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Interim Report January-March 2006

CEO ARNE KARLSSON COMMENTS ON THE REPORT AT www.ratos.se
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- Pre-tax profit SEK 549m (490)
- Earnings per share SEK 2.47 (2.82) (adjusted for split and redemption)
- Very strong development in portfolio companies
- Refinancing of Lindab completed
- Total return on Ratos shares +31%
- Split and redemption carried out after the end of the period

Important events

The sale of the entire holding in LRT/Tornet was completed in February. Since the original investment of SEK 670m in December 2003, Ratos has received a total of SEK 1,890m in equity distribution and sales proceeds, which generated an IRR of 70%.

An agreement was reached in December 2005 on acquisition of 85% of the shares in Anticimex which is a market-leading company within pest control. The deal was completed in February, with Ratos's investment amounting to SEK 535m.

In January, Alimak Hek acquired the manufacturing business from Champion Elevators, the US-based manufacturer of construction hoists and industrial lifts, for the equivalent of SEK 185m. This acquisition strengthens Alimak Hek's position in the US market. Ratos did not provide any funding in conjunction with this acquisition.

Refinancing of Lindab was completed during the period, which will provide Ratos with SEK 577m in May.

Decisions at the Annual General Meeting

Ratos's Annual General Meeting held on 4 April 2006 approved a dividend of SEK 9.00 per share (8.50). Dividends were paid via VPC on 12 April.

The Meeting further resolved in accordance with the Board's proposal for decision on a mandatory redemption combined with a split whereby one Ratos share is divided into two new ordinary shares and one redemption share. Each redemption share is automatically redeemed by Ratos for SEK 19, following which the shareholder still holds two Ratos shares. The record date for the split and redemption was 24 April and payment of the redemption proceeds is expected to be made via VPC on 22 May 2006.

In accordance with the Nomination Committee's proposal the following Board members were re-elected: Olof Stenhammar, Lars Berg, Staffan Bohman, Peggy Bruzelius, Göran Grosskopf, Arne Karlsson (CEO), Jan Söderberg and Per-Olof Söderberg. Olof Stenhammar was elected as Chairman of the Board. All Board members with the exception of Arne Karlsson are independent of Ratos and its owners. Two Board members, Jan Söderberg and Per-Olof Söderberg, are dependent on major shareholders.

The Meeting authorised the Board 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.

The Meeting decided to issue a maximum of 500,000 call options on repurchased Ratos shares to be transferred at a market premium to a maximum of 15 key people who work at Ratos.

Since a new Swedish Companies Act has come into force, the Annual General Meeting adopted new, amended Articles of Association. The new Articles of Association can be accessed at www.ratos.se.

In accordance with a proposal from the Nomination Committee, the Chairman of the Board was assigned, in consultation with the company's major shareholders, to appoint a Nomination Committee ahead of the 2007 Annual General Meeting. The Nomination Committee shall comprise at least four members, one of whom is the company's Chairman. The composition of the Nomination Committee must be announced no later than six months prior to the 2007 Annual General Meeting.

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. Macroeconomic statistics during the first months of the year have exceeded this scenario. Ratos still expects, however, that some global weakening, primarily stemming from the US, will occur during the year.

Development for Ratos's holdings, on the other hand, outperformed macroeconomic growth during the first quarter. 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 26% compared with the previous year. Taking Ratos's ownership stakes into account, sales rose by 28%. The corresponding changes in operating profit were +127% and +126% respectively, and for pre-tax profit +280% and +286% respectively.

The large percentage change figures for the first quarter should as usual, however, be interpreted with caution:

- many of Ratos's holdings, including the major earnings providers, have most of their earnings capacity after the first quarter. This means that minor changes in absolute numbers can have major effects on the figures that show percentage changes
- the Easter effect normally has an impact during the first quarter, in 2006 the net effect was positive
- the normally large number of items affecting comparability in a broad portfolio such as Ratos's made a net positive contribution at the beginning of 2006.

All this means that the change figures reported above over-estimate the total underlying development for Ratos's holdings. Nevertheless it must be noted that even taking Easter effects, items affecting comparability, etc., into account, development during the first quarter was extremely and surprisingly strong.

