



Drottninggatan 2 Box 1661 SE-111 96 Stockholm Sweden
 Org nr/Corp. Id no. 556008-3585 Phone +46 8 700 17 00 Fax +46 8 10 25 59 www.ratos.se

Interim Report January – June 2006

CEO ARNE KARLSSON COMMENTS ON THE REPORT at www.ratos.se
 TELEPHONE CONFERENCE 10 am, tel. no. +46 8 505 201 10

- Pre-tax profit SEK 1,048m (1,081)
- Earnings per share SEK 4.57 (1H2005: 5.77 adjusted for split and redemption)
- Continued very strong development in portfolio companies
- Jøtul new holding
- Split and redemption completed
- Total return on Ratos shares +20%
- Agreement on acquisition of Perlos Healthcare after the end of the period

Important events

The sale of LRT/Tornet was completed in February. Since the original investment of SEK 670m, Ratos has received a total of SEK 1,890m in capital distributions and sales proceeds. The average annual return (IRR) on the investment in LRT/Tornet was therefore 70%.

The acquisition of 85% of the shares in Anticimex was completed in February. Ratos's investment amounted to SEK 535m.

The Annual General Meeting decided to distribute just over SEK 1,500m to the company's shareholders through a mandatory redemption combined with a split. Each Ratos share was divided into two new ordinary shares and one redemption share. Each redemption share was automatically redeemed by Ratos for SEK 19, following which the shareholder still held two Ratos shares. The redemption procedure was completed in May.

The refinancing of Lindab was completed in May, which meant that Ratos received SEK 577m.

In June, an agreement was concluded on acquisition of 62.5% of the shares in the Norwegian company Jøtul, Scandinavia's leading manufacturer of wood stoves. Founded back in 1853, Jøtul has shown strong growth over the past ten years with an annual sales increase of approximately 10%. Production facilities are located in Norway, Denmark, France and the US. 2005 sales amounted to approximately NOK 775m and profit before depreciation was NOK 90m (pro forma). Ratos's investment, which was made after the end of the period, amounts to NOK 236m.

Camfil made two strategic new acquisitions during the period: IF Luftfilter, which is a strong Nordic filter producer, and Kaefer-Raco Engineering, which is a supplier to the gas turbine industry. The acquisitions were made for a total amount of approximately SEK 230m.

Inwido made several acquisitions during and after the period. At the reporting date, Inwido had made nine acquisitions during 2006 for a total amount of approximately SEK 445m.

In January, Alimak Hek acquired the construction hoists and industrial lifts manufacturing business from US-based Champion Elevators for SEK 185m. A further acquisition was made after the end of the period when Alimak Hek acquired Australia's leading rentals business Conrent, which rents out and installs construction hoists. The investment is a net asset transaction and the purchase price amounts to approximately SEK 87m. Through this acquisition Alimak Hek strengthens its position in Australia which is one of the company's key growth markets.

GS-Hydro acquired the Norwegian company Seth Service AS for approximately NOK 10m. This acquisition marks a further step towards becoming a complete supplier of piping and hose systems.

Superfos sold its Aerosols division after the end of the period. Following this sale, Superfos is purely a manufacturer of thermoformed plastic packaging.

Overseas Telecom sold its entire holding in MTN Uganda after the end of the period. The sale provided a capital gain of over SEK 900m for Overseas Telecom. Ratos's holding in Overseas Telecom amounts to 9%.

After the end of the period, Ratos signed an agreement for the acquisition of 78% of the Finnish company Perlos Healthcare which develops and manufactures drug delivery and other medical devices. In 2005, Perlos Healthcare had sales of SEK 53m and approximately 500 employees. Ratos's investment will amount to a maximum of SEK 280m in equity. The deal is expected to be completed towards the end of the year following approval from the relevant competition authorities and when the other conditions in the purchase agreement have been met.

Business environment and market

Ahead of 2006, Ratos's general assessment of the economic outlook was that the world would experience a limited mid-cycle downturn, i.e. a mild decline in the global economy but nevertheless with continued favourable growth in total terms. Following a very strong start to the year many indicators – including macroeconomic statistics and development in the corporate sector – show that such a mild decline is on its way.

Development for Ratos's holdings outperformed macroeconomic growth during the first half of 2006 by a wide margin. Order bookings, sales growth and earnings trend have all been a positive surprise. The combined sales for the underlying portfolio at the end of the period increased by 21% compared with the previous year. Taking Ratos's ownership stakes into account, sales rose by 23%. The corresponding changes in operating profit were +90% and +87% respectively, and for pre-tax profit +135% and +140% respectively.

