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INTERIM REPORT January-September 2004

CEO ARNE KARLSSON COMMENTS ON THE REPORT AT www.ratos.se
TELEPHONE CONFERENCE 10 a.m., tel. no. +46 8 505 20 114

- Pre-tax profit SEK 1,852m (486)
- Earnings per share SEK 20.80 (4.08)
- Continued strong earnings trend in underlying portfolio
- Total return on Ratos shares +27%
- Hägglunds Drives and GS Hydro become separate holdings
- Acquisition of Elitfönster after end of period

Important events during the period

Two exits were completed during the period. The sale of all the shares in Dahl to the French Saint-Gobain Group was completed in May and provided an exit gain of SEK 1,355m. The investment in Dahl thus provided an average annual return (IRR) of 35%. The holding in Q-Labs was sold in May to Det Norske Veritas and a member of the company's management. The sale of Q-Labs had no impact on Ratos's results.

A new investment was made in March in BTJ InfoData. Ratos invested SEK 250m for 49% of the share capital and a convertible which at possible future conversion will provide an additional holding of approximately 7%.

Industri Kapital carried out major divestments of shares mainly in Nobia and Oriflame which made a positive contribution to Ratos's results of SEK 93m.

Add-on investments were made in the second quarter in Arcorus, Gadelius and Haendig for a total amount of SEK 310m. As a result of these acquisitions, the companies are now wholly owned Ratos subsidiaries. This brings the number of wholly owned subsidiaries in the portfolio to five.

Events after the end of the period

On 4 November an agreement was signed on acquisition of 95% of the shares in the window manufacturer Elitfönster. Ratos is investing SEK 473m. Elitfönster is Sweden's leading window manufacturer with sales in 2003 of approximately SEK 1,100m.

After the end of the period Ratos sold 2,000,000 shares in the Norwegian hotel company Choice Hotels for a total of SEK 45m. This sale resulted in a loss for Ratos of approximately SEK 10m that will be reported in the fourth quarter.

After year-end 2004, the holding company Arcorus will be dissolved. Arcorus contains the subsidiaries Hägglunds Drives and GS Hydro which in the future will be owned directly by Ratos and reported as separate holdings from 1 January 2005.

Business environment and market

Ahead of 2004, Ratos's general assessment of the economic outlook was that the "muddle-through plus" scenario we had been working with for some time was now firmly established, and that a classical, self-

strengthening, cyclical economic upswing was on its way. This was reinforced by the fact that the world, for the first time in several years, appeared to be about to experience a relatively synchronised boom.

Development during the first nine months of the year has confirmed this scenario. Large parts of the global economy as several sectors and niches have performed well. Our assessment is that this positive economic development will continue in the immediate future, although with a slowing rate of increase that gradually flattens out at a good level.

The positive macro-economic development is also reflected in Ratos's portfolio companies. Combined with the effects of ongoing efforts to enhance efficiency and promote growth in all companies, this had led to an overall strong earnings trend for Ratos's portfolio companies.

Combined sales for the underlying portfolio at the end of the period increased during the period by 4% compared with the same period last year. Taking Ratos's different ownership stakes into account, sales rose by just over 3%. The corresponding changes in operating profit (EBITA = profit before net financial items, tax and goodwill amortisation) was +39% and +27% respectively, while profit before tax (EBT) increased by 105% and 92% respectively. The above change figures exclude LRT/Tornet.

To facilitate analysis, an extensive table is provided on page 18 with key figures for all the Ratos holdings. A summary of income statements and balance sheets, etc., for Ratos's associated companies and subsidiaries is available at www.ratos.se in downloadable Excel files.

Ratos's results

The Group's profit before tax amounted to SEK 1,852m (486). This result includes profits from the holdings of SEK 1,887m, of which exits accounted for SEK 1,448m (504, of which exits SEK 201m). Exit gains are attributable to the sale of Dahl, SEK 1,355m, and sales made within Industri Kapital of SEK 93m.

Goodwill

Total goodwill amortisation – including Ratos's share of holdings' goodwill – amounted to SEK 223m (232). 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	2004 Jan-Sept	2003 Jan-Sept
Profit before tax and goodwill amortisation (EBTA)	2,075	718
Total goodwill amortisation	-223	-232
Profit before tax (EBT)	1,852	486

In the same way the aggregated results for Ratos's holdings at 30 September 2004 – without taking Ratos's holding into account – would increase by SEK 333m if no goodwill amortisation was carried out in the holdings as shown in Table 2.