This is also reflected at company level, where many companies performed considerably better than anticipated. At the same time there are at present no real problem companies in the portfolio. The few disappointments are more a case of some holdings not yet reaching their full earnings potential.

To facilitate analysis, an extensive table is provided on page 18 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 549m (490). This result includes profits from the holdings of SEK 558m, of which exit gains SEK 224m (504, of which exit gains SEK 294m). Exit gains are attributable to the sale of LRT/Tornet and exits carried out within Industri Kapital.

Ratos's results January-March 2006

Profit/share of profits before tax	Ratos's holding,%	2006 Q 1	2005 Q 1
Alimak Hek	50	18	5
Anticimex	85	6	
Arcus	83	-21	
Atle Industri	50	3	1
Bisnode	70 ¹⁾	109	
Bluegarden	100	5	17
BTJ Group	59	3	-
Camfil	30	17	13
DIAB	50	19	6
Gadelius	100	10	10
GS-Hydro	100	14	1
Haendig	100	19	12
Haglöfs	100	10	4
HL Display	29	7	0
Häggglunds Drives	100	61	17
Inwido	95	15	-3
Lindab	48	32	0
Overseas Telecom	9	-	-
Superfos	33	-1	3
BTJ Infodata			19
LRT/Tornet			62
Martinsson			1
Total profit/share of profits		326	174
Exit gains			
Dynal Biotech			288
Industri Kapital		27	23
LRT/Tornet		198	
Martinsson			-17
Total exit gains		224	294
Dividends from other companies		8	36
Profit from holdings		558	504
Net expenses		-10	-14
Consolidated profit before tax		549	490

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

Central income and expenses

Ratos's net income and expenses amounted to SEK -10m (-14) of which personnel costs amounted to SEK 16m (8). Other management costs were SEK 18m (14). Net financial items amounted to SEK 24m (8).

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 investment activities was SEK 596m (-213) and the Group's cash and cash equivalents at the end of the period amounted to SEK 4,011m (2,066) of which short-term interest-bearing investments comprised SEK 3,277m (1,707). Interest-bearing debt amounted to SEK 6,476m (1,757).

Parent company

The parent company's pre-tax profit amounted to SEK 43m (398). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 3,313m (1 796). Taking into account dividend, redemption, contracted but not yet completed investment commitments, sales and refinancing, Ratos had an investment capacity at the end of the period of approximately SEK 1.3 billion without needed to utilise existing credit facilities.

Ratos shares

Earnings per share amounted to SEK 2.47 (2.82) (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 31% compared with the SIX Return Index which rose 12%.

Share buy-backs

No share buy-backs were carried out during the period. At the end of the period, Ratos owned 1,225,086 B shares before the split, which corresponds to 1.5% of the number of shares outstanding.

Equity, SEKm	% of equity	
Alimak Hek	230	2
Anticimex	539	5
Arcus	498	4
Atle Industri	243	2
Bisnode	703 ¹⁾	6
Bluegarden	318	3
BTJ Group	36	0
Camfil	507	5
DIAB	661	6
Gadelius	190	2
GS-Hydro	168	2
Haendig	330	3
Haglöfs	163	1
HL Display	237	2
Hägglungs Drives	475	4
Industri Kapital	218	2
Inwido	730	7
Lindab	1,379	12
Overseas Telecom	27	0
Superfos	367	3
Total	8,019	71
Other net assets in central companies	3,321	29
Equity attributable to equity holders of the parent	11,340	100

¹⁾ Final payment of SEK 380m will be made in the first half of 2006.

Shareholders' equity

At 31 March 2006 Ratos's shareholders' equity,(attributable to equity holders of the parent) amounted to SEK 11,340m (10,958 at 31 December 2005) corresponding to SEK 67 per outstanding share, taking into account the redemption and split carried out after the end of the period.

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 2003 Annual General Meeting resolved that a conversion clause allowing conversion of A shares to B shares should be added to the articles of association. This means that owners of A shares have an ongoing right to convert them to B shares. During the period 34,850 A shares were submitted for conversion. At 31 March 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 normally takes place earlier than 12 months after the acquisition. In cases where an acquisition analysis is changed, income statements and balance sheets are adjusted for the comparative period. Explanatory items are specified with changes in equity. The acquisition analysis for Bisnode was adjusted and handled as described above. The adjustment means that the holding in Bisnode is reported taking dilution into account, i.e. 70%.

