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INTERIM REPORT January-September 2003

LISTEN TO CEO ARNE KARLSSON'S COMMENTS ON THIS REPORT www.ratos.se
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- Pre-tax profit SEK 486m (564)
- Earnings per share SEK 4.08 (4.56)
- Stable earnings trend in underlying portfolio
- Offer made for Tornet after end of period
- Holding in DataVis sold after end of period

Important events

On 20 October, Ratos together with Lehman Brothers Real Estate Partners made a recommended public offer for Fastighets AB Tornet. The total value of the offer is SEK 4,914m corresponding to SEK 190 in cash per share. The acceptance period is between 31 October and 21 November. Shareholders representing a total of 55% of the capital have undertaken to accept this offer.

In July, Ratos received a SEK 56m dividend from Arcorus. This dividend was made possible by Arcorus's strong financial capital structure and good cash flow.

The holding in DataVis was sold after the end of the period. The purchaser was the Finnish private equity company CapMan. The sale will provide Ratos with a small exit gain.

After the end of the period, Dynal Biotech decided to acquire the American company Pel Freez Diagnostics with annual sales of approximately USD 12m. The acquisition is being made in order to strengthen the company's presence in the US and complement the Tissue Typing operating area.

Business environment and market

Ahead of 2003, Ratos's general business outlook was that the "managing to get along" scenario we had been working with since year-end 2001 would gradually be replaced during the year by a "managing to get along better" development. The new driving force behind this slightly more positive trend – in addition to the already positive contribution from both monetary and financial policy, primarily in the US – was expected to be an upturn in corporate investment activity.

Development during the year has gradually confirmed this forecast, particularly during the third quarter. The gradual recovery in the US continues, large parts of Asia are developing very well, and even in the problem-filled Japanese and central European economies there are early signs of a possible recovery.

This generally slightly more positive economic trend is also reflected in the performance of Ratos's portfolio companies during the third quarter.

Combined sales for the underlying portfolio at the end of the period were in principle unchanged compared with the same period last year. Taking Ratos's different ownership stakes into account, sales rose by 1%. The corresponding changes in operating profit (EBITA = profit before net financial items, tax

and goodwill amortisation) were -8% and -5% respectively, while profit before tax (EBT) changed by -2% and +13% respectively.

The positive trend with the greater activity in both the exit and acquisition markets reported earlier, further intensified during the third quarter.

To facilitate analysis an extensive table is provided on page 17 with key figures for all the Ratos holdings. A summary of income statements and balance sheets for Ratos's unlisted 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 486m (564). This result includes profits from the holdings of SEK 504m, of which exits accounted for SEK 201m (657, of which exits SEK 351m). The exit gain of SEK 201m is mainly attributable to the sale of Capona.

Goodwill

Total goodwill amortisation – including Ratos's share of holdings' goodwill – amounted to SEK 232m (242). If Ratos had not carried out any goodwill amortisation, current earnings would increase by a corresponding amount as shown in Table 1.

Table 1 Ratos's results and total goodwill amortisation

| SEKm | 2003 Q 1-3 | 2002 Q 1-3 |
|--|---------------|---------------|
| Profit before tax and goodwill amortisation (EBTA) | 718 | 806 |
| Total goodwill amortisation | -232 | -242 |
| Profit before tax (EBT) | 486 | 564 |

In a corresponding manner, the aggregated result for Ratos's holdings – without taking Ratos's ownership stake into account – would increase by SEK 493m if no goodwill amortisation was carried out in the holdings as shown in Table 2.

Table 2 Holdings' aggregated result and goodwill amortisation

| SEKm | 2003 Q 1-3 | 2002 Q 1-3 |
|--|---------------|---------------|
| Profit before tax and goodwill amortisation (EBTA) | 1,241 | 1,258 |
| Total goodwill amortisation | -493 | -492 |
| Income before tax (EBT) | 748 | 766 |

Central income and expenses

Ratos's net income and expenses amounted to SEK -18m (-93) of which personnel costs amounted to SEK 32m (33). Other management costs, including costs for acquisition and exit processes not carried out, amounted to SEK 37m (38). Net financial items amounted to SEK 51m (-22).

Tax

Ratos's consolidated tax expense currently comprises subsidiaries' and Ratos's share of tax in associated companies. The tax rate in the consolidated income statement is affected, among other things, by the parent company's investment company status and non-deductible goodwill amortisation.