Table 2 Holdings' aggregated results and goodwill amortisation

SEKm	2004 Jan-Sept	2003 Jan-Sept
Profit before tax and goodwill amortisation (EBTA)	1,405	1,198
Holdings' goodwill amortisation	-333	-334
Profit before tax (EBT)	1,072	864

Central income and expenses

Ratos's net income and expenses amounted to SEK -35m (-18) of which personnel costs amounted to SEK 36m (32). Other management costs, including costs for acquisition and exit processes not carried out, amounted to SEK 34m (37). Net financial items amounted to SEK 35m (51). This decline is due to lower interest rates compared with 2003.

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 2004

	Ratos's holding,%	Profit incl. goodwill amortisation		Profit excl. goodwill amortisation	
		2004 Q 1-3	2003 Q 1-3	2004 Q 1-3	2003 Q 1-3
Arcorus	100	48	43	62	56
Atle Industri	50	24	6	43	26
Bluegarden	100	15	-	28	-
BTJ InfoData	49	18	-	33	-
Camfil	30	36	22	52	39
Dahl	41	27	118	37	145
DIAB	50	5	-7	27	15
Dynal Biotech	25	11	4	28	21
Gadelius	100	-1	2	6	7
Giga Consulting	50		-1		0
Haendig	100	36	13	46	19
Haglöfs	100	10	8	13	11
HL Display	29	11	-2	17	5
Intervect	50	15	-20	18	-16
Lindab	48	62	24	107	67
LRT/Tornet	40	68	-	68	-
Martinsson	50	-1	-5	7	3
Overseas Telecom	9	-	-		-
Q-Labs	48	1	0	1	0
Superfos	33	26	-10	41	5
Capona			23		24
DataVis			-2		-1
Hilding Anders			66		88
Total profit/share of profits		411	282	634	514
Exit gains					
Capona			195		195
Dahl		1,355		1,355	
Hilding Anders			-3		-3
Industri Kapital		93	9	93	9
Q-Labs		0		0	
Total exit gains		1,448	201	1,448	201
Dividends from other companies		28	21	28	21
Profit from holdings		1,887	504	2,110	736
Net expenses		-35	-18	-35	-18
Consolidated profit before tax		1,852	486	2,075	718

Ratos's reporting of subsidiaries' profits and share of profits from associates 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 of the holdings, a table is provided on page 18.

Financial position

Cash flow from operating activities and investing activities was SEK 979m (1,415) and the Group's cash and cash equivalents at the end of the period amounted to SEK 2,186m (2,164 at 30 June 2004).

Parent company

The parent company's pre-tax profit amounted to SEK 1,506m (434). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 2,063m (1,882), i.e. scope for investments without utilising credit facilities. Interest-bearing liabilities amounted to SEK 160m (131) and relate to liabilities to group companies.

Ratos shares

Earnings per share amounted to SEK 20.80 (4.08). A dividend totalling SEK 573m was paid in April 2004. The total return on Ratos shares during the period was 27%. In the same period the SIX Return Index rose 13%.

Since 1 July Ratos shares have been included in the new global LPX50 VW index for listed private equity companies. During the period 1994-2004 the annual increase in the LPX50 VW was 8% compared with the MSCI World Index which rose 5%. LPX50 VW includes 50 listed private equity companies worldwide. The index is updated every week by the Swiss company Vescore Solutions AG in Basel. More information on LPX50 VW is available at www.lpx.ch.

Share buy-backs

The 2004 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 6 April 2005. Share repurchases are to be effected on the Stockholm Stock Exchange. In 2004 until and including 12 November, 48,200 Ratos shares were acquired for an average price of SEK 110.89. In total since 2000, 2,893,986 B shares have been repurchased for an average price of SEK 82.54 of which 1,157,800 have been cancelled. Ratos thus owns 1,736,186 B shares, corresponding to 2.2% of existing shares.