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.

Minor 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 390m (244) and EBITA SEK 48m (15)
- Strong earnings improvement due to favourable demand and completed efficiency enhancements
- Good market development in the US and Middle East
- Newly acquired Champion Elevators is developing well
- Decision to start manufacturing in China

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 230m at 31 March 2006.

Anticimex

- Sales SEK 318m (292) and EBITA SEK 27m (25)
- Ratos's acquisition of 85% of the shares in Anticimex was completed at the end of February
- Continued good organic sales growth mainly in Sweden and 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 539m at 31 March 2006.

Arcus

- Sales SEK 285m (264) and EBITA SEK -16m (-19)
- Good sales growth within Beverage
- Good product mix and price increases contributed to improved margins within Beverage and Vectura
- CEO Peter Wesenberg to resign – recruitment of a new CEO is under way

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 498m at 31 March 2006.

Atle Industri

- Sales SEK 267m (227) and EBITA SEK 7m (-5)
- Improved earnings for Pressmaster, Nordhydraulic, Elpress, Ekman and Moving
- Evert Johansson sold to management
- Agreement concluded after the end of the period for the sale of Tempcold for SEK 105m

Atle Industri comprises a portfolio of 6 companies, of which 5 are wholly owned. The portfolio was created when Ratos acquired Atle. The companies in the portfolio operate in the engineering industry and trading. The companies are Ekman (trading house), Hjulex (wheel wholesaler), Elpress (electrical connectors), Moving (materials handling systems), Nordhydraulic (hydraulic valves) and Pressmaster Tool (crimping tools).

Ratos's holding in Atle Industri amounts to 50% and the consolidated book value in Ratos was SEK 243m at 31 March 2006.

Bisnode

- Sales SEK 854m (828) and EBITA SEK 168m (78)
- Good development in the underlying business
- Capital gains generated by the sale of non-core operations further improved earnings
- Integration of InfoData and Bonnier Business Information with Bisnode's new organisation with five business units completed

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 over 2,300 employees.

The holding at 31 March 2006 amounted to 70%, taking dilution into account, and the consolidated book value of the holding was SEK 703m. The final part payment of SEK 380m will be made during the second quarter of 2006.

Bluegarden

- Sales SEK 127m (126) and EBITA SEK 8m (20)
- Decline in earnings due to lower consulting revenues than at the beginning of 2005
- Important contract signed with Norwegian insurance company

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 31 March 2006 amounted to 100% and the consolidated book value of the holding was SEK 318m.

BTJ Group

- Sales SEK 293m (256) and EBITA SEK 4m (-16)
- Improved earnings due to increased sales and completed efficiency programmes
- New company structure and incorporation of Seelig

BTJ Group is a leading supplier of media products and information services to libraries, booksellers, companies and organisations in the Nordic market. Products and services are sold via the brands Bibliotekstjänst, BTJ Danmark, BTJ Kirjastopalvelu, Seelig, BTJ Prenumerationsservice, and BTJ Förlag.

Ratos's holding amounts to 59% and the consolidated book value was SEK 36m at 31 March 2006.

Camfil

- Sales SEK 858m (676) and EBITA SEK 65m (51)
- Improved sales growth, mainly in Sweden, Germany, France and the US
- Earnings improvement due to strong economy and extensive change programme

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 507m at 31 March 2006.

DIAB

- Sales SEK 269m (199) and EBITA SEK 43m (14)
- Strong order bookings due to global expansion of the windpower industry
- Improved productivity created basis for sales and earnings increase
- Production start at new plant in China

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 661m at 31 March 2006.

Gadelius

- Sales SEK 185m (179) and EBITA SEK 10m (11)
- Overall stable development during the quarter
- Improved earnings in the Europe division while earnings for the Machine division were lower due to a large project delivery in 2005

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 at 31 March 2006 amounted to 100% via a Dutch holding company. The consolidated book value in Ratos was SEK 190m at 31 March 2006. This figure excludes the holding company.

