

Year-end report 2011

Q4

- Profit before tax SEK 860m (2,868)
- Earnings per share before dilution SEK 1.63 (7.09)
- Proposed dividend SEK 5.50 per share (5.25)
- Weak development in the holdings in 2011, better in the fourth quarter
- Refinancing of holdings Stofa, SB Seating and Contex Group
- Total return on Ratos shares -32%

Ratos in summary

SEKm	2011 Q 4	2010 Q 4	2011	2010
Profit/share of profits	172	251	546	1,419
Total profit/share of profits	172	251	546	1,419
Exit gains		537	525	1,320
Remeasurement/impairment	-312		-312	140
Profit/loss from holdings	-140	788	759	2,879
Central income and expenses	65	33	101	-11
Profit/loss before tax	-75	821	860	2,868

Important events

In the fourth quarter

- In December, a refinancing was carried out in Stofa totalling DKK 425m (approximately SEK 515m), whereby Ratos receives a dividend of SEK 510m. Approximately SEK 420m was paid in January 2012 and approximately SEK 90m will be paid in March
- Bisnode signed an agreement in December to sell the company “Wer liefert Was?” (WLW) to the German private equity company Paragon Partners. The sale is part of Bisnode’s strategy to focus on growth and development of its core business. The selling price amounts to EUR 79m (approximately SEK 710m) and is expected to generate a capital gain in Bisnode of approximately EUR 20m. Average annual return (IRR) on Bisnode’s investment in WLW amounts to approximately 29%. In conjunction with completion of this deal, Bisnode will issue a dividend of approximately SEK 215m to its owners, of which Ratos’s share will amount to approximately SEK 150m
- In December, SB Seating carried out a NOK 250m refinancing and in conjunction with this decided to pay a total of NOK 273m (approximately SEK 315m) to the company’s owners of which Ratos’s share is SEK 303m (SEK 253m was paid in December and SEK 50m will be paid in March 2012)

cont.

RATOS

- Contex Group has sold its subsidiaries Z Corporation and Vidar Systems to the American company 3D Systems Corporation (NYSE:DDD). The selling price (enterprise value) amounted to USD 137m (approximately SEK 920m). Upon completion of this deal in January, SEK 355m was distributed to the company's owners
- At the end of October, Stofa acquired part of Canal Digital's Danish cable TV business from Telenor. The purchase price (enterprise value) amounted to DKK 51m (SEK 62m). The acquisition is financed with available liquid assets in Stofa
- In December, Euromaint completed the sale of its subsidiary Euromaint Industry to Coor Service Management for approximately SEK 100m (enterprise value)

In the first to third quarter

- The sale of Medisize to Phillips Plastics was completed in August. The selling price for 100% of the shares amounted to EUR 99.8m (SEK 920m). Ratos's exit gain amounted to SEK 38m and the average annual return (IRR) was 4%
- Biolin Scientific's acquisition of the Danish company Sophion Bioscience was completed in August. The purchase price (enterprise value) for 100% of the company amounted to DKK 145m (SEK 179m) with an additional DKK 10m to be paid out if sales milestones for 2011/12 are met. Ratos provided SEK 65m in conjunction with the acquisition
- In July, Inwido paid a dividend totalling SEK 301m of which Ratos received SEK 290m
- Acquisition of Finnkino was completed in April. The purchase price (enterprise value) amounted to EUR 96.4m (SEK 861m), of which Ratos provided equity of EUR 45m (SEK 402m). Ratos's holding amounts to 98%. The seller was the media group Sanoma
- In April, Mobile Climate Control (MCC) completed its acquisition of Carrier's bus AC operations in North America for a purchase price (enterprise value) of USD 32.1m (SEK 200m). Ratos provided capital of SEK 114m in conjunction with the acquisition

- In March, a refinancing was carried out in Anticimex totalling SEK 476m and in conjunction with this Ratos received a cash payment of SEK 405m
- In March, Arcus-Gruppen paid a dividend of NOK 140m, of which Ratos's share amounted to NOK 117m (SEK 132m)
- The sale of Superfos to RPC Group Plc was completed in February. The sale generated an exit result for Ratos of SEK -99m and an average annual return (IRR) of approximately 2%
- The acquisition of and public offer for Biolin Scientific were completed in February. Ratos's holding amounts to 100% and the purchase price amounted to SEK 306m, of which SEK 269m was paid in 2010. In September, Ratos was given advance access to the shares not submitted in the offer
- The sale of Ratos's holding in Camfil to the company's principal owners was completed in January. The sale provided Ratos with an exit gain of SEK 586m and an average annual return (IRR) of 13%
- During the period, add-ons and divestments were carried out in holdings including Arcus-Gruppen, Bisnode and Inwido

Events after the end of the period

- The Board has decided to appoint Susanna Campbell, currently Investment Director at Ratos, as the new CEO with effect after the Annual General Meeting on 18 April 2012 has been held. At the same time, the Nomination Committee proposes that the present CEO Arne Karlsson is appointed Chairman of the Board at the Annual General Meeting. Ratos's Chairman Olof Stenhammar has after 18 years on the Board, including 14 as Chairman, declined re-election
- Leif Johansson, Deputy CEO and COO, will exercise his right to retire in summer 2013

More information about important events in the holdings is provided on pages 9-15.