Cancellation of shares

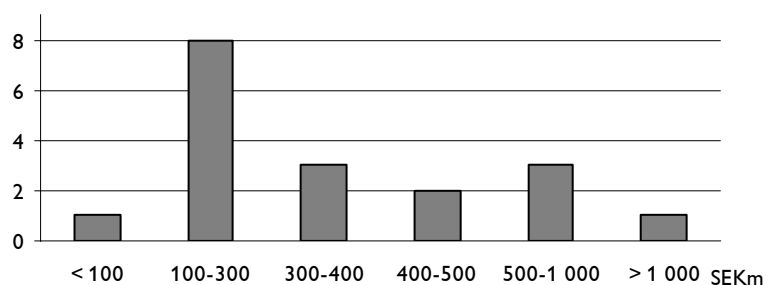
Ratos's equity has been reduced by SEK 6,250,000 through cancellation without repayment of 500,000 repurchased B shares following a decision at the Annual General Meeting. The number of outstanding shares is 78,938,440.

Reported equity

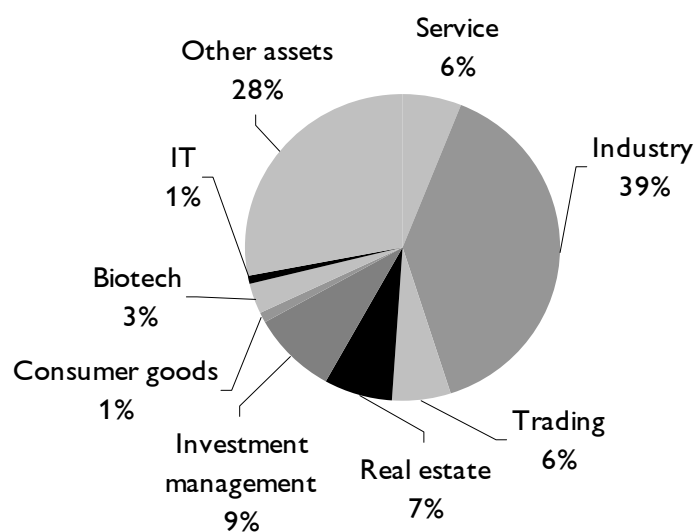
SEKm	30 Sept 2004	% of equity
Holding		
Arcorus	559	6
Atle Industri	481	5
Bluegarden	235	3
BTJ InfoData	257	3
Camfil	440	5
DIAB	661	7
Dynal Biotech	271	3
Gadelius	153	2
Haendig	306	4
Haglöfs	123	1
HL Display	227	3
Industri Kapital	315	4
Intervect	187	2
Lindab	1,103	12
LRT/Tornet	652	7
Martinsson	116	1
Superfos	346	4
Overseas Telecom	27	0
Total holdings	6,459	72
Share trading	73	1
Parent company's property	11	0
Other assets/liabilities (net) in central companies	2,382	27
Total equity	8,925	100
Equity per share, SEK	113	

Holdings, size breakdown, equity

No of companies

**Holdings, sector breakdown**

% of equity



Equity

With effect from 2004 Ratos reports equity instead of net asset value. Since approximately 90% of Ratos's assets comprise unlisted assets and are reported at consolidated book value, the measure net asset value has become less relevant to an external observer of Ratos. The measure net asset value can also mislead the observer to perceive the book values as market values. At 30 September 2004, equity per share amounted to SEK 113 (SEK 100 at 31 December 2003).

Credit facilities

The parent company has a loan facility until year-end 2007 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 same accounting principles and calculation methods as those used in the 2003 annual report, with the addition of the Swedish Financial Accounting Standards Council's recommendation on employee benefits, RR29.

New rules for pensions according to RR29

The transfer to RR29 represents a change of accounting principle which is reported directly in opening shareholders' equity. The effect is marginal and relates to defined benefit pension plans about which the company has information. Recalculation of comparative years will not be carried out.

Ratos also has defined benefit pension plans with the insurance company Alecta. These plans are reported as defined contribution pension plans since Alecta has so far been unable to provide sufficient information for these to be reported as defined benefit plans. When sufficient information is obtained, so that a recalculation can be made, this will be reported as a changed accounting principle.

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 average number of shares outstanding, 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 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. At 30 September, 408,991 A shares had been submitted for conversion into B shares.

