



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

Interim report January – March 2007

CEO ARNE KARLSSON COMMENTS ON THE REPORT AT www.ratos.se
TELEPHONE CONFERENCE 10 a.m., tel. no. +46 8 505 201 14

- Profit before tax SEK 1,167m (549)
- Earnings per share SEK 6.61 (2.47)
- Continued strong development in portfolio companies
- Sale of Alimak Hek completed – exit gain SEK 727m
- RH/RBM and MCC new holdings
- Total return on Ratos shares +36%
- Property sale within Arcus Gruppen after the period – capital gain NOK 651m

Important events

In December 2006, Ratos concluded an agreement to sell the entire holding in Alimak Hek. The deal was finalised in January and provided an exit gain of SEK 727m, corresponding to an average annual return (IRR) of 30%.

At the beginning of the year, acquisition was completed of 85% of the office chair producers RH Form in Sweden and RBM in Denmark. Ratos's investment amounts to SEK178m.

Acquisition of 60% of Mobile Climate Control (MCC), head office in Norrtälje, Sweden, took place after the end of the period. MCC offers complete climate systems for buses and construction vehicles with approximately 60% of sales in North America and the rest in Europe. The company has approximately 350 employees. The deal was finalised on 3 May and Ratos's investment amounts to SEK 295m.

Due to refinancing carried out in Haglöfs during the period, Ratos received SEK 100m in February.

After the end of the period, Arcus Gruppen sold its property in Hasle in central Oslo. The sale generated a capital gain of NOK 651m for Arcus Gruppen which will be reported in the six-month report. Ratos's holding in Arcus Gruppen amounts to 83%.

AGM decisions

Ratos's Annual General Meeting held on 11 April approved an ordinary dividend of SEK 5.50 per share and an extra dividend of SEK 5.50 per share. Dividend payments were made via VPC on 19 April.

In accordance with the Nomination Committee's proposal existing Board members Olof Stenhammar, Lars Berg, Staffan Bohman, Göran Grosskopf, Arne Karlsson (CEO), Jan Söderberg and Per-Olof Söderberg were re-elected. Annette Sadolin was elected as a new member of the Board. Olof Stenhammar was elected as Chairman of the Board. 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 regarded as non-independent of the company and its management. Jan Söderberg and Per-Olof Söderberg are non-independent in relation to major shareholders.

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 subject to the limit that the company's holding of treasury shares at any time may not exceed 7%. 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 decided to issue a maximum of 775,000 call options on purchased Ratos treasury shares to be transferred at a market price to key people within Ratos. The Meeting further resolved to transfer a maximum of 775,000 shares in the company in conjunction with exercise of the above-mentioned options. In addition, the AGM decided to introduce a cash-settled option programme related to Ratos's investments in new holdings. The programme will be carried out through issuance of synthetic options which key people within Ratos will be entitled to acquire.

Strategy and organisation

Ratos's Board of Directors evaluates the conditions for the company's investment activities and organisation on an annual basis.

Against the background of the current conditions for Ratos's business, the Board has decided on a more growth-oriented strategy, although still within the framework of the chosen main strategic focus since 1999, implying a gradual and controlled expansion of the business. This growth means that Ratos will gradually increase the number of holdings in the portfolio and expand the investment organisation. As a result, two changes were made to the investment strategy:

- Ratos's portfolio shall over time contain 20-30 (previously 15-20) companies
- an investment size of SEK 150-2,500m (previously SEK 150-1,500m).

The strategic adjustments decided do not mean any change in Ratos's vision, mission, targets or other investment criteria, nor with regard to the dividend policy which will continue to be aggressive.

Business environment and market

Ahead of 2007, Ratos's general assessment of the economic outlook was that the weakening of the global economy would continue for a while – with the US on the way towards levelling out prior to slowly gathering pace again, while large areas of the rest of the world still have a bit to go in the downturn cycle. Following this, prospects for continued growth are good. The somewhat mixed economic statistics from the opening months of the year appear to confirm this scenario.

Development for Ratos's holdings during the first quarter was generally positive. Order bookings, sales growth and earnings trend were strong. The combined sales for the underlying portfolio at the end of the period increased by 17% compared with the previous year. Taking Ratos's ownership stakes into account, sales also rose 17%. The corresponding changes in operating profit were +34% and +22% respectively and for profit before tax +43% and +27% respectively.