Ratos's results January – September 2003

| | Ratos's holding,% | Share of profits 2003 Q 1-3 | Of which Ratos's goodwill amortisation 2003 Q 1-3 | Share of profits 2002 Q 1-3 |
|---------------------------------------|----------------------|-----------------------------------|---|-----------------------------------|
| Arcorus | 77 | 43 | -5 | 44 |
| Atle Industri | 50 | 6 | -6 | -12 |
| Camfil | 30 | 22 | -6 | 21 |
| Capona ¹⁾ | - | 23 | -1 | 43 |
| Dahl | 41 | 118 | 22 | 130 |
| DataVis | 44 | -2 | - | -7 |
| DIAB | 48 | -7 | -21 | -4 |
| Dynal Biotech | 25 | 4 | - | 28 |
| Gadelius | 50 | 2 | -2 | -4 |
| Giga Consulting | 39 | -1 | -1 | -12 |
| Haendig | 49 | 13 | -3 | 8 |
| Haglöfs | 100 | 8 | -2 | -1 |
| Hilding Anders | 27 | 66 | -4 | 50 |
| HL Display | 29 | -2 | -6 | 9 |
| Intervect | 50 | -20 | -2 | -4 |
| Lindab | 48 | 24 | - | 32 |
| Martinsson | 50 | -5 | -2 | -6 |
| Overseas Telecom | 9 | - | - | - |
| Q-Labs | 48 | 0 | - | -5 |
| Superfos | 33 | -10 | -1 | 21 |
| Esselte | - | - | - | 24 |
| Exceed | - | - | - | -7 |
| Kronans Droghandel | - | - | - | -57 |
| Total share of profits | | 282 | -40 | 291 |
| Exit gains | | | | |
| Capona | | 195 | | |
| Esselte | | - | | 98 |
| Exceed | | - | | 90 |
| Hilding Anders | | -3 | | - |
| Hilton | | - | | 50 |
| Industri Kapital | | 9 | | 3 |
| Kronans Droghandel | | - | | 110 |
| Total exit gains | | 201 | | 351 |
| Dividends from other companies | | 21 | | 15 |
| Profit from holdings | | 504 | | 657 |
| Net expenses | | -18 | | -93 |
| Consolidated profit before tax | | 486 | | 564 |

¹⁾ Holding sold 30 June 2003.

Ratos's reporting of subsidiaries' profits and share of profits from associated companies is affected, among other things, by changed accounting principles, ownership duration, ownership stake and financial structure, which makes comparability between the years difficult. To facilitate analysis, a table is provided on page 17.

Financial position

Cash flow from operating activities and investing activities was SEK 1,415m (1,526) and the Group's liquid assets at the end of the period amounted to SEK 1,964m (1,084 at 31 December 2002), of which short-term investments comprised SEK 1,866m.

Ratos shares

Earnings per share amounted to SEK 4.08 (4.56). A dividend totalling SEK 531m or SEK 6.75 per share was paid in April 2003. The total return on Ratos shares amounted to 4% during the period. In the same period, the SIX Return Index rose by 19%.

Share buy-backs

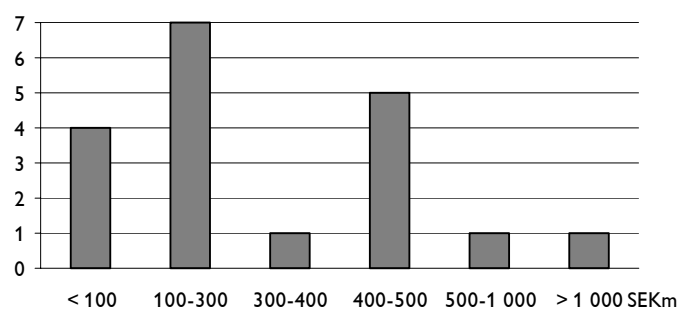
The 2003 Annual General Meeting gave the Board a mandate to acquire up to 7% of the company's shares until the next Annual General Meeting on 1 April 2004. Share repurchases are to be effected on the Stockholm Stock Exchange (Stockholmsbörsen). During 2003 until and including 30 September, 170,800 Ratos shares have been repurchased. Since 2000, a total of 2,845,786 B shares have been repurchased, of which 657,800 have been cancelled. Ratos thus owns 2,187,986 B shares, corresponding to 2.7% of existing shares.

Reported net asset value (NAV)

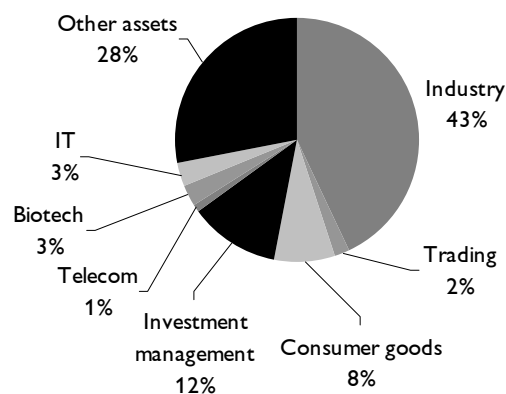
| SEKm | 30 Sept 2003 | % of NAV |
|---|--------------|------------|
| Holding | | |
| Arcorus | 446 | 6 |
| Atle Industri | 457 | 6 |
| Camfil | 435 | 6 |
| Dahl | -98 | -1 |
| DataVis (incl. convertible) | 8 | 0 |
| DIAB | 637 | 8 |
| Dynal Biotech | 263 | 3 |
| Gadelius | 107 | 1 |
| Haendig (incl. convertible) | 177 | 2 |
| Haglöfs | 115 | 2 |
| Hilding Anders | 480 | 6 |
| HL Display | 198 | 3 |
| Industri Kapital | 465 | 6 |
| Intervect | 182 | 2 |
| Lindab | 1,056 | 14 |
| Martinsson | 147 | 2 |
| Q-Labs | 45 | 1 |
| Superfos | 331 | 4 |
| Overseas Telecom | 64 | 1 |
| Total holdings | 5,515 | 72 |
| Share trading | 78 | 1 |
| Parent company's property | 60 | 1 |
| Liquid assets/liabilities (net) in central companies | 2,011 | 26 |
| Net asset value (NAV) | 7,664 | 100 |
| NAV per share, SEK | 98 | |

Holdings, size breakdown, NAV

No of companies



Holdings, sector breakdown, % of NAV



Net asset value

At 30 September 2003, Ratos reported a net asset value (NAV) of SEK 7,664m, corresponding to SEK 98 per share (SEK 104 at 30 September 2002). The calculation of net asset value is based on the consolidated book value of the unlisted holdings and the market value of the listed holdings. For the unlisted holdings in Industri Kapital's funds, the market value estimated by Industri Kapital is used.

