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Interim report January - March 2008

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- Profit before tax SEK 269m (1,167)
- Earnings per share before dilution SEK 1.46 (6.61)
- Good underlying development in the holdings
- New group formed through Medifiq's acquisition of Medisize Medical
- Refinancing of Camfil and Bisnode
- Total return on Ratos shares +14%

Important events

In February, Ratos's subsidiary Medifiq Healthcare acquired the Swiss company Medisize Medical. The deal was completed in April. Ratos's investment amounted to SEK 393m and in conjunction with this investment Ratos increased its holding in Medifiq Healthcare to 93%. The merged company will be called Medisize Oy.

During the first quarter of the year refinancing was carried out in Camfil and Bisnode due to the good performance of these companies in recent years. As a result of the refinancing in Camfil, Ratos released approximately SEK 460m and in Bisnode approximately SEK 600m. More information about important events in the holdings is provided on pages 8-13.

Ratos's investment organisation was strengthened with three Investment Managers in spring 2008.

AGM decisions

At the Annual General Meeting held on 9 April, in accordance with the Nomination Committee's proposal Board members Olof Stenhammar, Lars Berg, Staffan Bohman, Arne Karlsson (CEO), Annette Sadolin, Jan Söderberg and Per-Olof Söderberg were re-elected. Olof Stenhammar was elected as Chairman of the Board. Göran Grosskopf had declined re-election. Of the members of the Board, Olof Stenhammar, who has been on the company's Board for more than 12 years, and the company's CEO Arne Karlsson are non-independent in relation to the company and its management. Two members of the Board, Jan Söderberg and Per-Olof Söderberg, are non-independent in relation to major shareholders.

The ordinary dividend was decided at SEK 9 per share.

The Meeting resolved to re-elect KPMG Bohlins AB with Thomas Thiel as auditor in charge until the 2012 Annual General Meeting has been held.

The Annual General Meeting decided to authorise the Board to decide, during the period until the next Annual General Meeting, on the purchase of treasury shares. Share purchases are to be effected on the OMX Nordic Exchange Stockholm and are subject to the limit that the company's holding of treasury shares at any time may not exceed 7% of all the shares in the company. The purpose of the purchase of treasury shares is to give the Board greater freedom of action in its efforts to create value for Ratos's shareholders. This includes hedging of call options issued within the framework of Ratos's incentive programme. At the subsequent statutory meeting, the Board decided to give the CEO, in consultation with the Chairman, a mandate to purchase such treasury shares in accordance with the mandate the Board received from the Annual General Meeting.

The Annual General Meeting also decided to issue a maximum of 750,000 call options on repurchased Ratos treasury shares to be transferred at a market price to key people within Ratos. The Meeting further resolved to transfer a maximum of 750,000 shares in the company in conjunction with exercise of the above-mentioned options.

In addition, the Annual General Meeting decided to introduce a cash-settled option programme related to Ratos's investments in holdings. The programme, which essentially is similar to the previous year's programme, will be carried out through issuance of synthetic options which key people within Ratos will be entitled to acquire.

Events after the end of the period

In April, Ratos received a dividend of SEK 149m from Arcus Gruppen which was made possible by the sale of the property in Hasle outside Oslo in 2007 as well as by the favourable development of the company.

In April, Ratos's parent company was granted an increase in its credit facility from SEK 1.3 billion to SEK 3.2 billion including a bank overdraft facility. The background to this increase is that since 2002 Ratos has grown into a considerably larger company and the fact that SEK 3.2 billion today corresponds to the financial preparedness provided by the 2002 credit facility.

Business environment and market

Ahead of 2008 Ratos's general assessment of the economic outlook was that the downturn in the global economy would continue for a large part of the year, but that stimulation from both monetary and financial policies combined with many positive structural trends – long-term productivity growth, China/India, etc. – would gradually give the global economy renewed strength. The most important consequence of this is that the global economy – including the US – will be able to avoid a deep recession, although parts of the economy will constitute pockets of extremely weak development.

Development during the first quarter has not changed this working hypothesis. Pockets of weak or negative growth are creating problems in some areas – the housing sector in the US, new construction in Denmark, the automotive industry, etc. – but this is compensated by a wide margin by continued strong development in other geographic markets and sectors. Since Ratos's holdings have only been marginally affected by the structurally weaker parts of the economy, the underlying development of the portfolio remained good.

As previously, Ratos has only been marginally affected by the crisis in the financial markets – a crisis which in many respects is less acute today than six months ago, although it is still too early to sound the all clear.

The underlying development for Ratos's holdings in the first quarter was good. This is not fully reflected, however, in the figures reported for the total portfolio, where while sales increased by 11% compared with the previous year (+13% taking Ratos's ownership stakes into account), although operating profit fell by 3% and 5% respectively and development for profit before tax was -23% and -29% respectively.

