-9	-18	0
Depreciation	-7	-7	-3	-3	-2
EBITA	-20	-53	-12	-21	-2
Goodwill amortisation	2	-18	-6	-3	-1
EBIT	-18	-71	-18	-24	-3
Financial income	–	8	1	1	0
Financial expenses	-5	-4	-2	-1	0
EBT	-23	-67	-19	-24	-3
Tax	2	-1	-1	0	0
Minority interests	0	0	0	0	0
Net loss for the year	-21	-68	-20	-24	-3
Balance Sheet					
Goodwill	0	0	19	25	7
Other intangible fixed assets	0	0	0	0	0
Tangible fixed assets	3	9	9	4	4
Financial fixed assets	0	2	1	1	2
Total fixed assets	3	11	29	30	13
Inventories	0	0	0	0	
Current receivables	53	61	72	93	15
Cash, bank, short-term investments	63	134	178	13	37
Total current assets	116	195	250	76	52
Total assets	119	206	279	106	65
Shareholders' equity	86	105	173	15	39
Minority interests	0	0	0	0	0
Interest-bearing provisions	0	0	0	0	0
Non-interest bearing provisions	0	5	0	0	0
Interest-bearing long-term liabilities	0	32	32	31	0
Non-interest bearing long-term liabil.	0	9	9	10	12
Interest-bearing current liabilities	0	0	0	0	0
Non-interest bearing current liabilities	33	55	65	50	14
Total shareholders' equity and liabilities	119	206	279	106	65
Cash Flow Statement					
Cash flow from operating activities	-32	-33	-7	-22	-1
of which change in working capital	–	-4	6	-3	
Cash flow from investing activities	-1	-8	-6	-22	-11
of which investments	–	-8	-6	-28	
of which sales	–	0	0	0	
Cash flow from financing activities	-39	0	180	20	46
of which change in loans	–	0	1	20	1
of which capital contribution	0	0	179	0	45
of which dividends	0	0	0	0	0
Cash flow for the year	-72	-41	167	-24	34
Key figures					
EBITA margin, %	neg	neg	neg	neg	neg
EBT margin, %	neg	neg	neg	neg	neg
Return on equity, %	neg	neg	neg	neg	–
Return on capital employed, %	neg	neg	neg	neg	–
Equity ratio, %	72	51	62	14	60
Interest-bearing net debt	-63	-102	-146	18	-37
Debt/equity ratio, times	0.0	0.3	0.2	2.1	0.0
Average number of employees	151	197	171	97	55

The company's costs were adjusted to current market conditions in 2002.

Liquidity remains good.

Superfos – significant earnings improvement

At the end of 1999, Ratos joined forces with Industri Kapital and acquired the Danish Superfos Group. The acquisition was made through a buy-out 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's total investment amounts to SEK 485m, after a follow-on investment of EUR 9m in 2002. Consolidated book value at year-end 2002 amounted to SEK 362m.

Ratos is represented on the Board by Thomas Mossberg who is also the Investment Manager for this holding.

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 also relatively fragmented and currently undergoing a consolidation.

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

Kim R. Andersen, CEO

Improved operating profit

In March 2002, Superfos acquired its competitor Jotipac with annual sales of EUR 69m. This has strengthened the position of Superfos in consumer packaging for the food industry. At the beginning of 2002, the Bottles unit with sales of EUR 15m was sold.

In 2002, in addition to integration of the acquired company, Superfos carried out an extensive action programme designed to improve profitability.

Superfos's sales increased in 2002 by 18% and totalled EUR 373m. Adjusted for the acquisition of Jotipac, the increase was 1%. Operating profit before goodwill amortisation (EBITA) improved by 88% to EUR 15m. These improved earnings were mainly attributable to the two largest business areas, Consumer and Industrial.

The loss after net financial items was EUR 7m (loss 12). Earnings were charged with non-recurring costs totalling EUR 15m attributable to rationalisation of the production structure. These measures are expected to provide a significant boost in earnings in 2003/2004.

Prospects for 2003

The streamlining in recent years to a focused packaging company and implementation of measures to raise profitability create good opportunities for improved profitability in the years ahead. As a leading player, Superfos is well positioned for continued growth.

Board of Directors

Waldemar Schmidt	Chairman, Board Member Group 4Falk, Alfa Laval and others
Jens Erik Karlskov Jensen	formerly Superfos
Thomas Mossberg	Ratos
Kjeld Ranum	Chairman Aarhus Oliefabrik
Mads Ryum Larson	Industri Kapital
Kim Wahl	Industri Kapital
Per Møller	CEO Høigaad Holding
Per Skov	CEO VT Holding
Kim R. Andersen	CEO
Thomas Hofvenstam	Co-opted, Ratos
Jacob Møller-Jensen	Co-opted, Industri Kapital

Management

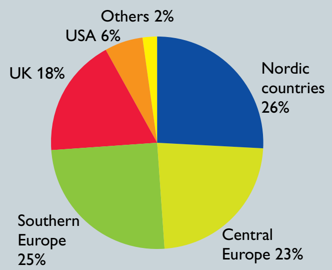
Kim R. Andersen	CEO
René V. Frederiksen	CFO