Parent company

The parent company's pre-tax profit amounted to SEK 434m (265). The parent company's liquid assets, including short-term investments, amounted to SEK 1,882m (984 at 31 December 2002). Interest-bearing liabilities amounted to SEK 134m (234 at 31 December 2002).

Credit facilities

The parent company has a five-year loan facility which amounts 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. At the end of the period the credit facility was unutilised.

Accounting principles

This interim report is prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20. The Group applies the Council's recommendations with effect from 2003. These have not had any effect on the Group's interim report. Otherwise, the Group applies the same accounting principles and calculation methods as those used in the 2002 Annual Report.

Segment reporting according to RR25

The business conducted by Ratos involves Ratos owning 15-20 holdings. Ownership stakes are normally 20-50% and the ownership period is 3-7 years. Ratos is sector-neutral with the Nordic region as its base.

Operations are controlled and reported based on the holdings contained in Ratos's portfolio. Both internal and external accounts present each holding's earnings and consolidated value according to the equity method. In addition, information about the company is presented for each holding.

Dilution effect of options

The dilution effect of option programmes on earnings per share is calculated on the basis of net profit after tax divided by the present number of shares, and with an estimated number of shares taking outstanding options into account. Calculation of the number of shares is based on the difference between the discounted exercise price for all outstanding options and the present market value of a corresponding number of shares. This difference corresponds, at the present market price for Ratos shares, to a certain number of shares. These shares, together with the present number of shares, provide an estimated number of shares which is used to obtain the dilution effect. (According to RR18, Earnings per share.)

Conversion of shares

The 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. At 30 September, 145,986 A shares had been submitted for conversion into B shares.

Nomination Committee

At the Annual General Meeting on 9 April 2003, the chairman announced that he had been assigned by shareholders representing over 70% of the voting rights in the company to appoint, in consultation with them, a Nomination Committee ahead of the 2004 Annual General Meeting. Olof Stenhammar (convener), Jan-Erik Erenius, Jan Söderberg and Per-Olof Söderberg have been appointed as members of this committee. Shareholders can contact the Nomination Committee by e-mail (info@ratos.se), letter (Ratos, Box 1661, SE-111 96 Stockholm) or telephone (+46 8 700 17 00, Lena Elfström).

Holdings

Arcorus

- Sales SEK 1,000m (1,046) and EBITA SEK 67m (74)
- Recovery in North America contributes to improved earnings for Hägglunds Drives
- Weak marine market in Norway had negative impact on earnings in GS Hydro
- Ratos receives a dividend of SEK 56m

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

Ratos's holding in Arcorus at the end of the period was 77% and the consolidated book value in Ratos was SEK 446m at 30 September 2003.

Atle Industri

- Sales SEK 1,766m (1,776) and EBITA SEK 66m (34)
- Improved earnings in Atle Industri's largest holding Envac. Action programmes have improved earnings in Nordhydraulic and Moving
- Ferm (part of Teknikgruppen) sold in the third quarter

Atle Industri comprises a portfolio of 16 companies, of which 14 are wholly owned. The portfolio was created when Ratos acquired Atle. The companies in the portfolio operate in the engineering industry, trading, waste management and IT/technology sectors. Seven of the companies account for more than three-quarters of Atle Industri's consolidated book value in Ratos. These are Elpress (electrical connectors), Envac (waste management systems), Moving (materials handling systems), Nordhydraulic (hydraulic valves), Näsström (hydraulic products wholesaler), Pressmaster Tool (crimping tools) and Tempcold (distributes cooling products).

Ratos's holding in Atle Industri amounts to 50% and the consolidated book value in Ratos was SEK 457m at 30 September 2003.

Camfil

- Sales SEK 2,020m (2,246) and EBITA SEK 146m (167)
- Sales decrease due to currency effects, disposals and a weak development for gas turbine filters
- EBITA margin 7.2%
- Continued growth within comfort filters and some recovery for clean room filters

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 on three continents and the Group is represented by subsidiaries and agents in some 55 countries.

Ratos holding in Camfil amounts to 30% and the consolidated book value was SEK 435m at 30 September 2003.

Dahl

- Sales SEK 9,153m (8,769) and EBITA SEK 514m (457)
- Continued positive development in stable markets
- Position in Poland strengthened through establishment of new branch offices
- Improved margins due to efficiency enhancements
- Refinancing of owners' holdings. Ratos released SEK 928m

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

Ratos's holding in Dahl amounts to 41% and the consolidated book value of the holding, following the refinancing, was SEK -98m on 30 September 2003.

DataVis

- Sales SEK 103m (136) and EBITA SEK -3m (-11)
- Holding sold after the end of the period to the Finnish company CapMan

DataVis is a Swedish IT company that offers qualified solutions within systems development and technology related services. DataVis has some 150 employees and the largest offices are in Sundsvall and Stockholm.