The percentage changes for the first quarter of the year should, however, always be interpreted with caution:

- most of earnings capacity for the portfolio as a whole is after the first quarter. This means that minor changes in absolute numbers can have a considerable effect on percentage changes
- this means that extraordinary items can have a major impact on the figures, which had a negative effect on comparative figures for the quarter this year
- the main impact on the first quarter of 2008 was the Easter effect (i.e. the fact that this year Easter occurred in the first quarter compared with in the second quarter in 2007), which this year was negative or highly negative for Ratos's holdings.

A more detailed analysis of development in the holdings confirms that the underlying development remains good:

- extraordinary items, including large capital gains in Bisnode in the first quarter of 2007, had a net negative effect on development of approximately SEK 120m. Adjusted for these items, operating profit rose 11% in the first quarter (+11% also taking Ratos's holdings into account)
- January and February were strong months when accumulated sales rose 16% and operating profit (adjusted for extraordinary items) increased by approximately 25%. The Easter effect, however, meant that sales in March only rose 1% while the earnings trend was highly negative
- order bookings, which were affected by the Easter effect although to a lesser degree, remained good and increased by approximately 12% in the first quarter
- indications for April, where the Easter effect will of course be positive, show very favourable development.

Taken overall our assessment for the full year 2008 remains unchanged, which means that, provided our scenario for the global economy proves correct, there are good opportunities for a further improvement in earnings in the underlying portfolio of companies.

To facilitate analysis, an extensive table is provided on page 22 with key figures for all Ratos's holdings. A summary of income statements and balance sheets for Ratos's associates and subsidiaries is available at www.ratos.se in downloadable Excel files.

It can be noted that activity in the transaction market remains high with a large number of attractive investment and add-on acquisition opportunities and many enquiries from interested purchasers of Ratos's holdings.

Ratos's results

Profit before tax for the first three months of 2008 amounted to SEK 269m (1,167). The lower earnings compared with the same period in the previous year is mainly due to the fact that no exits were carried out during the first quarter of 2008. The result includes profit/share of profits from the holdings of SEK 245m (355) and an exit gain of SEK 1m (748).

Ratos's results January-March 2008

SEKm	2008 Q 1	2007 Q 1
Profit/share of profits before tax ¹⁾		
AH Industries (66%)	19	
Anticimex (85%)	12	10
Arcus Gruppen (83%)	-24	-13
Bisnode (70%)	28	113
Camfil (30%)	14	21
Contex Holding (98%)	5	
DIAB (50%)	16	37
EuroMaint (100%)	15	
GS-Hydro (100%)	15	37
Haglöfs (100%)	13	2
HL Display (29%)	8	11
HÅG/RH/RBM (85%)	17	18
Hägglungs Drives (100%)	62	62
Inwido (95%)	-7	25
Jøtul (63%)	-33	-18
Lindab (22%)	38	34
MCC (60%)	33	
Medifiq Healthcare (78%)	-9	-13
Superfos (33%)	10	6
Other holdings ²⁾	13	21
Bluegarden		2
Total profit/share of profits	245	355
Exit gains		
Alimak Hek		727
Other holdings ³⁾	1	21
Total exit gains	1	748
Dividend from Other holdings ³⁾		71
Profit from holdings	246	1 174
Net expenses	23	-7
Consolidated profit before tax	269	1 167

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

²⁾ Relates to subsidiaries BTJ Group and Hafa Bathroom Group and associate Atle Industri. Previous year's figures also include Haendig.

³⁾ Relates to holdings in Overseas Telecom and Industri Kapital.

Central income and expenses

Ratos's net income and expenses amounted to SEK 23m (-7), of which personnel costs amounted to SEK 23m (57). The variable portion of personnel costs was SEK 0m (33). Other management costs were SEK 23m (24). Net financial items amounted to SEK +69m (+74).

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, capitalisation of loss carry forwards and by non-taxable capital gains.

Financial position

Cash flow from operating activities and investing activities was SEK -487m (+254) and the Group's cash and cash equivalents at the end of the quarter amounted to SEK 4,720m (5,681) of which short-term interest-bearing investments accounted for SEK 2,584m (4,703). Interest-bearing debt amounted to SEK 15,174m (9,257).

Parent company

The parent company's profit before tax was SEK 1,049m (1,118). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 3,031m (4,711). Taking into account financial transactions agreed but not yet carried out, Ratos had an investment capacity of approximately SEK 1.6 billion at the end of the period without needing to utilise existing credit facilities.

Risks and uncertainties

A description of the Group's and parent company's material risks and uncertainties is provided in the Director's report and in Note 31 and Note 40 in the 2007 Annual Report. An assessment for the coming months is provided in the *Business environment and market* section of this interim report on page 2.

Related-party transactions

Shareholder contributions and shareholder loans were granted to subsidiaries. The parent company received dividends from subsidiaries and associates of SEK 490m (178) of which SEK 490m (67) is recognised in profit.