GS-Hydro

- Sales SEK 198m (129) and EBITA SEK 17m (4)
- Strong earnings improvement due to strong market trend and positive effects of ongoing action programme
- All subsidiaries except one report sales growth and improved earnings

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 168m at 31 March 2006.

Haendig

- Sales SEK 346m (263) and EBITA SEK 21m (13)
- Positive market development despite a cold spring that delayed demand in some segments
- Sales increase for comparable companies 10%
- Strong sales and earnings trend for bathroom companies Hafa and Westerbergs

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 after add-on investments amounts to 100% and the consolidated book value in Ratos was SEK 330m at 31 March 2006.

Haglöfs

- Sales SEK 128m (91) and EBITA SEK 11m (5)
- Good sales trend in all markets for the Haglöfs brand contributed to a strong earnings improvement
- Strong sales ahead of the autumn

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 163m at 31 March 2006.

HL Display

- Sales SEK 342m (283) and EBITA SEK 22m (3)
- Strong demand in all markets with particularly good development in Asia
- Completed action programmes contributed to improved earnings
- New CEO since March – Gerard Dubuy

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 237m at 31 March 2006.

Häggglunds Drives

- Sales SEK 354m (235) and EBITA SEK 62m (19)
- Very strong order bookings – SEK 563m (+69%) – in almost all markets and segments
- Strong increase in production rate and invoicing laid foundation for a strong earnings improvement
- Positive cash flow, SEK +32m, despite strong growth

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

Ratos's holding in Häggglunds Drives is 100% and the consolidated book value in Ratos was SEK 475m at 31 March 2006.

Industri Kapital

- Investment in the Dutch companies Wehkamp (mail order) and Transfair (credit management)
- Sales included VSM Group and Oriflame Cosmetics (partial sale) contributed SEK 26m to Ratos's exit gains

Industri Kapital is an unlisted private equity company with assets under management of almost EUR 4 billion. Since its formation in 1989, Industri Kapital has completed more than 50 investments in five funds within different sectors in Europe, mainly in the engineering, wholesale & retail and service industries. Ratos has invested in four funds: 1989, 1994, 1997 and 2000.

The consolidated book value of Ratos's holding in Industri Kapital was SEK 218m at 31 March 2006.

Inwido

- Sales SEK 638m (279) and EBITA SEK 45m (19)
- Strong earnings trend and continued good order bookings in all Nordic countries
- Companies acquired during 2005 are developing well
- Two add-on acquisitions in the door segment during the period

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 730m at 31 March 2006.

Lindab

- Sales SEK 1,494m (1 181) and EBITA SEK 85m (20)
- Strong sales development particularly in the Nordic region and the rest of Europe. Sales for comparable units rose 10%
- Ventilation business area shows strong earnings trend due to completed cost-cutting measures and good sales development
- Sales in the Profile business area negatively affected by the severe winter in Europe
- Ratos to receive SEK 577m in May in conjunction with completed refinancing

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 was SEK 1,379m at 31 March 2006.

Overseas Telecom

- Continued good subscriber inflow in the two portfolio companies in Sri Lanka and Uganda
- Ratos received SEK 8m dividend

Overseas Telecom acquires, develops and sells telecom licences, primarily for mobile telephony, and communications networks in developing countries. Portfolio companies are located in Sri Lanka and Uganda.

Ratos's holding in Overseas Telecom amounts to 9% of the capital and 19% of the voting rights. The consolidated book value in Ratos was SEK 27m at 31 March 2006.

Superfos

- Sales SEK 819m (740) and EBITA SEK 21m (29)
- Earnings adjusted for non-recurring items in line with previous year
- Earnings trend in the US remained good
- Action programmes to improve profitability under way

Superfos is a Danish international group with operations in 18 countries. Operations comprise two areas. Packaging develops, produces and sells thermoformed plastic packaging to the food and chemical-technical industries. Aerosols offers contract filling of aerosols.

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 367m at 31 March 2006.