Holding at 30 September 2003 was 44% .Ratos has no holding in DataVis following the sale.

DIAB

- Sales SEK 485m (517) and EBITA SEK 35m (42)
- Slightly lower sales during the quarter compared with previous year mainly due to currency effects
- Positive performance in Asia and Africa with new owners in countries including China, India and South Africa. Sales record in Australia
- Action programmes have resulted in considerably improved earnings during the third quarter compared with the previous year

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 48% and the consolidated book value was SEK 637m at 30 September 2003.

Dynal Biotech

- Sales SEK 431m (442) and EBITA SEK 122m (143)
- Continued growth – adjusted for currency effects sales increased 8%
- After the end of the period the US company Pel Freez Diagnostics was acquired which strengthens presence in the US and complements operations within Tissue Typing

The Norwegian company Dynal Biotech is a world leader in research, development and manufacture of magnetic and non-magnetic micro particles, Dynabeads® and Dynaspheres®. Applications for the products include separation of biological material such as cells, DNA and proteins.

Ratos's holding in Dynal Biotech amounts to 25% and the consolidated book value was SEK 263m at 30 September 2003.

Gadelius

- Sales SEK 452m (599) and EBITA SEK 15m (7)
- Some signs of improved Japanese economy in the third quarter
- Decreased sales due to lower investment activity and a weakened yen compensated by improved margins and cost reductions
- Continued strong cash flow reduced net debt by SEK 49m

Gadelius is a technology oriented, modern distributor of selected high-tech products for professional niche markets in Japan and Europe. Customers include the IT, medical technology, construction, packaging, food and engineering/electronics industries.

Ratos's holding in Gadelius amounts to 50% via a Dutch holding company. The consolidated book value in Ratos was SEK 107m at 30 September 2003. This figure excludes the holding company.

Haendig

- Sales SEK 874m (917) and EBITA SEK 53m (46)
- Improved earnings despite continued weak market
- Transfer of packaging activities from Norway to Poland completed
- Acquisition of local wholesaler Stockholms Blomstertjänst

Haendig is an active owner of small and medium-sized wholesalers with a focus on the DIY market and the professional sector in the Nordic region. The Group includes the subsidiaries HDF-Bolagen, Markt, Hafa, Duri, Sven Svenssons and Penope.

Ratos's holding in Haendig amounts to 49% and the consolidated book value in Ratos was SEK 177m at 30 September 2003.

Haglöfs

- Sales SEK 266m (221) and EBITA SEK 13m (5)
- Continued growth in exports and textiles as well as earlier deliveries than in the previous year explain the improved earnings
- Winner of the Swedish Trade Council's annual export award "Export Hermes 2003"

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

Ratos's holding in Haglöfs amounts to 100% and the consolidated book value in Ratos was SEK 115m at 30 September 2003.

Hilding Anders

- Sales SEK 2,608m (2,604) and EBITA SEK 343m (336)
- Continued positive development in Nordic countries, but weak demand in several European countries
- Continued good margins – efficiency enhancement programme within production and purchasing initiated
- Strong cash flow, SEK +342m
- Billerbeck with operations in pillows and quilts sold

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

Ratos's holding in Hilding Anders amounts to 27% and the consolidated book value in Ratos was SEK 480m at 30 September 2003.

HL Display

- Sales SEK 844m (862) and EBITA SEK 18m (61)
- Continued unsatisfactory sales in Western Europe
- Currency fluctuations had a negative impact on sales of SEK 20m
- Action initiated to improve profitability

HL Display is among Europe's leading suppliers of products and systems for merchandising and in-store communication. The company has sales companies in 24 countries. Manufacture takes place in Sweden, the UK and the US. HL Display is listed on the Stockholm Stock Exchange.

Ratos's holding in HL Display amounts to 29%. The market value of Ratos's holding in HL Display was SEK 198m at 30 September 2003.

Industri Kapital

- Acquisition of Ceva Santé Animale S.A. completed in third quarter
- Sale of large shareholdings in Nobia and Alfa Laval

Industri Kapital is an unlisted private equity company with assets under management of more than EUR 3 billion. Since its formation in 1989, Industri Kapital has completed more than 40 investments in four 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 market value of Ratos's holding in Industri Kapital amounts to SEK 465m where valuation of unlisted holdings is based on Industri Kapital's calculations.

Intervect

- Sales SEK 752m (813) and EBITA SEK 2m (14)
- Weak business climate for construction industry in several European countries. Continued good development in Australia and Singapore
- Action programme will lead to substantial extraordinary expenses in the full-year result while laying the foundation for positive long-term development

Intervect is a world leader in development, manufacture and sales of rack and pinion driven equipment for vertical access – hoists and platforms for customers in the construction, offshore and other industries. The company was formed in 2001 when the Swedish company Alimak acquired the Dutch company HEK International.

Ratos's holding in Intervect amounts to 50% and the consolidated book value in Ratos was SEK 182m at 30 September 2003.

Lindab

- Sales SEK 3,971m (3,901) and EBITA SEK 210m (265)
- Lower earnings due to higher raw material prices but some recovery in third quarter
- Continued stable development in Nordic countries and weak demand in Western Europe. Stronger growth in Eastern Europe and improved demand in the US
- Agreement concluded for sale of hot dip galvanising units JiWe Galv AB and Eskilstuna Galvan AB

Lindab is a world leader in circular ventilation ducts and accessories and is also a leading manufacturer of thin sheet-metal building materials. Production takes place in 21 countries and is concentrated to thin sheet-metal products. Approximately 70% of sales go to countries outside Sweden. In 2001, together with companies including Skandia Liv and the Sixth Swedish National Pension Fund, Ratos implemented a buy-out of Lindab from the stock exchange via a buy-out company, Lindab Intressenter.