Ratos shares

Earnings per share before dilution amounted to SEK 1.46 (6.61). The total return on Ratos shares during the period was +14%, compared with the SIX Return Index which fell by 11%. Ratos B shares rose by 14% during the quarter compared with the OMXSPI which fell by 11%.

Ordinary dividend

The Annual General Meeting on 9 April decided on an ordinary dividend for 2007 of SEK 9 per share (previous year: SEK 5.50 ordinary dividend as well as an extra dividend of SEK 5.50). The record date for dividends was 14 April and payments from VPC were made on 17 April.

Buy-backs and number of shares

During the first quarter 149,300 B shares were repurchased at an average price of SEK 165. The number of call options exercised during the period corresponded to 494,500 shares. At 31 March 2008, Ratos owned 2,514,897 B shares corresponding to 1.6% of the outstanding number of shares. The average number of B treasury shares in Ratos ownership during the period was 2,935,729 (2,833,800 in 2007). The total number of shares outstanding at 31 March was 158,834,355.

Ratos's equity¹⁾

SEKm	31 March 2008	% of equity
AH Industries	326	3
Anticimex	660	5
Arcus Gruppen	740	6
Bisnode	1,038	9
Camfil	99	1
Contex Holding	612	5
DIAB	347	3
EuroMaint	425	3
GS-Hydro	309	3
Haglöfs	77	1
HL Display	281	2
HÅG/RH/RBM	838	7
Hägglands Drives	-320	-3
Inwido	1,234	10
Jøtul	307	3
Lindab	686	6
MCC	320	3
Medifiq Healthcare	220	2
Superfos	369	3
Other holdings ²⁾	469	4
Total	9,037	76
Other net assets in central companies	2,908	24
Equity (attributable to equity holders of the parent)	11 945	100
Equity per share, SEK	75	

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

²⁾ Other holdings include the subsidiaries BTJ Group and Hafa Bathroom Group, associate Atle Industri and the holdings Overseas Telecom and Industri Kapital.

Equity

At 31 March 2008 Ratos's equity (attributable to equity holders of the parent) amounted to SEK 11,945m (11,905 at 31 December 2007) corresponding to SEK 75 per outstanding share (SEK 75 at 31 December 2007).

Credit facilities

Since 2002 the parent company has had a five-year (rolling since 2005) credit facility amounting to SEK 1.3 billion including a bank overdraft facility. In April, the parent company was granted an increase in the credit facility to SEK 3.2 billion including a bank overdraft facility. The background to this increase is that since 2002 Ratos has grown into a considerably larger company and the fact that SEK 3.2 billion today corresponds to the financial preparedness provided by the 2002 credit facility. 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. No A shares were converted into B shares during the first quarter. In April, 240 A shares were converted 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 IAS 34, Interim Financial Reporting. The Group's accounting principles are unchanged compared with the most recent annual report.

The key accounting principles applied by Ratos are described below.

Associates

As previously, Ratos applies the equity method for consolidation of associates. IFRS requires uniform 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 must take 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. Acquisitions were carried out 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.

Goodwill and other intangible assets with an indeterminable useful life are attributable when testing for impairment to individual subsidiaries, since these constitute cash-generating units. Testing of carrying amounts is performed per holding, including the value of goodwill and intangible non-current 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.

Holdings

With effect from 1 January 2008, Hafa Bathroom Group (previously part of Haendig) is reporting as a holding under Other holdings.

AH Industries

- Sales SEK 173m (148) and EBITA SEK 26m (23)
- Continued good sales growth due to strong demand within wind power
- Major investments in capacity and personnel to meet anticipated growth

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

Ratos's holding in AH Industries amounted to 66% and the consolidated book value was SEK 326m at 31 March 2008.

Anticimex

- Sales SEK 401m (350) and EBITA SEK 38m (34)
- Continued good organic sales growth, +9% (excluding Raksystems), where primarily Sweden developed very well while Finland and Germany saw weaker development
- Strong development for energy declarations in Sweden with a large orderbook
- Insurance solution for hidden defects in conjunction with house buying introduced in Finland

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

Ratos's holding in Anticimex amounted to 85% and the consolidated book value in Ratos was SEK 660m at 31 March 2008.

Arcus Gruppen

- Sales SEK 310m (281) and EBITA SEK -24m (-11)
- Continued good sales development, primarily for wine in Sweden
- Earnings negatively affected by the Easter effect, which led to fewer selling days
- In April, Arcus Gruppen distributed SEK 178m whereby Ratos received SEK 149m

Arcus Gruppen is Norway's leading wine and spirits supplier. The company was formed in 1996 on the initiative of the Norwegian government and privatised in 2001. The group's best-known brands include Braastad Cognac, Vikingfjord Vodka, Løiten and Linie Aquavit. The company has 460 employees.

Ratos's holding in Arcus Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 740m at 31 March 2008.