Nomination Committee

At the Annual General Meeting on 1 April 2004, the chairman announced that he had been assigned by Ratos's major shareholders to appoint a Nomination Committee in consultation with them. Olof Stenhammar (convener), Jan-Erik Erenius, Jan Söderberg and Per-Olof Söderberg were duly 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 SEK1,082m (1,000) and EBITA SEK 68m (67)
- Continued very strong development for Hägglunds Drives in most areas while GS-Hydro was negatively affected by a weak Norwegian market
- After year-end 2004 Arcorus will cease to exist as a group. The subsidiaries Hägglunds Drives and GS Hydro will be reported as separate Ratos holdings from 1 January 2005

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 100% and the consolidated book value in Ratos was SEK 559m at 30 September 2004.

Atle Industri

- Sales SEK 1,532m (1,766) and EBITA SEK 93m (66)
- Positive earnings trend, particularly for Envac, Pressmaster and Jens S
- Sale of Näsströms System to Specma Hydraulic completed
- Ratos received a dividend of SEK 42.5m after the end of the period

Atle Industri comprises a portfolio of 10 companies, of which 8 are wholly owned. The portfolio was created when Ratos acquired Atle. The companies in the portfolio operate in the engineering industry, trading and waste management. The companies are Elpress (electrical connectors), Envac (waste management systems), Moving (materials handling systems), Nordhydraulic (hydraulic valves), 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 481m at 30 September 2004.

Bluegarden

- Sales SEK 264m (296) and EBITA SEK 29m (38)
- Lower sales due to weakening of the Norwegian krone
- Customer base trebled through strategic co-operation agreement with Multidata
- Bluegarden to be Intentia's HRM partner – agreement signed after the end of the period

Bluegarden is one of the five largest players in human resources management in the Nordic region. Operations focus on standardised payroll processing systems, IT-supported outsourcing of HRM departments and consulting services. The company has offices in seven locations in Norway and Denmark.

Ratos's holding at 30 September 2004 amounted to 100% and the consolidated book value of the holding was SEK 235m at 30 September 2004.

BTJ InfoData

- Sales SEK 1,498m (1,309) and EBITA SEK 136m (138)
- Continued strong development in InfoData
- New organisation and price model for Bibliotekstjänst expected to be ready in first quarter of 2005

BTJ InfoData consists of the operating areas BTJ Group and InfoData. BTJ Group's operations include Bibliotekstjänst, Seelig and PriolInfo. InfoData, which was acquired in spring 2004, is a leading supplier of database and direct marketing services in Sweden.

Ratos's holding amounts to 49% and the consolidated book value of the holding was SEK 257m at 30 September 2004.

Camfil

- Sales SEK 2,157m (2,020) and EBITA SEK 198m (146)
- Strong demand in clean room market
- Ongoing efficiency enhancement programme has improved profitability, EBITA margin 9.2% (7.2)

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's holding in Camfil amounts to 30% and the consolidated book value was SEK 440m at 30 September 2004.

DIAB

- Sales SEK 574m (485) and EBITA SEK 59m (35)
- Strong demand for DIAB's products in third quarter, above all in North America and Asia
- Introduction of improved product programme – Corporate Products – is under way
- Strong cash flow despite strong growth, SEK +27m
- Acquisition of additional nearly 2% of the share capital

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 30 September 2004.

Dynal Biotech

- Sales SEK 500m (431) and EBITA SEK 138m (116)
- Continued strong development in the largest business area, Molecular Systems
- EBITA margin remains high (28%)

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 271m at 30 September 2004.

Gadelius

- Sales SEK 447m (452) and EBITA SEK 11m (18)
- Entire decline in sales due to the weakened Japanese yen
- Lower earnings mainly attributable to the engineering division and the medical technology subsidiary Manson
- Cash flow remains stable, SEK +15m

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 is 100% via a Dutch holding company. The consolidated book value in Ratos was SEK 153m at 30 September 2004. This figure excludes the holding company.

Haendig

- Sales SEK 936m (874) and EBITA SEK 54m (53)
- Good sales trend for most subsidiaries
- Strong earnings improvement for Markt, Penope, Hafa, Sven Svenssons and HDF Gyttorp

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 100% and the consolidated book value in Ratos was SEK 306m at 30 September 2004.