The earnings trend during the first six months was favoured by net positive items affecting profitability. Even adjusted for these, the trend exceeded expectations at the start of the year by a wide margin.

At company level, most companies developed well or very well. The few disappointments are more that some holdings did not achieve their targets for the year.

To facilitate analysis, an extensive table is provided on page 17 with key figures for all Ratos's holdings. A summary of income statements and balance sheets for Ratos's associated companies and subsidiaries is available at www.ratos.se in downloadable Excel files.

Ratos's results

The Group's profit before tax amounted to SEK 1,048m (1,081). This result includes profit from the holdings of SEK 1,075m, of which exit gains SEK 258m (1,128, of which exit gains SEK 428m). The exit gains are attributable to the sale of LRT/Tornet and exits carried out within Industri Kapital (Other holdings).

Ratos's results January-June 2006

Profit/share of profits before tax	Ratos's holding	2006 Q 1-2	2005 Q 1-2
Alimak Hek	50	42	16
Anticimex	85	26	
Arcus	83	-30	
Bisnode	70 ¹⁾	176	
Bluegarden	100	9	26
Camfil	30	36	34
DIAB	50	50	20
Gadelius	100	13	17
GS-Hydro	100	34	7
Haendig	100	33	22
Haglöfs	100	4	2
HL Display	29	11	3
Hägglands Drives	100	124	51
Inwido	95	110	57
Lindab	48	130	54
Superfos	33	9	10
Other holdings ²⁾		32	2
BTJ Infodata			33
Dynal Biotech			6
LRT/Tornet			303
Martinsson			1
Total profit/share of profits		809	664
Exit gains			
Dynal Biotech			288
Lindab		1	
LRT/Tornet		198	
Martinsson			-17
Other holdings		59	157
Total exit gains		258	428
Dividends from other holdings		8	36
Profit from holdings		1,075	1,128
Net expenses		-27	-47
Consolidated profit before tax		1,048	1,081

¹⁾ Holding formally 80%, but 70% taking dilution into account.

²⁾ Other holdings includes the subsidiary BTJ Group, associated company Atle Industri and the holdings in Overseas Telecom and Industri Kapital.

Central income and expenses

Ratos's net income and expenses amounted to SEK -27m (-47) of which personnel costs amounted to SEK 34m (30). Other management costs were SEK 38m (40). Net financial items amounted to SEK 45m (23).

Tax

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

Financial position

Cash flow from operating activities and investing activities was SEK 628m (494) and the Group's cash and cash equivalents at the end of the period amounted to SEK 2,216m (2,565), of which short-term interest-bearing investments comprised SEK 1,241m (2,314). Interest-bearing debt amounted to SEK 7,450m (2,399).

Parent company

The parent company's pre-tax profit amounted to SEK 1,300m (901). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 1,296m (2,375). Taking into account investment commitments agreed but not yet carried out, Ratos had an investment capacity of approximately SEK 750m at the end of the period without needing to utilise existing credit facilities.

Ratos shares

Earnings per share amounted to SEK 4.57 (H12005: 5.77 adjusted for split and redemption). The higher tax charge for 2006 compared with 2005 is due partly to the fact that a larger proportion of earnings is attributable to operating profit, and partly to positive extraordinary tax effects in 2005. The total return on Ratos shares during the period amounted to 20% compared with the SIX Return Index which rose 5%.

Share buy-backs

During the first half of 2006 Ratos repurchased 646,000 shares at an average price of SEK 110. At the end of the period, Ratos owned 3,096,172 B shares, which corresponds to 2.0% of the number of shares outstanding (31 Dec 2005: 2,952,172). The average number of B shares in Ratos's ownership during the period was 2,695,760 (3,088,852 in 2005). The number of call options exercised during the period was 502,000.

30 June 2006 Equity, SEKm		% of equity
Alimak Hek	250	3
Anticimex	554	6
Arcus	486	5
Bisnode	1,087	12
Bluegarden	317	3
Camfil	504	5
DIAB	679	7
Gadelius	185	2
GS-Hydro	180	2
Haendig	343	4
Haglöfs	158	2
HL Display	241	3
Hägglunds Drives	408	4
Inwido	782	8
Lindab	835	9
Superfos	364	4
Other holdings ¹⁾	532	6
Total	7,905	85
Other net assets in central companies	1,365	15
Equity attributable to equity holders of the parent	9,270	100

¹⁾ Other holdings includes the subsidiary BTJ Group, associated company Atle Industri and the holdings in Overseas Telecom and Industri Kapital.