Percentage changes for the first quarter of the year should, however, as usual be interpreted with cautions. Several of Ratos's holdings, including many of the major earnings providers, have most of their earnings capacity after the first quarter. This means that small changes in absolute numbers can have considerable effects on percentage changes. The Easter effect normally has an impact on development in the first quarter, although in 2007 this effect was largely neutral.

The generally favourable macro economy, which creates conditions for strong growth, combined with cost-effective companies and a continued long-term positive development of business productivity, explain why so many companies, including Ratos's portfolio companies, have succeeded in raising their profits quarter after quarter over an exceptionally long period of time.

To facilitate analysis, an extensive table is provided on page 19 with key figures for all Ratos's holdings. A summary of income statements and balance sheets for Ratos's associated companies and subsidiaries is available at www.ratos.se in downloadable Excel files.

Ratos's results

Profit before tax for the first three months of 2007 amounted to SEK 1,167m (549). This result includes profit from holdings of SEK 1,174m, of which exit gains SEK 748m (559, of which exit gains SEK 225m). Exit gains are mainly attributable to the sale of Alimak Hek.

Ratos's results January-March 2007

SEKm	Ratos holding, %	2007	2006
Anticimex	85	10	6
Arcus Gruppen	83	-13	-21
Bisnode	70 ¹⁾	113	109
Bluegarden	100	2	5
Camfil	30	21	17
DIAB	50	37	19
GS-Hydro	100	37	14
Haendig	100	18	19
Haglöfs	100	2	10
HL Display	29	11	7
Hägglands Drives	100	62	61
Inwido	95	25	15
Jøtul	63	-18	
Lindab	22	34	32
Medifiq Healthcare	78	-13	
RH/RBM	85	18	
Superfos	33	6	-1
Other holdings ²⁾		3	6
Alimak Hek			18
Gadelius			10
Total profit/share of profits		355	326
Exit gains			
Alimak Hek		727	
LRT/Tornet			198
Other holdings		21	27
Total exit gains		748	225
Dividends from, Other holdings		71	8
Profit from holdings		1,174	559
Net expenses		-7	-10
Consolidated profit before tax		1,167	549

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

²⁾ Other holdings include the subsidiary BTJ Group, associate Atle Industri and holdings in Overseas Telecom and Industri Kapital.

Central income and expenses

Ratos's net income and expenses amounted to SEK -7m (-10) of which personnel costs were SEK 57m (16). The variable portion of personnel costs amounted to SEK 33m (0). Other management costs were SEK 24m (18). Net financial items amounted to SEK 74m (24).

Tax

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

Financial position

Cash flow from operating activities and investment activities was SEK 254m (596) and the Group's cash and cash equivalents at the end of the period were SEK 5,681m (4 011) of which short-term interest-bearing investments accounted for SEK 4,703m (3,277). Interest-bearing debt was SEK 9,257m (6,888).

Parent company

The parent company's profit before tax was SEK 1,118m (43). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 4,711m (3,313). Taking into account financial transactions agreed but not yet carried out, Ratos had an investment capacity of approximately SEK 3 billion at the end of the period without needing to utilise existing credit facilities.

Ratos shares

Earnings per share amounted to SEK 6.61 (2.47). The total return on Ratos shares during the period amounted to 36%, compared with the SIX Return Index which rose 7%.

Ordinary and extra dividend

The Annual General Meeting decided on an ordinary dividend for 2006 of SEK 5.50 (4.19) per share and an extra dividend of SEK 5.50 per share. The record date for dividends was 16 April and payments from VPC were made on 19 April.

Purchase of treasury shares

No purchases of treasury shares were made during the period. At the end of the period, Ratos owned 1,929,797 B shares corresponding to 1.2% of the outstanding number of shares.

Equity, SEKm	31 March 2007	%
Anticimex	588	5
Arcus Gruppen	512	4
Bisnode	1,251	10
Bluegarden	138	1
Camfil	544	5
DIAB	735	6
GS-Hydro	247	2
Haendig	231	2
Haglöfs	58	1
HL Display	251	2
Hägglands Drives	-455	-4
Inwido	928	8
Jøtul	294	2
Lindab	539	4
Medifiq Healthcare	270	2
RH/RBM	191	2
Superfos	357	3
Other holdings ¹⁾	323	3
Total	7,002	58
Other net assets in central companies	5,162	42
Equity attributable to equity holders of the parent	12,164	100

¹⁾ Other holdings include the subsidiary BTJ Group, associate Atle Industri and the holdings in Overseas Telecom and Industri Kapital.