Haglöfs

- Sales SEK 262m (266) and EBITA SEK 15m (13)
- Strong performance for the Haglöfs brand
- Earnings charged with restructuring costs of SEK 3m within the subsidiary Alfa

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 123m at 30 September 2004.

HL Display

- Sales SEK 987m (844) and EBITA SEK 68m (18)
- Sales successes in France, the UK and the Far East
- Strong improvement in earnings due to efficiency enhancement programmes and increased volumes

HL Display is a global, market-leading supplier of products and systems for merchandising and in-store communication. The company has subsidiaries in 25 countries. Manufacture takes place in Sweden, the UK and the US. HL Display is listed on the Stockholm Stock Exchange.

Ratos's holding in HL Display amounts to 29%. Consolidated book value of Ratos's holding in HL Display was SEK 227m at 30 September 2004.

Industri Kapital

- SEK 93m exit gain reported in Ratos mainly relating to share divestments in Nobia and Oriflame
- Acquisition of Exstrem Lavpris AS carried out. Agreement concluded for sale of the French Labeyrie Group

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 consolidated book value of Ratos's holding in Industri Kapital amounted to SEK 315m at 30 September 2004.

Intervect

- Sales SEK 734m (752) and EBITA SEK 46m (2)
- Improved earnings due to efficiency enhancements
- Order bookings remain high

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 merged with the Dutch company HEK International.

Ratos's holding in Intervect amounts to 50% and the consolidated book value in Ratos was SEK 187m at 30 September 2004.

Lindab

- Sales SEK 4,090m (3,971) and EBITA SEK 278m (210)
- Organic growth during the period 6.5%
- Positive market development during third quarter in Lindab's largest markets in the Nordic region
- Sharply rising steel prices compensated by price increases

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 1,103m at 30 September 2004.

LRT/Tornet

- Rental income SEK 1,709m (1,797) and EBITA SEK 1,065m (1,240)
- Agreement concluded for sale of subsidiary Malmstaden. Net gain for LRT Acquisition expected to exceed SEK 350m
- New capital structure in Tornet. LRT Acquisition received a dividend of SEK 2.7 billion
- Stockholm Stock Exchange decided to de-list Tornet. From 1 November listed on Nya Marknaden

LRT Acquisition AB owns 82.4% of Fastighets AB Tornet which is one of the largest listed property companies in Sweden. The properties are concentrated to Sweden's six largest cities, as well as Norrköping and Karlstad. At 30 September 2004, Tornet owned 396 properties.

Ratos's holding in LRT Acquisition AB amounts to 40% and the consolidated book value in Ratos was SEK 652m at 30 September 2004.

Martinsson

- Sales SEK 939m (829) and EBITA SEK 16m (6)
- Acquisition completed of industry colleague Lindahl & Rothoff in Lund. This acquisition strengthens Martinsson's position as a nationwide player
- Good development for sales of services

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 116m at 30 September 2004.

Overseas Telecom

- The two remaining portfolio companies in Sri Lanka and Uganda perform well

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, after a change in June, 19% of the voting rights. The consolidated book value in Ratos was SEK 27m at 30 September 2004.

Superfos

- Sales SEK 2,425m (2,486) and EBITA SEK 222m (106)
- Improvement in earnings mainly due to action taken in 2003 and favourable raw material prices during the first half of the year
- High raw material prices towards the end of the period
- Continued favourable earnings trend in the USA, Pharma and Aerosol divisions

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. Aerosol offers contract filling of aerosols.

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 346m at 30 September 2004.

Stockholm, 12 November 2004
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 2004	23 February 2005
Annual General Meeting	6 April 2005 (Berwaldhallen), 5.30 p.m.
Interim report January-March 2005	12 May 2005
Interim report January-June 2005	24 August 2005
Interim report January-September 2005	11 November 2005