Equity

At 30 June 2006, Ratos's equity (attributable to equity holders of the parent) amounted to SEK 9,270m (10,958 at 31 December 2005) corresponding to SEK 59 per outstanding share. The redemption and split carried out in May meant that SEK 1,510m was returned to Ratos's shareholders.

Credit facilities

Since the beginning of 2005, the parent company has a rolling five-year credit facility amounting to SEK 1.3 billion including an overdraft facility. Normally, the parent company should be unleveraged. The purpose of the facility is to be able to use it when bridging financing is required for acquisitions, and to be able to finance dividends and day-to-day running costs in periods of few or no exits. The credit facility was unutilised at the end of the period.

Conversion of shares

The articles of association contain a conversion clause allowing conversion of A shares to B shares. This means that owners of A shares have an ongoing right to convert them to B shares. During the period

34,850 A shares were submitted for conversion. At 30 June 2006, a total of 465,941 A shares had been submitted for conversion into B shares.

Accounting principles in accordance with IFRS

The consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with RR 31, Interim reporting for groups and is therefore in accordance with IAS 34, Interim Financial Reporting.

The key accounting principles applied by Ratos are described below.

Associated companies

As previously, Ratos applies the equity method for consolidation of associates.

IFRS requires consistent accounting principles within a group. This requirement applies to both subsidiaries and associates.

Acquisition analyses

An acquisition analysis is preliminary until it is adopted, which takes place within 12 months of the acquisition. In cases where an acquisition analysis is changed, income statements and balance sheets are adjusted for the comparative period. The acquisition analyses for Bisnode and Arcus were adjusted and handled as described above. The adjustment of Bisnode meant that the holding is reported taking dilution into account, i.e. 70%. Explanatory items are specified with change in equity. The value of Arcus's properties has been determined and a redistribution between goodwill and property values has therefore taken place.

Anticimex was acquired during the period. Anticimex operates within pest control as well as offering a broad range of services, including insurance services. In the preliminary acquisition analysis the difference between the cost and fair value of acquired identifiable assets and liabilities is attributed to goodwill.

Acquisitions were made in subsidiaries.

Goodwill and intangible assets

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

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

In the Ratos Group, goodwill and intangible assets are attributed to a holding, i.e. a subsidiary or associated company, where each holding comprises a cash-generating unit. Testing of carrying amounts is performed per holding, including the value of goodwill and intangible fixed assets attributable to the holding in question. Testing is conducted annually by calculating a recoverable amount regardless of whether or not there is any indication of impairment. Testing is conducted between annual periods if there is any indication of impairment.

Earnings per share

Earnings per share has been calculated taking the redemption combined with a split into account.

Changed accounting principle

The parent company applies IAS 39 with effect from 1 January 2006. The comparative year 2005 has been restated.

Holdings

Alimak Hek

- Sales SEK 781m (526) and EBITA SEK 105m (41)
- Strong earnings improvement due to favourable demand and completed efficiency enhancements
- Good market development in the US and Middle East
- Recently acquired Champion Elevators developing well
- Conrent, Australia's leading rental business, acquired after the end of the period

Alimak Hek is a world leader in development, manufacture, rentals 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 merged with the Dutch company HEK International.

Ratos's holding in Alimak Hek amounts to 50% and the consolidated book value in Ratos was SEK 250m at 30 June 2006.

Anticimex

- Sales SEK 668m (619) and EBITA SEK 64m (61)
- Good organic growth, + 8%, with retained profitability
- Very strong development in Norway

Anticimex operates within pest control as well as offering a broad range of services for healthy and safe indoor environments. The Group is currently represented in Sweden, Finland, Denmark, Norway, Germany and the Netherlands.

Ratos's holding in Anticimex amounts to 85% and the consolidated book value in Ratos was SEK 554m at 30 June 2006.

Arcus

- Sales SEK 594m (557) and EBITA SEK -20m (-46)
- Good sales growth within Beverage and improved margins contributed to an improved result
- Rectification plant in Hamar sold. Capital gain of approximately NOK 20m to be recognised in the fourth quarter
- Jan Tore Føsum takes over as new CEO on 1 September 2006

Arcus is Norway's leading wine and spirits supplier. The company was formed in 1996 on the initiative of the Norwegian government and privatised in 1998. The group's best-known brands include Braastad Cognac, Vikingfjord Vodka, Løiten and Linie Aquavit. The largest production facilities are centrally located in Oslo.

Ratos's holding in Arcus amounts to 83% and the consolidated book value in Ratos was SEK 486m at 30 June 2006.