Equity

At 31 March 2007, Ratos's equity (attributable to equity holders of the parent) amounted to SEK 12,164m (10,875 at 31 December 2006) corresponding to SEK 76 per outstanding share.

Credit facilities

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

Conversion of shares

The 2003 Annual General Meeting resolved that a conversion clause allowing conversion of A shares to B shares should be added to the articles of association. This means that owners of A shares have an ongoing right to convert them to B shares. No conversions took place during the period.

Changed terms for CEO

After publication of the 2006 Annual Report, the terms for compensation to the CEO were changed. For 2007 and 2008 the CEO's basic annual salary amounts to SEK 5.5m and SEK 6.0m for 2009.

Accounting principles in accordance with IFRS

The consolidated accounts are prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with RR 31, Interim reporting for groups and is therefore in accordance with IAS 34, Interim Financial Reporting. The Group's accounting principles are unchanged compared with the most recent annual report.

The key accounting principles applied by Ratos are described below.

Associated companies

As previously, Ratos applies the equity method for consolidation of associates. IFRS requires 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 takes place within 12 months of the acquisition. In cases where an acquisition analysis is changed, income statements and balance sheets are adjusted for the comparative period.

At the beginning of 2007, 85% was acquired of the two office chair producers the Swedish company RH Form and RBM of Denmark. The remaining 15% was acquired by company management. The acquisition was carried out by a newly formed acquisition company. Ratos's investment pertains to capital provided to the acquisition company where identifiable assets, assumed liabilities and contingent liabilities were measured at fair value. Ratos's acquisition analysis therefore only recognises goodwill where acquired assets, liabilities and contingent liabilities in conjunction with the acquisition had already been measured at fair value in the sub group. In the preliminary acquisition analysis the difference between the cost and fair value of acquired identifiable assets and liabilities is attributed to goodwill. RH/RBM is included in Ratos's earnings with effect from 1 January. The table below shows fair value on the acquisition date.

SEKm	RH/RBM
Intangible non-current assets	10
Property, plant and equipment	85
Financial assets	2
Current assets	163
Cash and cash equivalents	95
Non-current liabilities	-540

Current liabilities	-113
Net, identifiable assets and liabilities	-298
Consolidated goodwill	360
Purchase price, total	62
Ratos's holding, %	85
Purchase price paid	53
In addition, shareholder loan	125
Total investment	178

At the beginning of April 2007, Ratos concluded an agreement to acquire 60% of the climate systems company Mobile Climate Control (MCC) from its founder Gunnar Mannerheim. MCC is expected to have sales of approximately SEK 650m in the present financial year. Ratos's investment is almost SEK 300m. Gunnar Mannerheim intends to re-invest some of the purchase price in the acquisition company through which Ratos is acquiring MCC and will own 40% of the company upon completion of the deal. Closing accounts for the new group have not yet been adopted.

Acquisitions were made in subsidiaries.

Goodwill and intangible assets

IFRS represents a requirement to identify and measure intangible assets at acquisition. To the extent intangible assets can be identified and measured, goodwill decreases correspondingly. Goodwill is not amortised but is subject to an annual test for impairment. Other intangible assets are amortised to the extent an amortisation period can be determined. In such cases, testing for impairment is only carried out when there is an indication of a decline in value. If the amortisation period cannot be determined and amortisation is therefore not effected, an annual impairment test must be performed regardless of whether or not there is any indication of impairment.

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

Holdings

Anticimex

- Sales SEK 350m (318) and EBITA SEK 34m (27)
- Continued good organic growth, +10% with good development for Sweden and Germany while the trend was weaker in Norway
- Improved EBITA margin 9.4% (8.5)

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

Ratos's holding in Anticimex amounts to 85% and the consolidated book value in Ratos was SEK 588m at 31 March 2007.

Arcus Gruppen

- Sales SEK 281m (194) and EBITA SEK 1m (-13)
- Good sales trend for both wine and spirits
- Strong earnings development primarily due to ongoing action programme

- Sale of property in Hasle, Oslo, carried out after the end of the period which provided Arcus Gruppen with a NOK 651m capital gain which will be reported in the January-June 2007 interim report

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 1998. The group's best-known brands include Braastad Cognac, Vikingfjord Vodka, Løiten and Linie Aquavit. The largest production facilities are centrally located in Oslo and the company has 560 employees.