Bisnode

- Sales SEK 1,122m (858) and EBITA SEK 145m (167)
- Continued good sales growth and positive earnings trend due, among other things, to acquisitions. Earnings include capital gains and profit shares in associates of SEK 16m (SEK 78m in same period last year)
- Lars Save resigned from his position as CEO in February 2008 and Chairman of the Board Håkan Ramsin is acting CEO
- Refinancing carried out where Ratos will receive approximately SEK 600m, of which approximately SEK 360m was received in the first quarter
- Svenska Nyhetsbrev acquired in January

Bisnode is a leading European provider of digital business information with services within market, credit and product information. Operations are conducted in five business areas in 19 countries in Europe. Bisnode has some 3,000 employees.

Ratos's holding in Bisnode amounted to 70% and the consolidated book value of the holding after the refinancing was SEK 1,038m at 31 March 2008.

Camfil

- Sales SEK 989m (953) and EBITA SEK 61m (79)
- Lower sales growth during the quarter than in the previous year due to the Easter effect in Europe and weaker development in Asia
- EBITA margin negatively affected by temporary production disruptions and the Easter effect
- Good order bookings in most sub-markets
- Ratos carried out a refinancing of Camfil which resulted in a cash payment to Ratos of approximately SEK 460m

Camfil is a world leader in clean air technology and air filters. The Group's products and services contribute to a good indoor climate and protect sensitive manufacturing processes and the surrounding environment. Manufacture takes place in 23 plants on four continents and the Group is represented by subsidiaries and agents in over 50 countries.

Ratos's holding in Camfil amounted to 30% and the consolidated book value after the refinancing was SEK 99m at 31 March 2008.

Contex Holding

- Sales SEK 187m (214) and EBITA SEK 22m (27)
- Continued weak dollar and lower demand from OEMs had a negative impact on sales and earnings in the Contex A/S operating area
- Continued strong growth and profitability for Z Corporation
- Vidar Systems shows stable profitability

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

Ratos's holding in Contex Holding amounted to 98% and the consolidated book value was SEK 612m at 31 March 2008.

DIAB

- Sales SEK 338m (334) and EBITA SEK 61m (74)
- Sales increased by 4% in local currency. Growth was negatively affected by delayed production start in India. Deliveries started in April
- Operational improvements in the production unit in the US but a continued negative earnings impact in the first quarter
- Investment programme carried out to expand global production capacity and in new technology and deliveries started of new materials customised for new market segments

DIAB is a world-leading company that manufactures and develops core materials for structures including 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 amounted to 50% and the consolidated book value was SEK 347m at 31 March 2008.

EuroMaint

- Sales SEK 576m (533) and EBITA SEK 35m (30)
- Good organic growth, +8%, with continued favourable development for underlying markets
- Cost reductions made a positive contribution to the EBITA margin
- EuroMaint Industry won a record order worth approximately SEK 150m to supply quality assurance equipment to Volvo Powertrain's engine plants in Brazil, France, Sweden and the US

EuroMaint is one of Sweden's leading maintenance companies and offers advanced maintenance services to the rail transport sector and manufacturing industry. Operations are conducted in three subsidiaries: EuroMaint Rail, EuroMaint Industry and EuroMaint Tracksupport. Operations are conducted at 18 locations in Sweden, Latvia and the US.

Ratos's holding in EuroMaint amounted to 100% and the consolidated book value was SEK 425m at 31 March 2008.

GS-Hydro

- Sales SEK 336m (332) and EBITA SEK 25m (41)
- Continued strong demand. First-quarter order bookings amounted to SEK 432m (376)
- Sales and earnings growth negatively affected by restructuring in the Chinese and Korean operations as well as by higher personnel costs in Norway
- Acquisition of British company Airdale with 2007 sales of SEK 13m

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

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK 309m at 31 March 2008.

Haglöfs

- Sales SEK 130m (105) and EBITA SEK 15m (3)
- High consumer demand increased sales by 24%. Both the Nordic home market (+20%) and export markets (+32%) developed well
- Strong sales growth and increased gross margins improved earnings
- Very strong order bookings for autumn 2008

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, and rucksacks. Haglöfs has sales in 15 countries in the Nordic region and the rest of Europe.

Ratos's holding in Haglöfs amounted to 100% and the consolidated book value in Ratos was SEK 77m at 31 March 2008.

HL Display

- Sales SEK 383m (391) and EBITA SEK 31m (37)
- Lower sales compared with the previous year primarily in Western Europe. Sales were also negatively affected by Easter occurring in the first quarter this year
- Improved gross margin but increased operating expenses led to lower EBITA margin

HL Display is a global, market leading supplier of products and systems for merchandising and in-store communication. The company has over 1,000 employees in 31 countries. Manufacture takes place in China, the UK, Sweden and the US. HL Display is listed on the OMX Nordic Exchange, Small Cap list.

Ratos's holding in HL Display amounted to 29% and the consolidated book value was SEK 281m at 31 March 2008.