Ratos's holding in Lindab amounts to 48% and the consolidated book value in Ratos was SEK 1,056m at 30 September 2003.

Martinsson

- Sales SEK 829m (494) and EBITA SEK 6m (-1m)
- More stable demand and improved price structure for IT products in the third quarter
- Favourable development for consulting services regarding bookings and hourly rate
- Martinsson received top marks from customers in the independent customer survey "IT Barometer"

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

Ratos's holding in Martinsson amounts to 50% and the consolidated book value in Ratos was SEK 147m at 30 September 2003.

Overseas Telecom

- Favourable development in portfolio companies
- Total number of subscribers up 31% compared with same period last year

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, Hong Kong, Uganda and Namibia.

Ratos's holding in Overseas Telecom amounts to 9% of the capital and, following a change in June, 19% of the voting rights. The consolidated book value in Ratos was SEK 64m at 30 September 2003.

Q-Labs

- Sales SEK 98m (141) and EBITA SEK 0m (-8)
- Stable demand trend during the quarter in all markets, but continued price pressure in Sweden

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

Ratos's holding in Q-Labs amounts to 48% and the consolidated book value in Ratos was SEK 45m at 30 September 2003.

Superfos

- Sales SEK 2,482m (2,626) and EBITA SEK 106m (226)
- Earnings in the Packaging business area were negatively affected by higher and fluctuating raw material prices as well as higher costs due to disruptions from relocation of manufacture and closure of production units. Conditions are gradually returning to normal
- Delayed approval by regulatory authorities for a new product, which replaces a phased out product, had a negative impact on earnings for Aerosols compared with 2002
- Good earnings trend for Pharma division

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

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 331m at 30 September 2003.

Stockholm, 12 November 2003
Ratos AB (publ)

Arne Karlsson
CEO

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

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Financial calendar:

Year-end report 2003

24 February 2004 (Note, changed date)

Annual General Meeting

1 April 2004

Interim report January-March 2004

12 May 2004

Interim report January-June 2004

25 August 2004

Interim report January-September 2004

12 November 2004

Consolidated income statement

| SEKm | 2003 Q 3 | 2002 Q 3 | 2003 Q 1-3 | 2002 Q 1-3 | 2002 Full year |
|--|-------------|-------------|---------------|---------------|-------------------|
| Holdings | | | | | |
| Profit from subsidiaries | 39 | 36 | 51 | 33 | 71 |
| Exit gains, subsidiaries | - | - | - | 90 | 90 |
| Share of profits of associated companies | 139 | 140 | 231 | 258 | 326 |
| Exit gains, associated companies | -3 | - | 192 | 208 | 206 |
| Write-downs, associated companies | - | - | - | - | -45 |
| Dividends, other companies | - | - | 21 | 15 | 14 |
| Exit gains, other holdings | 1 | -2 | 9 | 53 | 68 |
| Profit from holdings | 176 | 174 | 504 | 657 | 730 |
| Central income and expenses | | | | | |
| Management costs | -22 | -20 | -69 | -71 | -109 |
| Financial items | 17 | 13 | 51 | -22 | 13 |
| Net expenses | -5 | -7 | -18 | -93 | -96 |
| Profit before tax | 171 | 167 | 486 | 564 | 634 |
| Tax | -69 | -71 | -159 | -198 | -262 |
| Minority share of net profit | -4 | -5 | -6 | -6 | -9 |
| Profit after tax | 98 | 91 | 321 | 360 | 363 |
| Earnings per share, SEK | | | | | |
| - before and after dilution | 1.25 | 1.15 | 4.08 | 4.56 | 4.60 |
| Number of shares outstanding (millions) | | | | | |
| - average before dilution | 78.6 | 78.8 | 78.6 | 79.0 | 78.9 |
| - average after dilution | 78.7 | 78.8 | 78.7 | 79.0 | 78.9 |
| - at the end of the period | 78.6 | 78.9 | 78.6 | 78.9 | 78.6 |