Ratos's holding in Arcus Gruppen amounts to 83% and the consolidated book value in Ratos was SEK 512m at 31 March 2007.

Bisnode

- Sales SEK 858m (854) and EBITA SEK 167m (168)
- Positive earnings trend compared with previous year, adjusted for extraordinary items. Organic growth approximately 4%
- Sale of Infologistics and Findata as well as some minor acquisitions carried out during quarter

Bisnode is a leading European publishing house within digital business information with services within market, credit and product information. Operations are conducted in 19 countries. The group was formed through a merger between Bonnier Business Information (BBI) and Infodata. The group has over 2,500 employees.

Ratos's holding in Bisnode at 31 March 2007 amounted to 70% and the consolidated book value of the holding was SEK 1,251m.

Bluegarden

- Sales SEK 129m (127) and EBITA SEK 11m (8)
- Continued good inflow of new customers in Sweden
- Ole Morten Settevik took over as the new CEO on 29 January 2007

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

Ratos's holding in Bluegarden at 31 March 2007 amounted to 100% and the consolidated book value of the holding was SEK 138m.

Camfil

- Sales SEK 953m (858) and EBITA SEK 79m (65)
- Continued good sales trend in all geographic markets, +11%
- Improved EBITA margin, 8.3% (7.6)

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

Ratos's holding in Camfil amounts to 30% and the consolidated book value was SEK 544m at 31 March 2007.

DIAB

- Sales SEK 334m (269) and EBITA SEK 75m (43)
- Sales rose 24% due to strong demand from the windpower segment and the Asia region. Strong growth and efficiency improvements laid the foundation for a strong earnings increase

- Investments totalling SEK 75m made in production capacity and new technology
- A new complementary material with good fire-resistant properties for applications within the airline industry launched in April

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 735m at 31 March 2007.

GS-Hydro

- Sales SEK 332m (198) and EBITA SEK 41m (17)
- Continued strong sales and earnings trend due to strong market development within all market segments and geographic regions
- Positive margin effects from ongoing efficiency enhancement programme

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 amounts to 100% and the consolidated book value in Ratos was SEK 247m at 31 March 2007.

Haendig

- Sales (for continuing operations) SEK 206m (189) and EBITA SEK 18m (19)
- Following divestments in 2006 and the ongoing phasing out of Sven Svenssons, Haendig comprises the subsidiaries DeCasa and Hafa Bathroom Group
- Strong sales and earnings boost in DeCasa due to good market and measures to strengthen margins
- Lower earnings in Hafa Bathroom Group due to costs from repositioning of the Westerberg brand
- Ratos received a dividend of SEK 125m during the period

Haendig is an active owner of wholesalers with a focus on strong brands to the Nordic building trade and the DIY market. The Group includes the subsidiaries Hafa Bathroom Group (with the brands Hafa Bathroom and Westerberg) and De Casa Interiör (Lundbergs Produkter and Duri).

Ratos's holding in Haendig amounts to 100% and the consolidated book value in Ratos was SEK 231m at 31 March 2007.

Haglöfs

- Sales SEK 106m (115) and EBITA SEK 3m (12)
- Lower earnings primarily due to delayed deliveries and distribution problems in Norway
- Haglöfs received first prize for its "Spitz Q Gore-Tex" jacket at the ISPO exhibition in January
- Sale of Alfa Skofabrik in Norway
- Refinancing carried out in February, Ratos received SEK 100m

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

Ratos's holding in Haglöfs amounts to 100% and the consolidated book value in Ratos after the refinancing was SEK 58m at 31 March 2007.

HL Display

- Sales SEK 391m (342) and EBITA SEK 37m (22)
- Continued favourable sales growth, +14% with particularly good development for the markets in Sweden, Norway, Russia, Poland, Turkey and Asia
- Acquisition of Finnish company Display Team Oy strengthens position in the Brands and Non Food customer segments

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

Ratos's holding in HL Display amounts to 29% and the consolidated book value was SEK 251m at 31 March 2007.

Häggglunds Drives

- Sales SEK 373m (354) and EBITA SEK 75m (62)
- Strong sales trend and strengthened margins despite disruptions in materials supply chain
- Continued very strong market with the Marine & Offshore segment developing particularly well
- Decision to establish a sales company in South Africa

Häggglunds 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 approximately some 15 countries.