Bisnode

- Sales SEK 1,670m (1,640) and EBITA SEK 279m (166)
- Continued favourable development in the underlying business
- Capital gains (c. SEK 65m) generated by the sale of non-core operations further improved earnings
- Ratos made a final part payment of SEK 380m

Bisnode is a leading European company within digital business information with services within market, credit and product information. Operations are conducted in 18 countries. The group was formed through a merger between Bonnier Business Information (BBI) and Infodata (formerly within BTJ Infodata). The newly formed group has approximately 2,500 employees.

Ratos's holding in Bisnode at 30 June 2006 amounted to 70%, taking dilution into account, and the consolidated book value of the holding was SEK 1,087m.

Bluegarden

- Sales SEK 250m (250) and EBITA SEK 14m (35)
- Decline in earnings due to weaker development in Sweden during the second quarter. Action programme initiated
- Several important contracts signed in Norway and Sweden

Bluegarden is one of the three largest players in payroll and human resources management in Scandinavia. Operations focus on standardised payroll processing systems, IT-based HRM functions, IT-supported outsourcing of HRM departments and consulting services. Operations are conducted in Sweden, Norway and Denmark.

Ratos's holding in Bluegarden at 30 June 2006 amounted to 100% and the consolidated book value of the holding was SEK 317m.

Camfil

- Sales SEK 1,831m (1,454) and EBITA SEK 136m (108)
- Strong sales trend in all markets
- Strategic acquisition of IF Luftfilter and Kaefer carried out during the period, strengthening Camfil's Nordic position and gas turbine operations

Camfil is a world leader in clean air technology and air filters. The Group's products and services contribute to a good indoor climate and protect sensitive manufacturing processes and the surrounding environment. Manufacture takes place in 19 plants on three continents and the Group is represented by subsidiaries and agents in some 55 countries.

Ratos's holding in Camfil amounts to 30% and the consolidated book value was SEK 504m at 30 June 2006.

DIAB

- Sales SEK 571m (428) and EBITA SEK 106m (45)
- Continued strong order bookings due, among other things, to global expansion of the windpower industry
- Improved delivery capacity and productivity created basis for strong increase in sales and earnings
- Investments in production and processing capacity on a global basis

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

Ratos's holding in DIAB amounts to 50% and the consolidated book value was SEK 679m at 30 June 2006.

Gadelius

- Sales SEK 354m (361) and EBITA SEK 14m (18)
- Overall good order bookings
- Lower earnings due to a weaker yen and changed business mix
- Strong cash flow, +21m

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.

Ratos's holding in Gadelius amounts to 100% via a Dutch holding company. The consolidated book value in Ratos was SEK 185m at 30 June 2006. This figure excludes the holding company.

GS-Hydro

- Sales SEK 426m (287) and EBITA SEK 40m (14)
- Strong earnings improvement due to strong market and positive effects of ongoing action programme
- Strategic acquisition of the Norwegian company Seth Service AS for approximately NOK 10m. The acquisition marks a further step towards becoming a complete supplier of piping and hose systems
- Thomas Rönholm took over as the new CEO on 1 July 2006

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

Ratos's holding in GS-Hydro amounts to 100% and the consolidated book value in Ratos was SEK 180m at 30 June 2006.

Haendig

- Sales SEK 710m (592) and EBITA SEK 37m (26)
- Good underlying market although a late spring had a negative impact on demand in some segments
- Earnings increase due to acquisition of Westerbergs and improved margins in Hafa & Westerbergs
- Sale of warehouse and office properties released approximately SEK 75m and will provide a capital gain of SEK 14m in the third quarter

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, Hafa, Duri, Lundbergs Produkter, Westerbergs Badrum, Sven Svenssons and Penope.

Ratos's holding in Haendig amounts to 100% and the consolidated book value in Ratos was SEK 343m at 30 June 2006.

Haglöfs

- Sales SEK 208m (160) and EBITA SEK 5m (3)
- Very good sales trend in all markets. Sales outside Nordic region SEK +54m
- Lower margins due to changed product mix and problems in subsidiary Alfa

Haglöfs is a Nordic market leader in equipment and clothes for an active outdoor life. The company develops and markets high-quality clothes, sleeping bags, footwear, tents and rucksacks. The Group has strong growth throughout Western Europe.

Ratos's holding in Haglöfs amounts to 100% and the consolidated book value in Ratos was SEK 158m at 30 June 2006.

HL Display

- Sales SEK 703m (604) and EBITA SEK 47m (19)
- Continued strong demand in all markets
- Improved earnings due to completed action programmes, despite high raw material prices

HL Display is a global, market leading supplier of products and systems for merchandising and in-store communication. The company has subsidiaries in 28 countries. Manufacture takes place in China, the UK, Sweden and the US. HL Display is listed on the Stockholm Stock Exchange.