Consolidated income statement

SEKm	2004 Q 3	2003 Q 3	2004 Q 1-3	2003 Q 1-3	2003 full year
Holdings					
Profit from subsidiaries	58	39	106	51	91
Share of profits of associates	110	139	305	231	297
Exit gains, associates	-	-3	1,355	192	412
Impairment loss, associates	-	-	-	-	-7
Dividends, other companies	-	-	28	21	21
Exit gains, other holdings	10	1	93	9	32
Profit from holdings	178	176	1,887	504	846
Central income and expenses					
Management costs	-17	-22	-70	-69	-100
Financial items	9	17	35	51	66
Net expenses	-8	-5	-35	-18	-34
Profit before tax	170	171	1,852	486	812
Tax	-59	-69	-208	-159	-193
Minority share of net profit	0	-4	-3	-6	-13
Profit after tax	111	98	1,641	321	606
Earnings per share, SEK					
- before dilution	1.41	1.25	20.80	4.08	7.71
- after dilution	1.40	1.25	20.74	4.08	7.69
Number of shares outstanding					
- average before dilution	78,938,440	78,562,357	78,890,093	78,629,758	78,610,824
- average after dilution	79,139,898	78,684,620	79,111,911	78,749,380	78,834,535
- at the end of the period	78,938,440	78,564,640	78,938,440	78,554,640	78,554,640

Consolidated balance sheet

SEKm	30 Sept 2004	30 Sept 2003	31 Dec 2003
ASSETS			
Fixed assets			
Intangible	900	324	693
Tangible	372	202	217
Financial	5,417	4,753	5,119
Total fixed assets	6,689	5,279	6,029
Current assets			
Inventories	784	394	365
Current receivables	1,097	733	705
Short-term investments, equities	18	27	27
Short-term investments, other	2,020	1,866	1,462
Cash and bank balances	166	98	170
Total current assets	4,085	3,118	2,729
Total assets	10,774	8,397	8,758
EQUITY AND LIABILITIES			
Shareholders' equity	8,925	7,516	7,827
Minority interests	0	98	107
Provisions	136	83	83
Non-current liabilities			
- non-interest bearing	1	2	1
- interest-bearing	585	145	87
Current liabilities			
- non-interest bearing	733	341	392
- interest-bearing	394	212	261
Total equity and liabilities	10,774	8,397	8,758
Statement of changes in equity			
	2004	2003	2003
	Q 1-3	Q 1- 3	full year
Opening equity according to previously adopted balance sheet	7,827	8,037	8,037
Effect of changed accounting principles	-10	-	-
Restated opening balance	7,817	8,037	8,037
Dividend paid	-573	-531	-531
New issue	35	6	6
Option premiums	0	3	3
Buy-back of own shares	-5	-15	-15
Option premiums, associates	1	-	-
Effect of associates' buy-back of own shares	-	1	1
Translation difference in associates and subsidiaries	11	-307	-308
Effect of currency hedging	-	6	11
Accumulated translation difference in sold associate	-2	-5	17
Net profit for the period	1,641	321	606
Closing equity	8,925	7,516	7,827

Consolidated cash flow statement

SEKm	2004 Q 1-3	2003 Q 1-3	2003 full year
Operating activities			
Consolidated profit before tax	1,852	486	812
Adjustment for items not included in cash flow	-1,595	-325	-569
	257	161	243
Paid tax	-59	-40	-39
Cash flow from operating activities before change in working capital	198	121	204
Cash flow from changes in working capital			
Increase (-) in inventories	-93	-25	-7
Decrease (+) in operating receivables	36	-114	-66
Increase (+) in operating liabilities	105	10	0
Cash flow from operating activities	246	-8	131
Investing activities			
Purchases, subsidiaries	-234	-	-352
Sales, holdings	1,470	604	1,398
Purchases, holdings	-188	-237	-681
Purchase of other intangible/tangible fixed assets	-41	-27	-53
Change, financial assets	-274	1,083	701
Cash flow from investing activities	733	1,423	1,013
Financing activities			
Buy-back of own shares	-5	-15	-15
Option premiums	1	3	3
New issue	35	6	6
Dividend paid	-573	-531	-531
Increase (+) in interest-bearing liabilities	119	5	-53
Cash flow from financing activities	-423	-532	-590
Cash flow for the period	556	883	554
Cash and cash equivalents, opening balance	1,632	1,084	1,084
Exchange difference in cash and cash equivalents	-2	-3	-6
Cash and cash equivalents, closing balance	2,186	1,964	1,632
Consolidated key figures			
Return on equity, %	-	-	8
Equity ratio, %	83	91	91
Interest-bearing receivable (excl. receivable from Woodrose relating to transfer of Atle companies), SEKm	2,001	1,825	1,858
Key figures per share			
Total return, %	27	4	27
Yield, %	-	-	6
Market price, SEK	135.00	93	113
Dividend, SEK	-	-	7.25
Equity, SEK	113	96	100