Ratos's holding in Häggglunds Drives amounts to 100% and the consolidated book value in Ratos following the refinancing in 2006 was SEK -455m at 31 March 2007.

Inwido

- Sales SEK 943m (638) and EBITA SEK 59m (47)
- Strong organic growth, +12%, for comparable units
- Positive earnings trend in Sweden, Finland and Norway contributed to EBITA increase

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

Ratos's holding in Inwido amounts to 95% and the consolidated book value was SEK 928m at 31 March 2007.

Jøtul

- Sales SEK 191m (214) and EBITA SEK -2m (5)
- First quarter is part of Jøtul's low season. The majority of sales and profits are generated during the autumn
- Sales in several countries were negatively affected for the unusually mild weather during the quarter
- Good sales development in the Nordic countries, while sales in German following a strong end to 2006 were weak due to raised VAT at the start of the year

Jøtul is a Norwegian stove and fireplace manufacturer established in 1853. Production is carried out in Norway, Denmark, France, Poland and the US. The company's products are sold worldwide, primarily through speciality stores, but in some markets also through the DIY trade.

Ratos's holding in Jøtul amounts to 63% and the consolidated book value was SEK 294m at 31 March 2007.

Lindab

- Sales SEK 1,972m (1,494) and EBITA SEK 188m (85)
- Good sales development in all parts of the business. Sales for comparable units rose 23%
- Strong earnings trend due to strong volume development
- The new ventilation system Lindab Safe Click was launched during the quarter
- Lindab's ventilation factory in St. Petersburg went into operation during the quarter and work with a new production unit for Building Systems continues according to plan

Lindab is a leading manufacturer of building materials in sheet metal and steel and is established in 28 countries. Operations are conducted in two operating areas: Ventilation which focuses on the ventilation sector with circular ducting and indoor climate systems, and Profile which manufactures building components and complete steel building systems. Approximately 80% of sales go to countries outside Sweden.

Ratos's holding in Lindab amounts to 22.5% and the consolidated book value in Ratos was SEK 539m at 31 March 2007.

Medifiq Healthcare

- Sales SEK 88m (121) and EBITA SEK -10m (11)
- Weak sales development due to delayed product launch
- Weaker earnings trend due to start-up and restructuring costs in 2007

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 500 employees in Finland, the UK and China.

Ratos's holding in Medifiq Healthcare amounts 78% and the consolidated book value in Ratos was SEK 270m at 31 March 2007.

RH/RBM

- Sales SEK 187m (172) and EBITA SEK 24m (27)
- Good organic growth, especially in Sweden and the UK
- Strong earnings trend for the Swedish company RH Form

RH/RBM designs, manufactures and markets ergonomic seating products for offices, conference premises, canteens and educational premises. The group also produces special chairs for customers in trade and industry. Production is carried out in Denmark and Sweden. The group has approximately 280 employees.

Ratos's holding in RH/RBM amounts to 85% and the consolidated book value in Ratos was SEK 191m at 31 March 2007.

Superfos

- Sales SEK 786m (758) and EBITA SEK 40m (17)
- Positive development of operating profit (EBITA) due to good volume and margin trend in Consumer and continued strong earnings growth in the US
- Change programme under way 2007. This includes a decision to close the factory in Vipperød, Denmark

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

Ratos's holding in Superfos amounts to 33% and the consolidated book value in Ratos was SEK 357m at 31 March 2007.

Other holdings

- Within Atle Industri the three remaining companies Moving, Nordhydraulic and Moving Hjulex report good earnings, SEK 2m (0). Ratos received a dividend of SEK 45m during the period
- Continued development according to plan in BTJ Group
- Divestments within Industri Kapital contributed SEK 21m to Ratos's exit result
- Ratos received a dividend of SEK 71m from Overseas Telecom

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

The consolidated book value of Other holdings in Ratos was SEK 323m at 31 March 2007.