Stockholm, 11 May 2006
Ratos AB (publ)

Arne Karlsson
CEO

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

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Financial calendar:

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Annual General Meeting

24 August 2006
10 November 2006
22 February 2007
11 April 2007

Consolidated income statement

SEKm	2006 Q 1	2005 Q 1	2005 full year
Net sales	3,381	1,310	8,800
Other operating income	23	2	40
Change in inventories	32	40	-28
Raw materials and consumables	-1,529	-714	-4,238
Personnel costs	-930	-331	-2,412
Depreciation and impairment losses tangible and intangible assets	-91	-43	-215
Other costs	-662	-208	-1,251
Other operating expenses	-23	-1	-26
Capital gain from the sale of group company	67		134
Share in profits of associates	298	374	1,744
Operating profit	566	429	2,548
Financial income	54	81	252
Financial expenses	-71	-20	-155
Net financial items	-17	61	97
Profit before tax	549	490	2,645
Tax	-105	-12	-464
Net profit for the period	444	478	2,181
Attributable to			
Equity holders of the parent	420	478	2,113
Minority interests	24	0	68
Earnings per share, SEK			
- before dilution	2.47	2.82	12.42
- after dilution	2.45	2.80	12.37
Number of shares outstanding, recalculated taking split and redemption into account			
- average before dilution	170,370,911	169,733,017	170,062,755
- average after dilution	171,317,468	170,501,161	170,829,544

Consolidated balance sheet

SEKm	31 Mar 2006	31 Mar 2005	31 Dec 2005
ASSETS			
Fixed assets			
Intangible assets	8,611	1,981	6,691
Tangible assets	1,845	574	1,728
Financial assets	4,147	5,012	4,139
Deferred tax assets	159	52	135
Total fixed assets	14,762	7,619	12,693
Current assets			
Inventories	1,642	988	1,463
Current receivables	3,251	2,097	3,263
Cash and cash equivalents	4,011	2,066	3,677
Holdings held for sale			1,048
Total current assets	8,904	5,151	9,451
Total assets	23,666	12,770	22,144
EQUITY AND LIABILITIES			
Equity incl. minority interests	12,015	9,813	11,554
Long-term liabilities			
- interest-bearing	5,274	1,019	4,220
- non-interest bearing	110	36	96
- pension provisions	412	107	365
- other provisions	56	15	80
- deferred tax liabilities	433,,	38	331
Total long-term liabilities	6,285	1,215	5,092
Current liabilities			
- interest-bearing	1,202	738	1,421
- non-interest bearing	3,927	1,004	3,842
- provisions	237 ,		235
Total current liabilities	5,366	1,742	5,498
Total equity and liabilities	23,666	12,770	22,144

Summary of changes in consolidated equity

	2006-03-31			2005-03-31			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 ¹⁾	16	92	108						
Adjusted equity	10 958	596	11 554	9 202	34	9 236	9 202	34	9 236
Change in translation reserves	-68	-1	-69	59		59	228	1	229
Fair value of reserve/hedging reserve after tax	3	2	5	30		30	66	4	70
Redemption of convertible programme, associates				-8		-8	-8		-8
Equity share of convertible debenture							16	4	20
Acquired minority					-7	-7		-7	-7
Issue								97	97
Minority in sold company		-2	-2						
Minority at acquisition		60	60					313	313
Other recognised directly in equity	1		1				3		3
Total changes in income recognised directly in equity	10 894	655	11 549	9 283	27	9 310	9 507	446	9 953
Net profit for the period	420	24	444	478	0	478	2 079	58	2 137
Total changes in income excluding transactions with company's owners	11 314	679	11 993	9 761	27	9 788	11 586	504	12 090
Dividend		-4	-4				-673		-673
Buy-back/divestment of own shares	26		26	25		25	26		26
Option premiums							3		3
Closing equity	11 340	675	12 015	9 786	27	9 813	10 942	504	11 446
Change in acquisition analysis ¹⁾							16	92	108
Adjusted closing equity							10 958	596	11 554
¹⁾ 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	0
							16	92	108