Parent company income statement

SEKm	2004 Q 3	2003 Q 3	2004 Q 1-3	2003 Q 1-3	2003 full year
Holdings					
Dividends, subsidiaries	-	56	73	56	56
Exit gains, associates	-	-	1,290	288	634
Dividends, associates	-	-	12	44	44
Impairment loss, associates	-	-	-	-1	-30
Dividends, other companies	-	-	28	21	21
Exit gains, other holdings	10	1	93	9	33
Profit from holdings	10	57	1,496	417	758
Central income and expenses					
Management costs	-24	-20	-66	-64	-95
Financial items	23	16	76	81	115
Net expenses	-1	-4	10	17	20
Profit before tax	9	53	1,506	434	778
Tax	-	-	-	-	-
Profit after tax	9	53	1,506	434	778

Parent company balance sheet

SEKm	30 Sept 2004	30 Sept 2003	31 Dec 2003
ASSETS			
Fixed assets			
Tangible	14	16	15
Financial	7,017	5,668	6,499
Total fixed assets	7,031	5,684	6,514
Current assets			
Current receivables	151	344	266
Short-term investments	2,020	1,866	1,462
Cash and bank balances	43	16	38
Total current assets	2,214	2,226	1,766
Total assets	9,245	7,910	8,280
EQUITY AND LIABILITIES			
Shareholders' equity	9,050	7,743	8,087
Provisions	3	3	3
Non-current liabilities			
- non-interest bearing	-	2	-
- interest-bearing	130	127	128
Current liabilities			
- non-interest bearing	32	31	58
- interest-bearing	30	4	4
Total equity and liabilities	9,245	7,910	8,280

Statement of changes in equity	2004	2003	2003
	Q 1-3	Q 1-3	full year
Opening equity according to previously adopted balance sheet	8,087	7,846	7,846
Dividend paid	-573	-531	-531
New issue	35	6	6
Buy-back of own shares	-5	-15	-15
Option premiums	0	3	3
Net profit for the period	1,506	434	778
Closing equity	9,050	7,743	8,087

Parent company cash flow statement

SEKm	2004 Q 1-3	2003 Q 1-3	2003 full year
Operating activities			
Profit before tax	1,506	434	778
Adjustment for items not included in cash flow	-1,383	-295	-643
	123	139	135
Paid tax	-1	-1	-
Cash flow from operating activities before change in working capital	122	138	135
Cash flow from changes in working capital			
Decrease (+) in operating receivables	165	-76	-50
Decrease (-) in operating liabilities	-27	-6	19
Cash flow from operating activities	260	56	104
Investing activities			
Acquisition of subsidiaries	-265	-	-422
Sale of subsidiaries	162	-	0
Sales, holdings	1,470	604	1,398
Purchases, holdings	-188	-237	-659
Purchase of other tangible fixed assets	0	-1	-1
Change, financial assets	-363	1,112	730
Cash flow from investing activities	816	1,478	1,046
Financing activities			
Buy-back of own shares	-5	-15	-15
Option premiums	0	3	3
New issue	35	6	6
Dividend paid	-573	-531	-531
Increase (+) in interest-bearing liabilities	30	-99	-97
Cash flow from financing activities	-513	-636	-634
Cash flow for the period	563	898	516
Cash and cash equivalents, opening balance	1,500	984	984
Cash and cash equivalents, closing balance	2,063	1,882	1,500