Ratos's holding in HL Display amounts to 29% and the consolidated book value was SEK 241m at 30 June 2006.

Häggglunds Drives

- Sales SEK 759m (499) and EBITA SEK 127m (53)
- Continued very strong order bookings – SEK 980m (+40%) – in almost all markets and segments

- Strong improvement in earnings due to high demand and increased invoicing
- Strong cash flow, SEK +105m, despite strong growth
- Ratos received a dividend of SEK 100m during the second quarter

Hägglunds Drives is an international supplier of complete hydraulic motors and drive systems. The company has subsidiaries in approximately 15 countries.

Ratos's holding in Hägglunds Drives is 100% and the consolidated book value in Ratos was SEK 408m at 30 June 2006.

Inwido

- Sales SEK 1,445m (866) and EBITA SEK 155m (99)
- Strong earnings trend and continued good order bookings in all Nordic countries
- Companies acquired in 2005 developing well
- Several acquisitions carried out during and after the period. In total, nine acquisitions in 2006 for a total amount of SEK 445m

Inwido develops, manufactures and sells a full range of windows and doors to the building trade, construction companies and modular home manufacturers. Operations are conducted in all the Nordic countries and Inwido also exports outside the Nordic region. The Group's main brands are Elitfönster and Allmogefönster in Sweden, Storke in Denmark, Pihla in Finland, and Diplomatdörren in Norway and Sweden.

Ratos's holding in Inwido amounts to 95% and the consolidated book value was SEK 782m at 30 June 2006.

Lindab

- Sales SEK 3,412m (2,675) and EBITA SEK 320m (150)
- Continued strong sales trend in the Nordic region and Eastern and Western Europe. For comparable units, sales rose 7%
- Due to continued strong growth Lindab's sales in Eastern Europe are now higher than in Western Europe
- Ventilation shows strong earnings trend due to completed cost-cutting measures and good sales development
- Very good development within Astron which was acquired in 2005
- Refinancing completed in May. Ratos received SEK 577m

Lindab is a leading manufacturer of building materials in sheet metal and steel and is established in 28 countries. Operations are conducted in two operating areas: Ventilation which focuses on the ventilation sector with circular ducting and indoor climate systems, and Profile which manufactures building components and complete steel building systems. Approximately 70% of sales go to countries outside Sweden.

Ratos's holding in Lindab amounts to 48% and the consolidated book value in Ratos after the refinancing was SEK 835m at 30 June 2006.

Superfos

- Sales SEK 1,687m (1,548) and EBITA SEK 72m (71)
- Earnings adjusted for non-recurring items 15% better than in previous year
- Earnings trend in US remains positive
- Action programmes to improve profitability under way
- Hans Pettersson takes over as new CEO in mid-September 2006
- Sale of Aerosols division after the end of the period

Superfos is a Danish international group with operations in 18 countries. Operations comprise Packaging which develops, produces and sells thermoformed plastic packaging to the food and chemical-technical industries.

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 364m at 30 June 2006.

Other holdings

- Atle Industri sold Elpress and Tempcold which generated a capital gain of SEK 56m for Atle Industri. Pressmaster was sold after the end of the period, providing Atle Industri with a capital gain of SEK 21m in the third quarter
- BTJ Group sold Seelig and BTJ Danmark
- Industri Kapital sold Oriflame and VSM Group, among others, contributing SEK 59m to Ratos's exit result
- Overseas Telecom sold its holding in MTN Uganda after the end of the period, which generated a capital gain for Overseas Telecom of approximately SEK 900m. Following this sale, the remaining holding is in the portfolio company in Sri Lanka

Other holdings comprise four holdings: Atle Industri, BTJ Group, Industri Kapital and Overseas Telecom.

The consolidated book value of Other holdings in Ratos was SEK 532m at 30 June 2006.

Stockholm, 24 August 2006
Ratos AB (publ)

Arne Karlsson
CEO

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

For additional information, please contact:

Arne Karlsson, CEO, +46 8 700 17 00

Clara Bolinder-Lundberg, Investor Relations Manager, +46 8 700 17 63

Financial calendar:

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10 November 2006

Year-end report 2006

22 February 2007

Annual General Meeting

11 April 2007

Consolidated income statement

SEKm	2006 Q2	2005 Q2	2006 Q1-2	2005 Q1-2	2005 full year
Net sales	3,988	1,722	7,369	3,032	8,800
Other operating income	25	4	48	6	40
Change in inventories	-38	-19	-6	21	-28
Raw materials and consumables	-1,684	-865	-3,213	-1,579	-4,238
Personnel costs	-1,189	-437	-2,119	-768	-2,412
Depreciation and impairment losses tangible and intangible assets	-82	-38	-173	-81	-215
Other costs	-673	-265	-1,335	-473	-1,251
Other operating expenses	-30	-1	-53	-2	-26
Capital gain from the sale of group company	-4		63		134
Share in profits of associates	219	477	517	851	1,744
Operating profit	532	578	1,098	1,007	2,548
Financial income	58	43	112	124	252
Financial expenses	-91	-30	-162	-50	-155
Net financial items	-33	13	-50	74	97
Profit before tax	499	591	1,048	1,081	2,645
Tax	-123	-83	-228	-95	-464
Net profit for the period	376	508	820	986	2,181
Attributable to					
Equity holders of the parent	347	503	767	981	2,113
Minority interests	29	5	53	5	68
Earnings per share, SEK					
- before dilution	2.05	2.96	4.57	5.77	12.42
- after dilution	2.04	2.94	4.54	5.75	12.37
Number of shares outstanding, recalculated taking split and redemption into account					
- average before dilution	169,139,064	170,175,027	167,907,216	169,955,244	170,062,755
- average after dilution	170,040,342	170,902,392	168,763,216	170,641,831	170,829,544

Consolidated balance sheet

SEKm	30 June 2006	30 June 2005	31 Dec 2005
ASSETS			
Fixed assets			
Intangible assets	9,462	2,336	6,918
Tangible assets	1,625	692	1,413
Financial assets	3,628	5,210	4,139
Deferred tax assets	187	56	135
Total fixed assets	14,902	8,294	12,605
Current assets			
Inventories	1,665	1,064	1,463
Current receivables	3,452	1,554	3,263
Cash and cash equivalents	2,216	2,565	3,677
Holdings held for sale			1,048
Total current assets	7,333	5,183	9,451
Total assets	22,235	13,477	22,056
EQUITY AND LIABILITIES			
Equity incl. minority interests	9,996	9,775	11,554
Long-term liabilities			
- interest-bearing	5,617	1,471	4,220
- non-interest bearing	76	20	96
- pension provisions	554	111	365
- other provisions	123	19	80
- deferred tax liabilities	352	59	243
Total long-term liabilities	6,722	1,680	5,004
Current liabilities			
- interest-bearing	1,279	817	1,421
- non-interest bearing	4,229	1,205	3,842
- provisions	9		235
Total current liabilities	5,517	2,022	5,498
Total equity and liabilities	22,235	13,477	22,056

Statement of changes in consolidated equity

	2006-06-30			2005-06-30			2005-12-31		
	Equity holders of the parent	Minority	Total	Equity holders of the parent	Minority	Total	Equity holders of the parent	Minority	Total
Opening balance	10 942	504	11 446	9 326	34	9 360	9 326	34	9 360
Changed accounting principles				-124		-124	-124		-124
Change in acquisition analysis ^{*)}	16	92	108						
Adjusted equity	10 958	596	11 554	9 202	34	9 236	9 202	34	9 236
Change in translation reserve	-193	-12	-205	200	1	201	228	1	229
Fair value of reserve/hedging reserve after tax	8	5	13	-19		-19	66	4	70
Redemption of convertible programme, associates				-8		-8	-8		-8
Equity share of convertible debenture							16	4	20
Acquired minority		-16	-16		-7	-7		-7	-7
Issue		35	35		4	4		97	97
Minority in sold company		-2	-2						
Minority at acquisition		60	60		28	28		313	313
Other recognised directly in equity	1		1				3		3
Total changes in income recognised directly in equity	10 774	666	11 440	9 375	60	9 435	9 507	446	9 953
Net profit for the period	767	53	820	981	5	986	2 079	58	2 137
Total change in income excluding transactions with owners	11 541	719	12 260	10 356	65	10 421	11 586	504	12 090
Dividend	-715	-6	-721	-673		-673	-673		-673
Redemption of convertible programme, associates	-1 510		-1 510						
Buy-back/divestment of own shares	-45		-45	25		25	26		26
Equity transaction	-13	13							
Option premiums	12		12	2		2	3		3
Closing equity	9 270	726	9 996	9 710	65	9 775	10 942	504	11 446
Change in acquisition analysis ^{*)}							16	92	108
Adjusted closing equity							10 958	596	11 554

^{*)} Specification of effects of changed acquisition analysis

At acquisition		-15	79	64
Changes after acquisition, earnings		34	10	44
Changes after acquisition, reserves		-3	3	
		16	92	108