HÅG/RH/RBM

- Sales SEK 405m (414) and EBITA SEK 66m (74)
- Easter effect and costs of the integration programme explain the decline in earnings compared with the same period in 2007
- Stable development in the Nordic, Benelux and German markets
- The group's integration programme is proceeding as planned

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

Ratos's holding in HÅG/RH/RBM amounted to 85% and the consolidated book value in Ratos was SEK 838m at 31 March 2008.

Hägglunds Drives

- Sales SEK 440m (373) and EBITA SEK 78m (75)
- Strong sales increase, +18%, with continued favourable development in most segments
- Good underlying profitability that was negatively affected, however, in the first quarter by production disruptions due to problems with deliveries from a subcontractor
- The American company Rineer Hydraulics acquired after the end of the period

Hägglunds Drives is an international supplier of complete hydraulic motors and drive systems. The largest customer segments are mining and materials handling and marine and offshore. The company has subsidiaries in 16 countries.

Ratos's holding in Hägglunds Drives amounted to 100% and the consolidated book value in Ratos following the refinancing in 2006 was SEK -320m at 31 March 2008.

Inwido

- Sales SEK 1,243m (943) and EBITA SEK 48m (59)
- Costs related to closure of a plant in Sweden and the Easter effect explain the lower earnings compared with 2007
- Inwido's operations primarily in Finland and Sweden showed strong development, while development was weaker in the Norwegian and Danish markets
- Acquisitions made in 2007 are developing as planned

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 as well as in the UK, Ireland, Poland and Russia. The company's brands include Elitfönster, SnickarPer, Tiivi, KPK and Lyssand.

Ratos's holding in Inwido amounted to 95% and the consolidated book value was SEK 1,234m at 31 March 2008.

Jøtul

- Sales SEK 198m (191) and EBITA SEK -12m (-3)
- Continued weak market development in the Nordic countries and Germany, while the sales trend in the US and France was positive during the quarter
- Lower earnings due to weak market trend
- Cost adjustments in Norway and Denmark continue

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

Ratos's holding in Jøtul amounted to 63% and the consolidated book value in Ratos was SEK 307m at 31 March 2008.

Lindab

- Sales SEK 2,129m (1 972) and EBITA SEK 209m (188)
- Growth 6% adjusted for currency effects and structural changes. Since the building trade is Lindab's main market, demand remained strong in all regions
- After the end of the period, Lindab's CEO Kjell Åkesson announced that in accordance with his employment contract he wishes to retire when he reaches the age of 60. David Brodetsky, who is currently head of Lindab Building Systems, has been appointed as his successor with effect from 1 October 2008

Lindab is a leading European company within development, production, marketing and distribution of systems and products in sheet metal and steel for the construction industry. The group is established in 30 countries. Approximately 60% of sales go to countries outside the Nordic region. Lindab is listed on the OMX Nordic Exchange Large Cap List.

Ratos's holding in Lindab amounted to 22% and the consolidated book value in Ratos was SEK 686m at 31 March 2008.

MCC

- Sales SEK 217m (155) and EBITA SEK 42m (24)
- Strong growth mainly driven by strong development in North America
- Good profitability due to high volume and favourable product mix
- The plant in Poland has been completed and production will start in the second quarter

Mobile Climate Control (MCC) offers complete climate comfort systems for buses, off road and specialty vehicles. Approximately 70% of the company's sales take place in North America and approximately 35% in Europe. Major production plants are located in Toronto, Canada, Norrköping and Norrtälje, Sweden, and Wroclaw, Poland.

Ratos's holding in MCC amounted to 60% and the consolidated book value in Ratos was SEK 320m at 31 March 2008.

Medifiq Healthcare

- Sales SEK 102m (88) and EBITA SEK 0m (-10)
- Good capacity utilisation in the Finnish plant while the British plant continued to have a negative impact on earnings
- Acquisition of the Swiss company Medisize Medical means that a large new group is being formed with sales of approximately SEK 970m and some 1,000 employees. Acquisition was completed in April and the merged company will be called Medisize Oy. Ratos contributed SEK 393m and the holding in the new group amounts to 93%
- Ongoing action programme proceeding as planned

Medifiq Healthcare is one of the world-leading players in development and manufacture of medical devices for delivery and administration of drugs, contraceptives, blood sampling equipment, and medical devices for healthcare providers within a range of applications. Medifiq Healthcare has some 430 employees in Finland and the UK.

Ratos's holding in Medifiq Healthcare amounted to 78% and the consolidated book value in Ratos was SEK 220m at 31 March 2008.

Superfos

- Sales SEK 865m (786) and EBITA SEK 57m (40)
- Positive earnings effect from completed change programme within purchasing, production and organisation as well as the acquisition of Mipac in 2007
- Weaker paint market in Europe and costs for reorganisation of logistics affected earnings

Superfos is an international Danish group with operations in 18 countries in Europe and the US. The company develops, produces and sells injection moulded packaging for the food and chemical-technical industries.

Ratos's holding in Superfos amounted to 33% and the consolidated book value in Ratos was SEK 369m at 31 March 2008.