Consolidated balance sheet

| SEKm | 30 Sept 2003 | 30 Sept 2002 | 31 Dec 2002 |
|--|--------------|--------------|-------------|
| ASSETS | | | |
| Fixed assets | | | |
| Intangible | 324 | 338 | 335 |
| Tangible | 202 | 222 | 224 |
| Financial | 4,753 | 6,031 | 5,375 |
| Total fixed assets | 5,279 | 6,591 | 5,934 |
| Current assets | | | |
| Inventories | 394 | 404 | 363 |
| Current receivables | 733 | 599 | 1,522 |
| Short-term investments, equities | 27 | 22 | 22 |
| Short-term investments, other | 1,866 | 1,204 | 911 |
| Cash and bank balances | 98 | 154 | 173 |
| Total current assets | 3,118 | 2,383 | 2,991 |
| Total assets | 8,397 | 8,974 | 8,925 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 7,516 | 8,005 | 8,037 |
| Minority interests | 98 | 114 | 118 |
| Provisions | 83 | 91 | 85 |
| Long-term liabilities | | | |
| - non-interest bearing | 2 | 3 | 3 |
| - interest-bearing | 145 | 129 | 69 |
| Current liabilities | | | |
| - non-interest bearing | 341 | 337 | 319 |
| - interest-bearing | 212 | 295 | 294 |
| Total shareholders' equity and liabilities | 8,397 | 8,974 | 8,925 |
| Changes in shareholders' equity | | | |
| | 2003 | 2002 | 2002 |
| | Q-3 | Q1-3 | Full year |
| Opening shareholders' equity according to previously adopted balance sheet | 8,037 | 8,177 | 8,177 |
| Dividends paid | -531 | -493 | -493 |
| New issue | 6 | - | - |
| Buy-back of own shares | -15 | -18 | -27 |
| Option premiums | 3 | 4 | 6 |
| Effect of associated companies' buy-back of own shares | 1 | - | 1 |
| Translation difference in associated companies and subsidiaries | -307 | -77 | -46 |
| Effect of hedging | 6 | 6 | 10 |
| Accumulated translation difference in sold associated company | -5 | 46 | 46 |
| Net profit for the period | 321 | 360 | 363 |
| Closing shareholders' equity | 7,516 | 8,005 | 8,037 |

Consolidated cash flow statement

| SEKm | 2003 Q1-3 | 2002 Q1-3 | 2002 Full year |
|---|--------------|--------------|-------------------|
| Operating activities | | | |
| Consolidated profit before tax | 486 | 564 | 634 |
| Adjustment for items not included in cash flow | -325 | -460 | -480 |
| | 161 | 104 | 154 |
| Paid tax | -40 | -22 | -29 |
| Cash flow from operating activities before change in working capital | 121 | 82 | 125 |
| Cash flow from changes in working capital | | | |
| Increase (-) in inventories | -25 | -4 | 36 |
| Increase (-) in operating receivables | -114 | -15 | -9 |
| Increase (+) in operating liabilities | 10 | -3 | -32 |
| Cash flow from operating activities | -8 | 60 | 120 |
| Investing activities | | | |
| Acquisition of subsidiaries | - | -381 | -381 |
| Sale of subsidiaries | - | 142 | 142 |
| Sales, holdings | 604 | 1,901 | 1,932 |
| Purchases, holdings | -237 | -166 | -369 |
| Purchase of other intangible/tangible fixed assets | -27 | -15 | -25 |
| Decrease (+) in financial assets | 1,083 | -15 | 211 |
| Cash flow from investing activities | 1,423 | 1,466 | 1,510 |
| Financing activities | | | |
| Buy-back of own shares | -15 | -18 | -27 |
| Option premium | 3 | 4 | 4 |
| Decrease (-) in interest-bearing liabilities | 5 | -922 | -87 |
| New issue | 6 | | |
| Dividends paid | -531 | -493 | -493 |
| Cash flow from financing activities | -532 | -1,429 | -603 |
| Cash flow for the period | 883 | 97 | 1,027 |
| Cash and cash equivalents, opening balance | 1,084 | 57 | 57 |
| Exchange difference in cash and cash equivalents | -3 | 0 | 0 |
| Cash and cash equivalents, closing balance | 1,964 | 154 | 1,084 |

Consolidated key figures

| | 2003 Q 1-3 | 2002 Q 1-3 | 2002 Full year |
|---|---------------|---------------|-------------------|
| Return on equity, % | | | 4,5 |
| Equity ratio, % | | | |
| - visible | 91 | 89 | 90 |
| - including hidden reserve | 91 | 89 | 90 |
| Interest-bearing receivable (+) ¹⁾ | 1,825 | 925 | 1,882 |

Key figures per share

| | | | |
|--|------------|------------|------------|
| Total return, % | 4 | -7 | 8 |
| Earnings, SEK | 4,08 | 4,56 | 4,60 |
| Dividend paid, SEK | - | - | 6,75 |
| Market price, SEK | 93,00 | 82,50 | 95,50 |
| Yield, % | - | - | 7,1 |
| NAV, SEK ²⁾ | 98 | 104 | 106 |
| Number of shares outstanding | 78,554,640 | 78,756,840 | 78,645,440 |
| Average number of shares before dilution ³⁾ | 78,629,758 | 78,932,393 | 78,867,216 |
| Average number of shares after dilution ³⁾ | 78,749,380 | 78,932,393 | 78,867,216 |

¹⁾ Excluding receivable from Woodrose related to transfer of Atle company.

²⁾ Unlisted associated companies are included in NAV at consolidated book values.

³⁾ Taking share buy-backs and new issues into account.