Stockholm, 9 May 2007
Ratos AB (publ)

Arne Karlsson
CEO

For additional information, please contact:
Arne Karlsson, CEO, +46 8 700 17 00
Clara Bolinder-Lundberg, Investor Relations Manager, +46 8 700 17 63

Financial calendar:
Interim report January-June 2007
Interim report January-September 2007

21 August 2007
9 November 2007

Consolidated income statement

SEKm	2007 Q 1	2006 Q 1	2006 full year
Net sales	4,217	3,381	16,156
Other operating income	27	23	144
Change in inventories	34	32	-35
Raw materials and consumables	-1,698	-1,529	-6,735
Personnel costs	-1,379	-930	-4,749
Depreciation and impairment of tangible and intangible non-current assets	-131	-91	-666
Other costs	-839	-685	-3,063
Profit on sale of group companies	66	67	89
Profit on sale of associates	727	198	1,617
Share of profit of associates	123	100	733
Operating profit	1,147	566	3,491
Financial income	150	54	204
Financial expenses	-130	-71	-461
Net financial items	20	-17	-257
Profit before tax	1,167	549	3,234
Tax	-89	-105	-572
Profit for the period	1,078	444	2,662
Attributable to			
Equity holders of the parent	1,048	420	2,527
Minority interests	30	24	135
Earnings per share, SEK			
- before dilution	6.61	2.47	15.50
- after dilution	6.56	2.45	15.41
Number of shares outstanding, recalculated taking split and redemption into account			
- average before dilution	158,515,452	170,370,911	163,005,841
- average after dilution	159,864,214	171,317,468	164,014,723

Consolidated balance sheet
SEKm

31 Mar 2007 31 Mar 2006 31 Dec 2006

ASSETS

Non-current assets

Goodwill	9,866	7,742	9,199
Other intangible assets	1,235	1,035	1,207
Property, plant and equipment	2,375	1,661	2,124
Financial assets	3,006	4,147	2,929
Deferred tax assets	194	159	187
Total non-current assets	16,676	14,744	15,646

Current assets

Inventories	2,103	1,642	1,696
Current receivables	4,049	3,251	3,866
Cash and cash equivalents	5,681	4,011	5,009
Assets held for sale	44		445
Total current assets	11,877	8,904	11,016
Total assets	28,553	23,648	26,662

EQUITY AND LIABILITIES

Equity incl. minority interest	13,175	12,015	11,814
--------------------------------	--------	--------	--------

Non-current liabilities

- interest-bearing	7,399	5,274	6,878
- non-interest bearing	309	110	196
- pension provisions	596	412	577
- other provisions	250	56	264
- deferred tax liabilities	530	415	528
Total non-current liabilities	9,084	6,267	8,443

Current liabilities

- interest-bearing	1,262	1,202	1,254
- non-interest bearing	4,591	3,927	4,574
- provisions	385	237	392
- liabilities attributable to Assets held for sale	56		185
Total current liabilities	6,294	5,366	6,405
Total equity and liabilities	28,553	23,648	26,662

Statement of changes in consolidated equity

	2007-03-31			2006-03-31			2006-12-31		
	Equity holders of the parent	Minority interest	Total	Equity holders of the parent	Minority interest	Total	Equity holders of the parent	Minority interest	Total
Opening balance	10 875	939	11 814	10 942	504	11 446	10 942	504	11 446
Change in acquisition analysis				16	92	108	16	92	108
Adjusted equity	10 875	939	11 814	10 958	596	11 554	10 958	596	11 554
Change in translation reserve	163	29	192	-68	-1	-69	-343	-39	-382
Fair value reserve/hedging reserve after tax	10	1	11	3	2	5		4	4
Redemption of convertible programme, associates									
Equity share of convertible debenture									
Acquired minority interest		-5	-5					-44	-44
Minority interest in sold company					-2	-2		-2	-2
Minority interest at acquisition		9	9		60	60		219	219
Other, recognised directly in equity				1		1			
Net income recognised directly in equity	11 048	973	12 021	10 894	655	11 549	10 615	734	11 349
Profit for the period	1 048	30	1 078	420	24	444	2 527	135	2 662
Net income excluding transactions with equity holders	12 096	1 003	13 099	11 314	679	11 993	13 142	869	14 011
Dividend					-4	-4	-715	-6	-721
Redemption							-1 510		-1 510
Purchase/sales of treasury shares	68		68	26		26	-43		-43
Redistribution of capital contribution							-13	13	
New issue		8	8					63	63
Option premiums							14		14
Closing equity	12 164	1 011	13 175	11 340	675	12 015	10 875	939	11 814