Other holdings

- Strong development in Atle Industri's holding Nordhydraulic
- After the end of the period Ratos increased its holding in BTJ Group to 66% by purchasing shares from the Swedish Library Association
- With effect from 1 January 2008 Hafa Bathroom Group is reported under Other holdings. Improved earnings for Hafa Bathroom Group
- Continued disturbances in Sri Lanka had some negative earnings impact for Overseas Telecom

Other holdings comprise five holdings: Atle Industri, BTJ Group, Hafa Bathroom Group, Industri Kapital and Overseas Telecom.

The total consolidated book value of Other holdings in Ratos was SEK 469m at 31 March 2008.

Stockholm, 8 May 2008
Ratos AB (publ)

Arne Karlsson
CEO

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

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Ratos financial calendar:
Interim report January - June 2008 22 August 2008
Interim report January - September 2008 7 November 2008

Consolidated income statement

SEKm	2008 Q1	2007 Q1	2007 full year
Net sales	6,119	4,217	21,179
Other operating income	36	27	223
Change in inventories	80	34	18
Raw materials and consumables	-2,305	-1,698	-8,171
Employee benefit costs	-2,050	-1,379	-6,694
Depreciation and impairment of tangible and intangible non-current assets	-186	-131	-622
Other costs	-1,271	-839	-4,257
Profit on sale of group companies	-1	66	995
Profit on sale of associates		727	741
Share of profit of associates	87	123	559
Operating profit	509	1,147	3,971
Financial income	77	150	370
Financial expenses	-317	-130	-879
Net financial items	-240	20	-509
Profit before tax	269	1,167	3,462
Tax	-21	-89	-516
Profit for the period	248	1,078	2,946
Attributable to			
Equity holders of the parent	231	1,048	2,646
Minority interests	17	30	300
Earnings per share, SEK			
- before dilution	1.46	6.61	16.66
- after dilution	1.45	6.56	16.56
Number of shares outstanding, recalculated taking split and redemption into account			
- average before dilution	158,413,523	158,515,452	158,829,266
- average after dilution	159,035,780	159,864,214	159,764,583

Consolidated balance sheet

SEKm	31 March 2008	31 March 2007	31 Dec 2007
ASSETS			
Non-current assets			
Goodwill	16,111	9,580	16,225
Other intangible assets	1,800	1,462	1,841
Property, plant and equipment	3,120	2,375	3,091
Financial assets	2,843	3,006	2,778
Deferred tax assets	379	194	291
Total non-current assets	24,253	16,617	24,226
Current assets			
Inventories	3,152	2,103	2,941
Current receivables	5,129	4,049	5,375
Cash and cash equivalents	4,720	5,681	4,240
Assets held for sale		44	
Total current assets	13,001	11,877	12,556
Total assets	37,254	28,494	36,782
EQUITY AND LIABILITIES			
Equity including minority interests	13,847	13,175	13,870
Non-current liabilities			
- interest-bearing	12,438	7,399	11,113
- non-interest bearing	405	309	418
- pension provisions	620	596	627
- other provisions	423	250	413
- deferred tax liabilities	715	471	750
Total non-current liabilities	14,601	9,025	13,321
Current liabilities			
- interest-bearing	2,116	1,262	2,094
- non-interest bearing	6,199	4,591	7,068
- provisions	491	385	429
- liabilities attributable to Assets held for sale		56	
Total current liabilities	8,806	6,294	9,591
Total equity and liabilities	37,254	28,494	36,782

Statement of changes in consolidated equity

	2008-03-31			2007-03-31			2007-12-31		
	Equity holders of the parent	Minority	Total	Equity holders of the parent	Minority	Total	Equity holders of the parent	Minority	Total
Opening balance	11 905	1 965	13 870	10 875	939	11 814	10 875	939	11 814
Change in translation reserves	-173	-26	-199	163	29	192	203	57	260
Change in fair value reserve/hedging reserve after tax	-21	-1	-22	10	1	11	34	-1	33
Net income recognised directly in equity	11 711	1 938	13 649	11 048	969	12 017	11 112	995	12 107
Profit for the period	231	17	248	1 048	30	1 078	2 646	300	2 946
Total income excluding transactions with equity holders	11 942	1 955	13 897	12 096	999	13 095	13 758	1 295	15 053
Dividend		-135	-135				-1754	-5	-1759
Purchases/sales of treasury shares	3		3	68		68	-121		-121
New issue		76	76		8	8		327	327
Redemptions/impairment								-94	-94
Option premiums							23	1	24
Acquired minority					-5	-5		-5	-5
Minority at acquisition		6	6		9	9		445	445
Reallocation of capital contribution							-1	1	0
Closing equity	11 945	1 902	13 847	12 164	1 011	13 175	11 905	1 965	13 870