Parent company income statement

| SEKm | 2003 Q 3 | 2002 Q 3 | 2003 Q 1-3 | 2002 Q1-3 | 2002 Full year |
|------------------------------------|-------------|-------------|---------------|--------------|-------------------|
| Holdings | | | | | |
| Exit gains, subsidiaries | - | - | - | 9 | 8 |
| Dividends, subsidiaries | 56 | - | 56 | - | - |
| Exit gains, associated companies | - | - | 288 | 175 | 569 |
| Dividends, associated companies | - | - | 44 | 49 | 49 |
| Write-downs, associated companies | - | - | -1 | -36 | -356 |
| Dividends, other companies | - | - | 21 | 15 | 14 |
| Exit gains, other holdings | 1 | -2 | 9 | 52 | 68 |
| Profit from holdings | 57 | -2 | 417 | 264 | 352 |
| Central income and expenses | | | | | |
| Management costs | -20 | -20 | -64 | -66 | -103 |
| Financial items | 16 | 28 | 81 | 67 | 99 |
| Net expenses | -4 | 8 | 17 | 1 | -4 |
| Profit before tax | 53 | 6 | 434 | 265 | 348 |
| Tax | - | - | - | -1 | - |
| Profit after tax | 53 | 6 | 434 | 264 | 348 |

Parent company balance sheet

| SEKm | 30 Sept 2003 | 30 Sept 2002 | 31 Dec 2002 |
|---|--------------|--------------|-------------|
| ASSETS | | | |
| Fixed assets | | | |
| Tangible | 16 | 17 | 17 |
| Financial | 5,668 | 6,511 | 5,930 |
| Total fixed assets | 5,684 | 6,528 | 5,947 |
| Current assets | | | |
| Current receivables | 344 | 243 | 1,189 |
| Short-term investments | 1,866 | 1,204 | 911 |
| Cash and bank balances | 16 | 55 | 73 |
| Total current assets | 2,226 | 1,502 | 2,173 |
| Total assets | 7,910 | 8,030 | 8,120 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| Shareholders' equity | 7,743 | 7,771 | 7,846 |
| Provisions | 3 | 7 | 6 |
| Long-term liabilities | | | |
| - non-interest bearing | 2 | 3 | 3 |
| - interest-bearing | 127 | 143 | 144 |
| Current liabilities | | | |
| - non-interest bearing | 31 | 26 | 37 |
| - interest-bearing | 4 | 80 | 84 |
| Total shareholders' equity and liabilities | 7,910 | 8,030 | 8,120 |

Parent company cash flow statement

| SEKm | 2003 Q 1-3 | 2002 Q 1-3 | 2002 Full year |
|---|---------------|---------------|-------------------|
| Operating activities | | | |
| Profit before tax | 434 | 265 | 348 |
| Adjustment for items not included in cash flow | -295 | -198 | -285 |
| | 139 | 67 | 63 |
| Paid tax | -1 | -2 | 0 |
| Cash flow from operating activities before change in working capital | 138 | 65 | 63 |
| Cash flow from change in working capital | | | |
| Increase (-) in operating receivables | -76 | -52 | -69 |
| Decrease (-) in operating liabilities | -6 | 4 | 13 |
| Cash flow from operating activities | 56 | 17 | 7 |
| Investing activities | | | |
| Acquisition of subsidiaries | - | -462 | -462 |
| Sale of subsidiaries | - | 156 | 156 |
| Sales, holdings | 604 | 1,902 | 2,870 |
| Purchases, holdings | -237 | -167 | -369 |
| Purchase of other tangible fixed assets | -1 | -2 | -3 |
| Decrease (+) in financial assets | 1,112 | 286 | -668 |
| Cash flow from investing activities | 1,478 | 1,713 | 1,524 |
| Financing activities | | | |
| Buy-back of own shares | -15 | -18 | -27 |
| Options premium | 3 | 4 | 4 |
| Decrease (-) in interest-bearing liabilities | -99 | -1,191 | -54 |
| New issue | 6 | - | - |
| Dividends paid | -531 | -493 | -493 |
| Cash flow from financing activities | -636 | -1,698 | -570 |
| Cash flow for the period | 898 | 32 | 961 |
| Cash and cash equivalents, opening balance | 984 | 23 | 23 |
| Cash and cash equivalents, closing balance | 1,882 | 55 | 984 |