Consolidated cash flow statement

SEKm	2007 Q 1	2006 Q 1	2006 full year
Operating activities			
Consolidated profit before tax	1,167	549	3,234
Adjustment for non-cash items	-813	-283	-1,531
	354	266	1,703
Income tax paid	-83	-56	-325
Cash flow from operating activities before change in working capital	271	210	1 378
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-321	-149	-84
Increase (-)/Decrease (+) in operating receivables	65	114	-265
Increase (+)/Decrease (-) in operating liabilities	-307	-293	-68
Cash flow from operating activities	-292	-118	961
Investing activities			
Acquisitions, group companies	-120	-449	-1 542
Sales, group companies	124	123	513
Acquisition of shares in associates and other holdings		-5	-10
Sale and redemption, shares in associated and other holdings	1,039	1,309	3,897
Acquisition, other intangible/tangible assets	-43	-86	-445
Change in financial assets	-454	-178	-248
Cash flow from investing activities	546	714	2,165
Financing activities			
Purchase of treasury shares			-71
Transfer of treasury shares	68	26	28
Option premiums			12
Minority interest in issue	8		
Dividend paid			-715
Redemption			-1,510
Dividends paid to minority interests		-4	-6
Increase (+)/Decrease (-) in interest-bearing liabilities	335	-282	506
Cash flow from financing activities	411	-260	-1,756
Cash flow for the period	665	336	1,370
Cash and cash equivalents at beginning of the period	5,009	3,677	3,677
Exchange differences in cash and cash equivalents	7	-2	-38
Cash and cash equivalents at the end of the period	5,681	4,011	5,009

Consolidated key figures

Return on equity, %			23
Equity ratio, %	46	51	44
Interest-bearing liability (-)/receivable (+), SEKm	-3,501	-2,758	-3,604

Key figures per share taking split and redemption into account

Total return, %	36	31	85
Dividend yield, %			3.4 ¹⁾
Market price, SEK	221	119	163
Dividend, SEK			5.50
Extra dividend, SEK			5.50
Equity attributable to equity holders of the parent, SEK	76	67	69

Total number of shares (registered 161,349,252 and 80,674,626 respectively)

Number of shares outstanding	159,419,455	79,449,540	158,276,730
- of which A shares	42,328,770	21,175,186	42,328,770
- of which B shares	117,090,685	58,274,354	115,947,960

¹⁾ Including extra dividend of SEK 5.50, dividend yield amounts to 6.8%

Parent company income statement

SEKm	2007 Q 1	2006 Q 1	2006 full year
Other operating income	1	1	5
Other external costs	-23	-14	-77
Personnel costs	-57	-16	-192
Depreciation of property, plant and equipment	0	0	-2
Other operating expenses	-1	-1	-3
Operating profit/loss	-80	-30	-269
Profit on sale of participations in group companies	157		2,850
Dividend from group companies	59		100
Impairment of participations in group companies			-99
Profit on sale of interests in associates	800		1,685
Dividend from associates	8	19	19
Result from other securities and receivables accounted for as non-current assets	120	45	160
Other interest income and similar profit/loss items	56	15	71
Interest expenses and similar profit/loss items	-2	-6	-51
Profit after financial items	1,118	43	4,466
Tax			
Profit for the period	1,118	43	4,466

Parent company balance sheet

SEKm	31 Mar 2007	31 Mar 2006	31 Dec 2006
ASSETS			
Non-current assets			
Property, plant and equipment	13	14	14
Financial assets	7,918	7,652	8,032
Total non-current assets	7,931	7,666	8,046
Current assets			
Current receivables	667	151	192
Cash and cash equivalents	4,711	3,313	4,007
Total current assets	5,378	3,464	4,199
Total assets	13,309	11,130	12,245
EQUITY AND LIABILITIES			
Equity	12,898	9,573	11,712
Provisions			
- provisions for pensions	3	3	3
Non-current liabilities			
- non-interest bearing	81	48	78
- interest-bearing	167	140	141
Current liabilities			
- non-interest bearing	160	78	192
- interest-bearing		1,288	119
Total equity and liabilities	13,309	11,130	12,245

Parent company statement of changes in equity

SEKm	31 Mar 2007	31 Mar 2006	31 Dec 2006
Opening equity	11,712	9,504	9,504
Profit for the period	1,118	43	4,466
Net income excluding transactions with equity holders	12,830	9,547	13,970
Dividend			-715
Redemption			-1,510
Purchase of treasury shares			-71
Call options exercised	68	26	28
Option premiums			10
Closing equity	12,898	9,573	11,712