Consolidated cash flow statement

SEKm	2006 Q 1	2005 Q 1	2005 full year
Operating activities			
Consolidated profit before tax	549	490	2,645
Adjustment for non-cash items	-283	-333	-1,651
	266	157	994
Paid tax	-56	-32	-120
Cash flow from operating activities before change in working capital	210	125	874
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-149	-81	-27
Increase (-)/Decrease (+) in operating receivables	114	-845	-524
Increase (+)/Decrease(-) in operating liabilities	-293	-35	579
Cash flow from operating activities	-118	-836	902
Investing activities			
Acquisitions, group companies	-449	-183	-2,252
Sales, group companies	123	59	1,116
Acquisition of shares, holdings	-5	-12	-12
Sale of shares, holdings	1,309	742	1,136
Acquisition of other intangible/tangible fixed assets	-86	-3	-279
Change, financial assets	-178	20	378
Cash flow from investing activities	714	623	87
Financing activities			
Share buy-backs	26	25	-3
Transfer of own shares			29
Option premiums			3
Issue of minority			97
Dividend paid			-673
Dividend paid to minority	-4		
Increase (+) in interest-bearing liabilities	-282	91	1,071
Cash flow from financing activities	-260	116	524
Cash flow for the period	336	-97	1,513
Cash and cash equivalents, opening balance	3,677	2,160	2,160
Exchange differences in cash and cash equivalents	-2	3	4
Cash and cash equivalents, closing balance	4,011	2,066	3,677
Consolidated key figures			
Return on equity, %			21
Equity ratio, %	51	77	52
Interest-bearing liability/receivable	-2,758	955	-2,270
Key figures per share taking split and redemption into account			
Total return, %	31	27	43
Dividend yield, %			4.6
Market price, SEK	119	85	91
Dividend (actual dividend SEK 9.00 prior to split)			4.19
Equity attributable to equity holders of the parent	67	58	64
Total number of shares (registered 80,674,626)			
Number of shares outstanding before split and redemption	79,449,540	79,182,440	79,198,540

Parent company income statement

SEKm	2006 Q 1	2005 Q 1	2005 full year
Other operating income	1	1	5
Other external costs	-14	-14	-63
Personnel costs	-16	-8	-118
Depreciation of tangible fixed assets	0	0	-2
Other operating expenses	-1		-2
Operating profit	-30	-21	-180
Result from participations in group companies			832
Result from participations in associates	19	342	487
Result from other securities and receivables accounted for as fixed assets	45	72	204
Other interest income and similar profit/loss items	15	10	52
Interest expenses and similar profit/loss items	-6	-5	-19
Profit after financial items	43	398	1,376
Tax	-	-	-
Net profit for the year	43	398	1,376

Parent company balance sheet

SEKm	31 Mar 2006	31 Mar 2005	31 Dec 2005
ASSETS			
Fixed assets			
Tangible assets	14	14	13
Financial assets	7,652	7,383	7,148
Total fixed assets	7,666	7,397	7,161
Current assets			
Current receivables	151	1,054	160
Cash and cash equivalents	3,313	1,796	2,513
Total current assets	3,464	2,850	2,673
Total assets	11,130	10,247	9,834
EQUITY AND LIABILITIES			
Shareholders' equity	9,573	9,195	9,504
Provisions			
- provisions for pensions	3	3	3
Long-term liabilities			
- non-interest bearing	48	34	48
- interest-bearing	140	131	139
Current liabilities			
- non-interest bearing	78	59	93
- interest-bearing	1,288	825	47
Total equity and liabilities	11,130	10,247	9,834

Summary of changes in parent company's equity

	31 Mar 2006	31 Mar 2005	2005
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	43	397	1,376
Total change in income excluding transactions with company's owners	9,547	9,170	10,149
Dividend			-673
Share buy-backs	26		-3
Call options exercised		25	29
Option premiums			2
Closing equity	9,573	9,195	9,504

Parent company cash flow statement

SEKm	2006 Q 1	2005 Q 1	2005 full year
Operating activities			
Profit before tax	43	398	1,376
Adjustment for non-cash items, etc.	-27	-334	-1,359
	16	64	17
Paid tax			
Cash flow from operating activities before change in working capital	16	64	17
Cash flow before change in working capital			
Increase (-)/Decrease (+) in operating receivables	10	-725	-4
Increase (+)/Decrease (-) of operating liabilities	-16	-14	34
Cash flow from operating activities	10	-675	47
Investing activities			
Acquisition of shares, subsidiaries	-361	-789	-2,226
Sale of shares, subsidiaries			1,958
Acquisition of shares, holdings	-5	-12	-13
Sale of shares, holdings	94	742	1,138
Acquisition of other tangible fixed assets			-1
Change, financial assets	-206	-174	346
Cash flow from investing activities	-478	-233	1,202
Financing activities			
Share buy-backs			-3
Transfer of own shares	26	25	29
Option premiums			1
Dividends paid			-673
Increase (+) in interest-bearing liabilities	1,242	789	20
Cash flow from financing activities	1,268	814	-626
Cash flow for the period	800	-94	623
Cash and cash equivalents, opening balance	2,513	1,890	1,890
Cash and cash equivalents, closing balance	3,313	1,796	2,513