EURm	2002	2001	2000	1999	1998
Profit and Loss Account					
Net sales	373	316	351		
Operating expenses	-312	-279	-307		
Other income	0	0	0		
Items affecting comparability	-15	-6	3		
EBITDA	46	31	47		
Depreciation	-31	-23	-23		
EBITA	15	8	24		
Goodwill amortisation	-6	-4	-4		
EBIT	9	4	20		
Financial income	1	1	10		
Financial expenses	-17	-16	-25		
EBT	-7	-12	5		
Tax	-1	-2	2		
Minority interests	0	0	0		
Net loss/profit for the year	-8	-14	7		
Balance Sheet					
Goodwill	106	74	78		
Other intangible fixed assets	0	0	0		
Tangible fixed assets	198	162	163		
Financial fixed assets	1	1	10		
Total fixed assets	305	238	251		
Inventories	41	35	40		
Current receivables	67	64	72		
Cash, bank, short-term investments	19	11	10		
Total current assets	127	110	122		
Total assets	432	348	374		
Shareholders' equity	113	95	108		
Minority interests	0	0	0		
Interest-bearing provisions	0	7	7		
Non-interest bearing provisions	9	-3	5		
Interest-bearing long-term liabilities	238	177	180		
Non-interest bearing long-term liabil.	0	0	2		
Interest-bearing current liabilities	12	24	3		
Non-interest bearing current liabilities	60	48	68		
Total shareholders' equity and liabilities	432	348	374		
Cash Flow Statement					
Cash flow from operating activities	40	29	1		
of which change in working capital	2	11	-20		
Cash flow from investing activities	-114	-20	69		
of which investments	-126	-31	-38		
of which sales	12	11	-50		
Cash flow from financing activities	80	-3	-382		
of which change in loans	53	-14	-379		
of which capital contribution	27	0	1		
of which dividends	0	0	0		
Cash flow for the year	7	6	-313		
Key figures					
EBITA margin, %	4.1	2.5	6.8		
EBT margin, %	neg	neg	1.4		
Return on equity, %	neg	neg	–		
Return on capital employed, %	1.9	1.0	–		
Equity ratio, %	26	27	29		
Interest-bearing net debt	231	197	180		
Debt/equity ratio, times	2.2	2.2	1.8		
Average number of employees	2,359	2,268			

Closure of units in the Netherlands, Germany and Denmark resulted in a EUR 15m charge against earnings.

Danish competitor Jotipac was acquired at the beginning of 2002.

Packaging sales by market



Group summary

	2002	2001	2000	1999	1998
Key figures					
Earnings per share, SEK	4.60	22.07	23.50	20.95	9.78
Dividend per share, SEK	6.75 [1]	6.25	5.50	4.50	3.50
Dividend yield, %	7.1	6.7	7.0	6.3	6.1
Total return, %	8	27	16	34	-12
Market price, 31 December, SEK	95.50	93.50	79	72	57
Net asset value per share, 31 December, SEK	106	108	125	113	87
Net asset value, SEKm	8,368	8,495	9,896	9,192	7,073
Return on equity, %	4	23	31	35	19
Equity ratio, %	90	95	95	95	83
Average number of shares	78,867,216	79,029,299	80,350,723	81,320,426	81,320,426
Number of shares outstanding	78,645,440	78,958,226	79,155,626	81,320,426	81,320,426
Profit and Loss Account, SEKm					
Holdings					
Profit/loss from subsidiaries	71	-27	14	-49	-69
Exit gains/losses, subsidiaries	90	–	-37	201	
Share of profits of associated companies	326	230	306	177	310
Exit gains, associated companies	206	1,722	638	733	142
Write-downs, associated companies	-45	-248	–	–	–
Dividends, other companies	14	10	–	–	–
Exit gains, other companies	68	130	38	–	–
Profit from holdings	730	1,817	1,046	824	584
Asset management					
Dividends	–	16	103	102	96
Capital gains	–	218	905	921	301
Profit from asset management	–	234	1,008	1,023	397
Central income and expenses	-96	-125	-77	-86	-84
Consolidated profit before tax	634	1,926	1,977	1,761	897
Tax	-271	-182	-89	-57	-102
Consolidated profit after tax	363	1,744	1,888	1,704	795
Balance Sheet, SEKm					
Intangible fixed assets	335	127	75	31	48
Tangible fixed assets	224	43	29	19	32
Financial fixed assets	5,375	7,882	6,684	5,257	4,733
Current assets	2,991	589	366	474	243
Total assets	8,925	8,641	7,154	5,731	5,056
Shareholders' equity	8,155	8,177	6,778	5,437	4,174
Provisions	85	14	41	81	88
Interest-bearing liabilities	363	200	91	59	615
Non-interest bearing liabilities	322	250	244	154	179
Shareholders' equity and liabilities	8,925	8,641	7,154	5,731	5,056

[1] Proposed by the Board of Directors.

Definitions

Capital employed
Total assets less non-interest bearing liabilities.

Debt/equity ratio
Interest-bearing liabilities in relation to shareholders' equity.

Dividend yield
Dividend expressed as a percentage of market price.

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

EBIT
(Earnings before interest and tax). Profit before net financial items and tax.

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

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

EBT
(Earnings before tax). Profit before tax.

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 sold.

Holding
An 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 assets and liabilities.

Net asset value is calculated from the Parent Company's perspective. Liquid assets (net) in central companies are added. 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.

Market values are official market prices for listed holdings. Consolidated book values are applied for unlisted holdings. Unlisted 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 earnings 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 including reinvested dividends.

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