Parent company cash flow statement

SEKm

2007 Q 1

2006 Q 1

2006 full year

Operating activities

Profit before tax 1,118 43 4,466

Adjustment for non-cash items -1,001 -27 -4,435

117 16 31

Income tax paid - - -

Cash flow from operating activities before change in working capital**117 16 31**

Cash flow from changes in working capital

Increase(-)/Decrease (+) in operating receivables -15 10 -23

Increase (+)/Decrease (-) in operating liabilities -29 -16 124

Cash flow from operating activities 73 10 132**Investing activities**

Acquisition of shares, subsidiaries -53 -361 -2,309

Sale of shares, subsidiaries 161 3,700

Acquisition, shares in associates and other holdings -5 -5

Sale and redemption, shares in associates and other holdings 1,037 94 2,674

Acquisition of other property, plant and equipment -1

Change, financial assets -488 -206 -513

Cash flow from investing activities 657 -478 3,546**Financing activities**

Purchase of treasury shares -71

Transfer of treasury shares 68 26 28

Option premiums 10

Dividends paid -715

Redemption -1,510

Increase (+)/Decrease (-) of interest-bearing liabilities -94 1,242 74

Cash flow from financing activities -26 1,268 -2,184**Cash flow for the period****704 800 1,494**

Cash and cash equivalents, opening balance 4,007 2,513 2,513

Cash and cash equivalents, closing balance 4,711 3,313 4,007

Ratos holdings 31 March 2007

SEKm	Net sales			EBIT A			EBT*			Depreciation	Investments**	Cash flow***	Equity****	Interest-bearing net debt*****	Average no. of employees	Consolidated value	Ratos holding
	2007Q1	2006Q1	2006FY	2007Q1	2006Q1	2006FY	2007Q1	2006Q1	2006FY								
Anticimex ¹⁾	350	318	1 373	34	27	140	16	16	84	8	15	-25	690	932	1 021	588	85%
Arcus Gruppen ²⁾	281	194	1 111	1	-13	95	-3	-20	77	9	4	-62	636	443	435	512	83%
Bienode	858	854	3 389	167	168	527	133	133	366	16	37	23	2 218	1 617	2 527	1 251	70%
Bluegarden	129	127	491	11	8	34	2	5	30	6	7	21	323	225	381	138	100%
Carnifi	953	858	3 763	79	65	279	72	59	246	23	40	-56	1 410	740	2 949	544	30%
DIAB	334	269	1 205	75	43	258	74	39	244	13	75	-5	462	170	892	735	50%
GS-Hydro	332	198	985	41	17	101	37	14	86	5	8	-7	246	294	404	247	100%
Hendig ²⁾	206	189	727	18	19	62	18	18	59	2	1	8	174	121	258	231	100%
Højlofs ²⁾⁽³⁾	106	115	412	3	12	29	2	11	22	1	3	-26	202	155	72	58	100%
HIL Display	391	342	1 448	37	22	107	38	20	92	10	8	33	388	72	949	251	29%
Höglunds Drives ³⁾	373	354	1 547	75	62	261	62	49	206	7	17	32	1 433	1 089	638	-455	100%
Inwido	943	638	3 285	59	47	390	28	17	272	28	101	-276	1 156	2 251	2 123	928	95%
Jørul	191	214	1 042	-2	5	89	-10	-2	52	11	10	-1	435	670	821	294	63%
Lindab	1 972	1 494	7 609	188	85	903	153	67	797	49	40	-188	2 398	2 812	4 438	539	22,5%
Medifig Healthcare ¹⁾	88	121	491	-10	11	21	-13	8	10	9	2	21	344	225	493	270	78%
RH/RBM ¹⁾	187	172	617	24	27	50	20	23	29	5	6	-2	214	291	282	191	85%
Superfos ²⁾	786	758	3 026	40	17	115	19	-6	32	54	47	5	1 035	1 243	1 525	357	33%
Other companies ²⁾⁽⁴⁾	291	287	1 345	5	7	36	4	5	31	7	7	8	258	49	882	131	-
Total	8 771	7 502	33 866	845	629	3 497	652	456	2 735								
Change	17%			34%			43%										

* 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. Interestbearing net debt excludes any shareholder loan.

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

²⁾ Comparative figures are calculated pro forma taking Group restructuring in 2006 into account.

³⁾ Comparative figures are calculated pro forma taking the new capital structure into account.

⁴⁾ "Other companies" include the subsidiary BTJ Group and the associate Atle Industri.