Consolidated cash flow statement

SEKm	2008 Q1	2007 Q1	2007 full year
Operating activities			
Consolidated profit before tax	269	1,167	3,462
Adjustment for non-cash items	201	-813	-1,238
	470	354	2,224
Income tax paid	-230	-83	-379
Cash flow from operating activities before change in working capital	240	271	1,845
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-239	-321	-719
Increase (-)/Decrease (+) in operating receivables	291	65	232
Increase (+)/Decrease (-) in operating liabilities	-430	-307	633
Cash flow from operating activities	-138	-292	1,991
Investing activities			
Acquisition group companies	-78	-120	-3,590
Sales, group companies		124	1,445
Acquisition of shares in associates and other holdings	-2		-103
Sale and redemption, shares in associates and other holdings	14	1,039	1,708
Acquisition, other intangible/tangible assets	-235	-43	-824
Change in other financial assets	-48	-454	-730
Cash flow from investing activities	-349	546	-2,094
Financing activities			
Purchase of treasury shares	-24		-189
Call options exercised	27	68	68
Option premiums			23
Minority interest in issue	76	8	30
Dividends paid			-1,754
Dividend paid/redemption, minority	-135		-93
Increase (+)/Decrease (-) in interest-bearing liabilities	1,057	335	1,189
Cash flow from financing activities	1 001	411	-726
Cash flow for the period	514	665	-829
Cash and cash equivalents at beginning of the year	4,240	5,009	5,009
Exchange differences in cash and cash equivalents	-34	7	60
Cash and cash equivalents at the end of the year	4,720	5,681	4,240
Consolidated key figures			
Return on equity, %			23
Equity ratio, %	37	46	38
Interest-bearing net debt, SEKm	10,294	3,501	9,444
Key figures per share			
Total return, %	14	36	14
Dividend yield, %			5,1
Market price, SEK	200.00	221.00	176.00
Dividend, SEK			9.00
Equity attributable to equity holders of the parent, SEK	75	76	75
Total no. of shares (registered 161,349,252)			
Number of shares outstanding	158,834,355	159,419,455	158,489,155
- of which A shares	42,328,770	42,328,770	42,328,770
- of which B shares	116,505,585	117,090,685	116,160,385

Parent company income statement

SEKm	2008 Q1	2007 Q1	2007 full year
Other operating income	1	1	3
Other external costs	-18	-23	-90
Personnel costs	-23	-57	-251
Depreciation of property, plant and equipment	0	0	-1
Other operating expenses	-1	-1	-4
Operating profit/loss	-41	-80	-343
Profit on sale of participations in group companies		157	316
Dividends from group companies	490	59	73
Profit on sale of interests in associates	550	800	800
Dividends from associates		8	92
Impairment of interests in associates			-2
Result from other securities and receivables accounted for as non-current assets	46	120	257
Other interest income and similar profit/loss items	25	56	124
Interest expenses and similar profit/loss items	-21	-2	-32
Profit after financial items	1,049	1,118	1,285
Tax			
Profit for the period	1,049	1,118	1,285

Parent company balance sheet

SEKm

31 Mar 2008 31 Mar 2007 31 Dec 2007

ASSETS**Non-current assets**

Property, plant and equipment	14	13	14
Financial assets	9,685	7,918	9,185
Total non-current assets	9,699	7,931	9,199

Current assets

Current receivables	28	667	396
Cash and cash equivalents	3,031	4,711	2,296
Total current assets	3,059	5,378	2,692
Total assets	12,758	13,309	11,891

EQUITY AND LIABILITIES

Equity	12,205	12,898	11,168
Provisions			
- provisions for pensions	3	3	3
Non-current liabilities			
- non-interest bearing	178	81	202
- interest-bearing	188	167	188
Current liabilities			
- non-interest bearing	117	160	163
- interest-bearing	67		167
Total equity and liabilities	12,758	13,309	11,891
Pledged assets and contingent liabilities	none	none	none

Statement of changes in parent company's equity

	31 Mar 2008	31 Mar 2007	31 Dec 2007
Opening equity	11,168	11,712	11,712
Change for the period in fair value reserve	-15		27
Profit for the period	1,049	1,118	1,285
Net income excluding transactions with equity holders	12,202	12,830	13,024
Dividend			-1,754
Purchase of treasury shares	-24		-189
Call options exercised	27	68	68
Option premiums			19
Closing equity	12,205	12,898	11,168