Ratos's holdings at 30 September 2003

| SEKm | NET SALES | | | EBITA | | | EBT | | | Items affecting comparability | | Per 30 September 2003 | | | | | | | | | | | | |
|------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|------------|------------|------------|-------------------------------|-------|-----------------------|--------------|-------------|------------|---------------|------------------|----------|-------------|--------------|----------|------------|---------------|--|
| | 2003 | 2002 | | 2003 | 2002 | | 2003 | 2002 | | 2003 | 2002 | Goodwill | Other | Investments | Cash flow* | Shareholders' | Interest-bearing | Goodwill | Average no. | Consolidated | Total | Investment | Ratos's share | |
| | Q 1-3 | Q 1-3 | 2002 | Q 1-3 | Q 1-3 | 2002 | Q 1-3 | Q 1-3 | 2002 | Q 1-3 | Q 1-3 | amortization | depreciation | | * | equity | net debt | | employees* | value | invested | year | of capital, % | |
| Arcorus | 1 000 | 1 046 | 1 456 | 67 | 74 | 109 | 48 | 54 | 87 | 0 | 0 | 8 | 27 | 25 | 30 | 426 | 235 | 134 | 788 | 446 | 462 | 2001 | 77 | |
| Atle Industri ¹⁾ | 1 766 | 1 776 | 2 454 | 66 | 34 | 67 | 27 | -5 | 17 | 0 | 0 | 27 | 29 | n/a | 29 | 648 | 164 | 138 | 1 430 | 457 | 616 | 2001 | 50 | |
| Camfil | 2 020 | 2 246 | 2 960 | 146 | 167 | 250 | 95 | 89 | 149 | -4 | -5 | 36 | 61 | 80 | 44 | 1 037 | 565 | 645 | 2 635 | 435 | 450 | 2000 | 30 | |
| Dahl ²⁾ | 9 153 | 8 769 | 12 063 | 514 | 457 | 632 | 233 | 153 | 220 | -13 | 0 | 121 | 87 | 68 | 136 | 1 441 | 3 211 | 2 688 | 3 300 | -98 | neg | 1999 | 41 | |
| DataVis | 103 | 136 | 192 | -3 | -11 | -23 | -4 | -14 | -26 | -2 | -4 | 2 | 2 | 0 | -6 | 45 | -3 | 35 | 211 | 8 | 191 | 2000 | 44 | |
| DIAB ³⁾ | 485 | 517 | 694 | 35 | 42 | 48 | 30 | 36 | 41 | 0 | 0 | 1 | 27 | 23 | -6 | 287 | 128 | 1 | 665 | 637 | 688 | 2001 | 48 | |
| Dynal Biotech ⁴⁾ | 431 | 442 | 599 | 122 | 143 | 174 | 14 | 51 | 30 | 0 | 0 | 70 | 19 | 28 | 65 | 1 057 | 426 | 1 119 | 283 | 263 | 292 | 2001 | 25 | |
| Gadelius ⁵⁾ | 452 | 599 | 812 | 15 | 7 | 1 | 7 | -3 | -11 | -1 | -9 | 7 | 4 | 1 | 49 | 131 | 166 | 37 | 183 | 107 | 140 | 2001 | 50 | |
| Haendig ⁶⁾ | 874 | 917 | 1 241 | 53 | 46 | 58 | 32 | 23 | 24 | 0 | 0 | 8 | 12 | 9 | 8 | 218 | 361 | 117 | 410 | 177 | 167 | 2001 | 49 | |
| Haglöfs | 266 | 221 | 306 | 13 | 5 | 14 | 10 | 2 | 9 | 0 | 0 | 0 | 3 | 1 | -47 | 60 | 97 | 4 | 110 | 115 | 104 | 2001 | 100 | |
| Hilding Anders ⁶⁾ | 2 608 | 2 604 | 3 656 | 343 | 336 | 529 | 243 | 209 | 365 | 0 | 0 | 66 | 52 | 82 | 342 | 1 440 | 1 014 | 1 076 | 2 414 | 480 | 378 | 2001 | 27 | |
| HL Display | 844 | 862 | 1 154 | 18 | 61 | 78 | 14 | 52 | 65 | 0 | 0 | 2 | 34 | n/a | -14 | 312 | n/a | 2 | 925 | 232 | 229 | 2001 | 29 | |
| Intervet ⁷⁾ | 752 | 813 | 1 120 | 2 | 14 | -5 | -15 | -3 | -31 | 0 | 0 | 2 | 33 | 30 | -16 | 261 | 379 | 45 | 840 | 182 | 227 | 2001 | 50 | |
| Lindab | 3 971 | 3 901 | 5 235 | 210 | 265 | 326 | 49 | 66 | 83 | 0 | 0 | 89 | 128 | 154 | -81 | 2 189 | 2 014 | 2 030 | 3 766 | 1 056 | 1 061 | 2001 | 48 | |
| Martinsson | 829 | 494 | 856 | 6 | -1 | 14 | -8 | -8 | 2 | 0 | 0 | 14 | 3 | 6 | -16 | 219 | -53 | 125 | 353 | 147 | 156 | 2001 | 50 | |
| Overseas Telecom | 237 | 304 | 389 | 163 | 151 | 199 | 153 | 41 | 104 | 0 | 0 | 1 | 58 | n/a | n/a | 1 020 | -424 | 3 | 392 | 64 | 64 | 1996 | 9 | |
| Q-Labs | 98 | 141 | 187 | 0 | -8 | -19 | 1 | -6 | -23 | 0 | 0 | 0 | 1 | n/a | -2 | 85 | -59 | 0 | 151 | 45 | 188 | 2000 | 48 | |
| Superfos | 2 482 | 2 626 | 3 413 | 106 | 226 | 139 | -28 | 70 | -65 | -15 | -4 | 41 | 201 | 234 | -155 | 951 | 2 212 | 904 | 2 359 | 331 | 485 | 1999 | 33 | |
| Total ⁸⁾ | 28 134 | 28 110 | 38 398 | 1 713 | 1 857 | 2 392 | 748 | 766 | 936 | | | | | | | | | | | | | | | |
| Change | 0% | | | -8% | | | -2% | | | | | | | | | | | | | | | | | |

¹⁾ Atle Industri is not a legal group.

²⁾ Dahl's EBT figures for Q1-3 2002 and the full year 2002 are calculated on a pro forma basis. Earnings were charged with goodwill amortization and financial expenses for the new group which was formed at year-end 2002.

³⁾ The planned transfer of the holding from Atle to Ratos had not been carried out by the end of the period, since the conditions for the transfer had not yet been met.

⁴⁾ Changed accounting principles. Comparative figures have been adjusted on a pro forma basis.

⁵⁾ Gadelius is owned via a Dutch holding company. These figures exclude the holding company.

⁶⁾ Changed accounting principles. Comparative figures have been adjusted.

⁷⁾ Adjusted year-end accounts 2002.

⁸⁾ Excluding Overseas Telecom which is not an associated company.

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

* Average number of employees as of 2002.