Ratos holdings 31 March 2006

SEKm	Net sales 2006 Q1	Net sales 2005 Q1	Net sales 2005 full year	EBITA 2006 Q1	EBITA 2005 Q1	EBITA 2005 full year	EBT 2006 Q1	EBT 2005 Q1	EBT 2005 full year	Depreci- ation 2006 Q1	Invest- ments* 2006 Q1	Cash flow** 2006 Q1	Equity*** 31 Mar 2006	Interest- bearing net debt 31 Mar 2006	Average number of employees 31 Dec 2005	Consoli- dated value 31 Mar 2006	Ratos holding 31 Mar 2006
Alimak Hek	390	244	1 139	48	15	91	36	10	73	17	12	-35	357	671	698	230	50%
Anticimex ¹⁾	318	292	1 275	27	25	118	10	8	41	5	7	-9	631	1 045	909	539	85%
Arcus ¹⁾	285	264	1 314	-16	-19	60	-21	-25	39	13	14	-87	598	607	592	498	83%
Atle Industri ²⁾	267	227	1 053	7	-5	-4	6	-6	-12	6	8	-6	411	109	858	243	50%
Bisnode ^{1) 3) 4)}	854	828	3 283	168	78	400	114	27	194	17	30	-1	1 979	1 582	2 450	703	70%
Bluegarden	127	126	490	8	20	65	5	17	48	6	3	18	316	222	366	318	100%
BTJ Group ¹⁾	293	256	1 328	4	-16	-19	3	-17	-25	5	3	-10	82	50	527	36	59%
Camfil	858	676	3 083	65	51	290	59	45	265	22	36	-55	1 287	622	2 693	507	30%
DIAB	269	199	918	43	14	97	39	12	90	12	20	27	314	222	734	661	50%
Gadelius	185	179	699	10	11	35	10	10	34	1	0	9	120	99	180	190	100%
GS-Hydro	198	129	641	17	4	37	14	1	26	4	3	-8	168	253	315	168	100%
Hændig	346	263	1 286	21	13	38	19	12	32	3	2	-58	274	344	437	330	100%
Höglöf	128	91	399	11	5	28	10	4	26	1	0	-12	103	73	119	163	100%
HL Display	342	283	1 285	22	3	63	20	5	62	11	10	7	335	130	933	237	29%
Häggblunds Drives	354	235	1 175	62	19	176	60	17	171	6	2	32	326	114	554	475	100%
Inwido	638	279	2 197	45	19	282	15	-3	196	13	59	-131	910	1 712	1 615	730	95%
Lindab	1 494	1 181	6 214	85	20	560	67	1	484	49	28	-65	2 866	1 902	3 844	1 379	48%
Overseas Telecom	130	73	393	41	44	184	40	40	168	58	20	8	644	-6	545	27	9%
Superfos ⁵⁾	819	740	3 056	21	29	137	-2	4	43	62	56	-78	1 070	1 529	1 669	367	33%
TOTAL ⁶⁾	8 165	6 492	30 835	648	286	2 454	464	122	1 787								

Change**26%****127%****280%**

* 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 are calculated pro forma taking this leverage into account.²⁾ Figures for 2005 Q1 and 2005 full year are calculated pro forma excluding companies sold during 2005.³⁾ Figures for the new group include the German operations acquired after the first quarter.⁴⁾ Final part payment of SEK 380m will be paid during the second quarter of 2006.⁵⁾ Figures for 2005 Q1 and 2005 full year respective are calculated pro forma excluding the sold Pharma division and goodwill impairment losses in 2005.⁶⁾ Excluding Overseas Telecom which is not an associated company.