Parent company cash flow statement

SEKm	2008 Q1	2007 Q1	2007 full year
Operating activities			
Profit before tax	1,049	1,118	1,285
Adjustment for non-cash items	-578	-1,001	-1,053
	471	117	232
Income tax paid	-	-	-
Cash flow from operating activities before change in working capital	471	117	232
Cash flow from change in working capital			
Increase(-)/Decrease (+)in operating receivables	109	-15	16
Increase (+)/Decrease (-) in operating liabilities	-45	-29	-108
Cash flow from operating activities	535	73	140
Investing activities			
Acquisition, shares in subsidiaries		-53	-1,685
Sale, shares in subsidiaries		161	910
Acquisition, shares in associates and other holdings	-2		-25
Sale and redemption, shares in associates and other holdings	457	1,037	1,597
Acquisition, other property, plant and equipment			-2
Change in other financial assets	-116	-488	-922
Cash flow from investing activities	339	657	-127
Financing activities			
Purchase of treasury shares	-24		-189
Call options exercised	27	68	68
Option premiums			19
Dividend paid			-1,754
Increase (+)/Decrease (-) in interest-bearing liabilities	-142	-94	132
Cash flow from financing activities	-139	-26	-1,724
Cash flow for the period	735	704	-1,711
Cash and cash equivalents at beginning of the year	2,296	4,007	4,007
Cash and cash equivalents at the end of the period	3,031	4,711	2,296

Ratos's holdings 31 March 2008

SEKm	Net sales 2008 Q1	Net sales 2007 Q1	Net sales 2007	EBITA 2008 Q1	EBITA 2007 Q1	EBITA 2007	EBT* 2008 Q1	EBT* 2007 Q1	EBT* 2007	Depreciation 2008 Q1	Invest- ments** 2008 Q1	Cash flow*** 2008 Q1	Equity**** 31 Mar 2008	Interest- bearing net debt***** 31 Mar 2008	Average number of employees 2007 31 Mar 2008	Consoli- dated value 2007 31 Mar 2008	Ratos holding 31 Mar 2008
AH Industries ¹⁾	173	148	553	26	23	97	20	17	73	6	14	-24	481	460	210	326	66%
Anticmex	401	350	1 510	38	34	164	18	16	93	9	10	22	762	895	1 032	660	85%
Arcus Gruppen ²⁾	310	281	1 407	-24	-11	91	-24	-15	95	8	6	-26	916	-119	456	740	83%
Bisnode ³⁾	1 122	858	3 899	145	167	580	43	122	364	29	40	-7	2 017	2 956	2 790	1 038	70%
Camfil ⁴⁾	989	953	4 115	61	79	352	50	72	313	27	29	-44	1 375	779	3 191	99	30%
Contex Holding ¹⁾	187	214	831	22	27	106	5	4	18	6	17	-42	627	815	448	612	98%
DIAB ⁵⁾	338	334	1 354	61	74	255	33	60	155	19	23	-5	693	1 227	1 067	347	50%
EuroMaint ¹⁾	576	533	2 067	35	30	69	21	15	12	9	9	12	425	815	1 781	425	100%
GS-Hydro	336	332	1 311	25	41	184	15	37	153	5	8	1	330	249	527	309	100%
Hägglöfs	130	105	428	15	3	22	13	2	14	1	2	-25	220	129	91	77	100%
HL Display	383	391	1 571	31	37	161	28	38	155	9	7	-9	493	-38	985	281	29%
HÄGRH/RBM ¹⁾	405	414	1 488	66	74	219	35	57	138	11	17	-20	892	1 111	655	838	85%
Hägglunds Drives	440	373	1 761	78	75	360	62	62	255	10	10	31	1 568	966	706	-320	100%
Inwido	1 243	943	5 057	48	59	481	0	27	312	35	52	-141	1 788	2 946	3 591	1 234	95%
Jorul	198	191	938	-12	-3	54	-25	-11	10	14	12	-59	443	738	799	307	63%
Lindab	2 129	1 972	9 280	209	188	1 318	169	153	1 175	53	32	-20	3 049	2 269	5 013	686	22%
MCC ¹⁾	217	155	698	42	24	118	33	15	75	1	10	-4	528	519	534	320	60%
Medifing Healthcare	102	88	346	0	-10	-29	-9	-12	-44	8	2	8	281	228	397	220	78%
Supertec	865	786	3 332	57	40	175	30	19	75	57	52	-71	1 072	1 553	1 546	369	33%
Other ⁶⁾ holdings	397	401	1 783	17	14	44	13	12	31	10	6	-12	331	135	790	312	-
Total	10 941	9 822	43 729	940	965	4 821	530	690	3 472								
Change	11%			-3%			-23%										

* Earnings with restored interest expenses on shareholder loan.

** Investments excluding company acquisitions.

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

**** Equity includes any shareholder loan. Interest-bearing net debt excludes 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 pro forma taking this leverage into account.²⁾ 2007 is calculated pro forma taking sale of property into account.³⁾ Earnings for 2007 are calculated pro forma taking the cost of new financing into account. First-quarter earnings in 2007 include capital gain from sold companies of SEK 66m (SEK 91m for the full year 2007) compared with SEK 16m for the first quarter of 2008.⁴⁾ Ratos refinanced its holding in Camfil through a bank loan of SEK 457m which is only included in consolidated value.⁵⁾ Figures relate to a new group structure with new financing. Comparative figures are calculated pro forma taking costs of new financing into account.⁶⁾ "Other holdings" include subsidiaries BTJ Group and Hafå Bathroom Group and associate Atle Industri.