Consolidated cash flow

SEKm	2006 Q1-2	2005 Q1-2	2005 full year
Operating activities			
Consolidated profit before tax	1,048	1,081	2,645
Adjustment for non-cash items	-495	-751	-1,651
	553	330	994
Paid tax	-106	-55	-120
Cash flow from operating activities before change in working capital	447	275	874
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-178	-90	-27
Increase (-)/Decrease (+) in operating receivables	19	-227	-524
Increase (+)/Decrease (-) in operating liabilities	-339	61	579
Cash flow from operating activities	-51	19	902
Investing activities			
Acquisitions, group companies	-1,001	-584	-2,252
Sales, group companies	132	59	1,116
Acquisition of shares	-5	-13	-12
Sale of and redemption of shares	1,937	1,031	1,136
Acquisition of other intangible/tangible fixed assets	-252	-50	-279
Change, financial assets	-132	32	378
Cash flow from investing activities	679	475	87
Financing activities			
Share buy-backs	-71		-3
Transfer of own shares	26	25	29
Option premiums	10	2	3
Issue of minority	35		97
Dividend paid	-715	-673	-673
Redemption	-1,510		
Dividend paid to minority	-6		
Increase (+) in interest-bearing liabilities	154	549	1,071
Cash flow from financing activities	-2,077	-97	524
Cash flow for the period	-1,449	397	1,513
Cash and cash equivalents, opening balance	3,677	2,160	2,160
Exchange differences in cash and cash equivalents	-12	8	4
Cash and cash equivalents, closing balance	2,216	2,565	3,677
Consolidated key figures			
Return on equity, %			21
Equity ratio, %	45	73	52
Interest-bearing liability (-)/receivable (+)	-5,124	884	-2,270
Key figures per share taking split and redemption into account			
Total return, %	20	24	43
Dividend yield, %			4,6
Market price, SEK	105.50	79	91
Dividend (actual dividend SE 9.00 prior to split), SEK			4.19
Equity attributable to equity holders of the parent, SEK	59	57	64
Total number of shares (registered 161,349,252 and 80,674,626 respectively)			
Number of shares outstanding	158,253,080	79,182,440	79,198,540

Parent company income statement

SEKm	2006 Q2	2005 Q2	2006 Q1-2	2005 Q1-2	2005 full year
Other operating income	2	2	3	3	5
Other external costs	-21	-23	-35	-37	-63
Personnel costs	-18	-22	-34	-30	-118
Depreciation of tangible fixed assets	-1	-1	-1	-1	-2
Other operating expenses	-1	-2	-2	-2	-2
Operating profit	-39	-46	-69	-67	-180
Result from participations in group companies	1,242	347	1,242	347	832
Result from participations in associates	1	167	20	509	487
Result from other securities and receivables accounted for as fixed assets	50	23	95	95	204
Other interest income and similar profit/loss items	15	19	30	29	52
Interest expenses and similar profit/loss items	-12	-7	-18	-12	-19
Profit after financial items	1,257	503	1,300	901	1,376
Tax					
Net profit for the year	1,257	503	1,300	901	1,376

Parent company balance sheet

SEKm	30 June 2006	30 June 2005	31 Dec 2005
ASSETS			
Fixed assets			
Tangible assets	14	14	13
Financial assets	7,345	6,752	7,148
Total fixed assets	7,359	6,766	7,161
Current assets			
Current receivables	1,414	132	160
Cash and cash equivalents	1,296	2,375	2,513
Total current assets	2,710	2,507	2,673
Total assets	10,069	9,273	9,834
EQUITY AND LIABILITIES			
Shareholders' equity	8,544	9,027	9,504
Provisions			
- provisions for pensions	3	3	3
Long-term liabilities			
- non-interest bearing	30	16	48
- interest-bearing	141	139	139
Current liabilities			
- non-interest bearing	46	54	93
- interest-bearing	1,305	34	47
Total equity and liabilities	10,069	9,273	9,834

Statement of changes in parent company's equity

	30 June 2006	30 June 2005	2005 full year
Opening equity	9,504	8,768	8,768
Changed accounting principles		5	5
Adjusted opening balance	9,504	8,773	8,773
Net profit for the period	1,300	901	1,376
Total change in income excluding transactions with company's owners	10,804	9,674	10,149
Dividend	-715	-673	-673
Redemption	-1,510		
Share buy-backs	-71		-3
Call options exercised	26	25	29
Option premiums	10	1	2
Closing equity	8,544	9,027	9,504