Ratos's holdings 30 September 2004

SEKm	NET SALES			EBITA			EBT			Items affecting comparability		Goodwill	Other	Investments		Interest-bearing		Average no. Ratos's consoli-		Ratos's				
	04 Q1-3	03 Q1-3	2003	04 Q1-3	03 Q1-3	2003	04 Q1-3	03 Q1-3	2003	04 Q1-3	03 Q1-3	2004-09-30	2004-09-30	2004-09-30	2004-09-30	2004-09-30	2004-09-30	2003-12-31	2004-09-30	Total ^{***} invested	Investment year		share of capital, %	
Arcorus	1 082	1 000	1 416	68	67	111	54	48	86	-3	0	8	28	39	28	423	291	125	822	559	597	2001	100	Arcorus
Atle Industri ¹⁾	1 532	1 766	2 375	93	66	84	65	27	36	0	0	24	23	33	131	694	-20	73	1 313	481	514	2001	50	Atle Industri
Bluegarden ²⁾	264	296	392	29	38	39	21	35	34	-10	-4	7	16	6	-17	242	109	273	325	235	255	2003	100	Bluegarden
BTJ InfoData ³⁾	1 498	1 309	1 756	136	138	209	66	72	126	-2	0	41	14	763	-489	272	439	848	909	257	250	2004	49	BTJ InfoData
Camfil	2 157	2 020	2 691	198	146	208	141	95	139	0	-4	33	59	72	62	1 078	559	579	2 602	440	450	2000	30	Camfil
DIAB	574	485	658	59	35	58	54	30	52	-2	0	0	28	30	27	343	92	0	654	661	707	2001	50	DIAB
Dynal Biotech	500	431	595	138	116	161	43	14	38	0	0	68	26	36	104	1 090	386	1 120	405	271	292	2001	25	Dynal Biotech
Gadelius ^{4) 5)}	447	452	620	11	18	25	9	16	23	0	-1	1	3	1	15	102	131	3	188	153	205	2001	100	Gadelius
Haendig	936	874	1 194	54	53	65	38	32	39	0	0	8	10	0	-16	247	321	110	399	306	275	2001	100	Haendig
Haglöfs	262	266	341	15	13	19	12	10	15	0	0	0	3	2	-32	71	85	3	120	123	104	2001	100	Haglöfs
HL Display	987	844	1 129	68	18	-2	60	14	-9	0	0	2	32	29	-6	320	76	1	975	227	229	2001	29	HL Display
Intervect	734	752	990	46	2	-8	34	-15	-33	0	-23	2	28	21	4	275	305	41	766	187	227	2001	50	Intevect
Lindab	4 090	3 971	5 302	278	210	305	129	49	92	0	0	93	132	90	19	2 286	1 755	1 898	3 920	1 103	1 061	2001	48	Lindab
LRT/Tornet ⁶⁾	1 709	1 797	2 403	1 065	1 240	1 488	251	463	450	224	338	-	149	376	856	1 731	15 329	-	259	652	671	2003	33	LRT/Tornet
Martinsson ⁷⁾	939	829	1 247	16	6	15	11	2	9	0	0	5	2	26	-16	66	37	65	487	116	122	2001	50	Martinsson
Overseas Telecom	215	237	307	276	163	196	433	153	194	0	0	1	53	n/a	n/a	728	-351	2	406	27	27	1996	9	Overseas Telecom
Superfos	2 425	2 486	3 217	222	106	121	84	-28	-52	-4	-15	41	200	208	101	1 000	2 079	864	2 150	346	405	1999	33	Superfos
Total incl. LRT/Tornet ⁶⁾	20 136	19 578	26 326	2 496	2 272	2 898	1 072	864	1 045															
Total excl. LRT/Tornet ⁶⁾	18 427	17 781	23 923	1 431	1 032	1 410	821	401	595															
Change incl. LRT/Tornet	+3%			+10%			+24%																	
Change excl. LRT/Tornet	+4%			+39%			+105%																	

¹⁾ Atle Industri is not a legal group.

²⁾ Income statement items relate to the underlying group. Balance sheet items take refinancing into account. Investments and cash flow relate to the operating activities.

³⁾ Income statement items are pro forma since InfoData, which was acquired in the spring, is included from the start of the year. Investments and cash flow include acquisition of InfoData.

⁴⁾ Gadelius is owned via a Dutch holding company. Figures exclude the holding company.

⁵⁾ Changed accounting principle. Comparative figures have been restated.

⁶⁾ EBITA and EBT quarters 1-3 and full-year 2003 are pro forma taking account of the new group formed at 31 December 2003. Cash flow and investments relate to Fastighets AB Tornet.

Holding relates to indirect ownership in Fastighets AB Tornet.

⁷⁾ EBT quarters 1-3 and full-year 2003 are pro forma taking the new group into account.

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

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

*** Total invested* includes convertible loans.