Parent company cash flow statement

SEKm	2006 Q1- 2	2005 Q1-2	2005 full year
Operating activities			
Profit before tax	1,300	901	1,376
Adjustment for non-cash items, etc.	-1,203	-808	-1,359
	97	93	17
Paid tax	-	-	-
Cash flow from operating activities before change in working capital	97	93	17
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in operating receivables	2	-17	-4
Increase (+)/Decrease (-) in operating liabilities	-65	-37	34
Cash flow from operating activities	34	39	47
Investing activities			
Acquisition of shares, subsidiaries	-487	-860	-2,226
Sale of shares, subsidiaries	1,241	902	1,958
Acquisition of shares	-5	-13	-13
Sale and redemption of shares	722	1,031	1,138
Acquisition of other tangible fixed assets		-1	-1
Change, financial assets	-1,722	28	346
Cash flow from investing activities	-251	1,087	1,202
Financing activities			
Share buy-backs	-71		-3
Transfer of own shares	26	25	29
Option premiums	10	1	1
Dividends paid	-715	-673	-673
Redemption	-1,510		
Increase (+) in interest-bearing liabilities	1,260	6	20
Cash flow from financing activities	-1,000	-641	-626
Cash flow for the period	-1,217	485	623
Cash and cash equivalents, opening balance	2,513	1,890	1,890
Cash and cash equivalents, closing balance	1,296	2,375	2,513

Ratos's holdings 30 June 2006

SEKm	Net sales 2006 Q1-2	Net sales 2005 Q1-2	Net sales 2005 full year	EBITA 2006 Q1-2	EBITA 2005 Q1-2	EBITA 2005 full year	EBT 2006 Q1-2	EBT 2005 Q1-2	EBT 2005 full year	Depreci- ation 2006 Q1-2	Invest- ments* 2006 Q1-2	Cash flow** 2006 Q1-2	Equity*** 30 June 2006	Interest- bearing net debt 30 June 2006	Average no. of employees 31 Dec 2005	Consolida- ted value 30 June 2006	Ratos holding 30 June 2006
Alimak Hek	781		1 139	105	41	91	83	32	73	34	40	-10	397	629	698	250	50%
Anticimex ¹⁾	668	619	1 275	64	61	118	31	27	41	10	18	4	654	1 037	909	554	85%
Arcus ¹⁾	594	557	1 314	-20	-46	60	-30	-57	39	27	22	-116	584	647	592	486	83%
Bisnode ¹⁾	1 670	1 640	3 283	279	166	400	181	64	194	31	71	27	1 990	1 553	2 450	1 087	70%
Bluegarden	250	250	490	14	35	65	9	26	48	12	12	8	316	230	366	317	100%
Canfil	1 831	1 454	3 083	136	108	290	122	114	265	48	68	-55	1 277	880	2 693	504	30%
DIAB	571	428	918	106	45	97	99	40	90	24	46	17	349	223	734	679	50%
Gadelius	354	361	699	14	18	35	13	17	34	2	1	21	117	82	180	185	100%
GS-Hydro	426	287	641	40	14	37	34	7	26	7	7	-26	180	266	315	180	100%
Haendig	710	592	1 286	37	26	38	32	23	32	6	3	-56	286	335	437	343	100%
Haglöfs	208	160	399	5	3	28	4	2	26	3	3	-3	97	61	119	158	100%
HL Display	703	604	1 285	47	19	63	39	21	62	23	18	37	350	95	933	241	29%
Hägglands Drives	759	499	1 175	127	53	176	124	50	171	13	10	105	259	144	554	408	100%
Invido	1 445	866	2 197	155	99	282	110	57	196	30	79	-115	977	1 745	1 615	782	95%
Lindab	3 412	2 675	6 214	320	150	560	272	113	484	99	72	213	1 732	2 860	3 844	835	48%
Superfos ²⁾	1 687	1 548	3 056	72	71	137	29	21	43	122	136	-37	1 057	1 462	1 669	364	33%
Other holdings ³⁾	1 210	1 173	2 381	80	-29	-23	75	-34	-37	-5	18	46	552	-184	1 385	302	-
TOTAL	17 279	14 239	30 835	1 581	834	2 454	1 227	523	1 787								
Change	21%			90%				135%									

* Investments excluding company acquisitions.

** Cash flow refers to cash flow from operating activities and investing activities before acquisition and divestment of companies.

*** Equity including any shareholder loan.

¹⁾ A new parent company was formed in conjunction with the acquisition, which partly loan-financed the acquisition. Earnings for the acquisition year and the comparative year are pro forma taking this leverage into account.

²⁾ Figures for 2005 Q1-2 and 2005 full year respectively are calculated pro forma excluding the sold Pharma division and goodwill impairment losses in 2005.

³⁾ Other holdings include the subsidiary BTJ Group and the associated company Atle Industri.