CEO comments

The fragmented state of the world was reflected in 2011 in the development for our holdings. Furthermore, our 19 companies had a slightly different development during the year than traditional Swedish export industry. This also applied in the fourth quarter which in many respects was the best in 2011. Several companies have also started 2012 with increased order bookings and stable conditions. For the overall portfolio of companies, however, the result for 2011 was a disappointment.

The macroeconomic conditions ahead of 2012 remain extremely tough and full of risks, in particular since the euro crisis is far from a permanent solution. In recent years a “struggle” has taken shape between an extremely easy monetary policy and a strict fiscal policy. Which of these forces gains the upper hand and/or in which area policy is changed first, will determine economic development in 2012. Our macroeconomic forecast for 2012 is therefore summarised with the acronym TOW – Tug-of-War. Given our expectation for continued global modest growth (sub-par growth), our best assessment is that the prospects for improved earnings in our portfolio companies are good.



Arne Karlsson

Further CEO comments at www.ratos.se

Business environment and market

Ahead of 2011 Ratos's macroeconomic scenario was MOBBM, i.e. Make Or Break Becomes Make. The background to this acronym was that 2011 was expected to be a year in which many major, global macroeconomic questions must find a solution, if the structural threats to growth were not to be further strengthened. So the world faced a Make or Break year – and our working hypothesis was that the answer would Become Make, i.e. that the various obstacles to recovery and somewhat more stable growth could be overcome.

On initial examination the global economy did develop entirely in line with this working hypothesis. The major problem areas solved themselves in a satisfactory manner (American growth, Chinese cool-down, the impact of high energy and commodity prices on consumption), or proved non-existent (threat of inflation) or for the time being poorly handled (the euro crisis).

A somewhat deeper analysis, however, shows that this respite may very well prove temporary. The euro crisis is still far from a more permanent solution, the American political system is totally out of order and geopolitical and political risks – the fact for example that 2012 is an election year in countries that account for more than 50% of global GDP – mean that the risks are still many and major.

For this reason it is essential to constantly monitor global economic development and be prepared to make rapid adjustments to our view of the business environment if required. The companies in our portfolio must also continue to be prepared with internal crash plans, in the event economic growth ceases or is reversed.

For Ratos the 19 holdings, with their broad exposure to different sectors and geographies, reflected the fragmented state of the world, with months, geographic areas and sectors fluctuating between strong and weak demand. Taken overall, however, the earnings

development in 2011 was a disappointment, largely due to three holdings with structural problems (DIAB, Hafa Bathroom Group and Jøtul) which accounted for approximately 75% of the decline compared with 2010.

2011	Sales	EBITA	EBT
Good development (9 companies)	+2%	+15%	+7%
Business cycle effect (7 companies)	±0%	-17%	-22%
Structural problems (3 companies)	-11%	n.a.	n.a.
	±0%	-18%	-31%
2011 Q 4	Sales	EBITA	EBT
Good development (9 companies)	+3%	+11%	+9%
Business cycle effect (7 companies)	+6%	+7%	+768%
Structural problems (3 companies)	-10%	n.a.	n.a.
	+4%	-15%	-24%

It can be noted that taken overall Ratos's holdings developed during the year somewhat differently from large sections of Swedish export industry. This also applied in the fourth quarter, which in many respects was the best in 2011. Several companies noted increased order bookings and activity towards the end of the year and therefore started 2012 with stable conditions.

At an aggregate level, combined sales for the underlying portfolio of companies was unchanged during the year. Taking Ratos's ownership stakes into account, sales decreased by 1%. Corresponding figures for operating profit (EBITA) were -18% and -17% respectively and for profit before tax -31% and -34% respectively.

For Ratos 2011 was a year with a high level of activity on the transaction and refinancing side, with a total of 18 major transactions. Two new acquisitions were made (Finnkino and the completion of the buyout of Biolin Scientific) at the same time as six holdings made add-on acquisitions (such as Arcus/Excellars, Biolin/Sophion and MCC/Carrier). Exits or partial exits were agreed in four cases (including Medisize and the sale of Z Corporation and Vidar from Contex), while six companies carried out refinancing which resulted in

capital accruing to Ratos. In addition a number of minor transactions were carried out during 2011.

Conditions during the year became gradually tougher in both the transaction and financing markets, but as Ratos's final result shows both markets are still very much alive.

For 2012 our acronym which summarises the macroeconomic forecast is TOW – Tug-Of-War. In recent years a “struggle” has taken shape between two conflicting forces in economic policy: on the one hand an extremely easy monetary policy, on the other a strict fiscal policy. And global economic development will depend on which of these forces gains the upper hand and/or in which area policy is changed first.

In our opinion this means that the forecast for multi-year economic development we have had since the Lehman crash in 2008 – sub-par growth, growth in the economy but below the long-term potential trend – will also apply in 2012. If we look at some key countries and regions this can be divided into a mild recession in Europe, weak growth in the US and a soft landing in China.

The macroeconomic conditions ahead of 2012 remain extremely tough and full of risks. If our main hypothesis that the world as a whole will continue to grow, although at a modest rate (sub-par growth), holds true, our best assessment is still that the prospects for improved earnings in our portfolio companies are good.

Performance Ratos's holdings

	2011	
	100%	Ratos's share
Sales	0%	-1%
EBITA	-18%	-17%
EBT	-31%	-34%
	2011 Q 4	
	100%	Ratos's share
Sales	+4%	+2%
EBITA	-15%	-8%
EBT	+24%	+7%

To facilitate analysis, an extensive table is provided on page 15 with key figures for Ratos's holdings. A summary of income statements, statements of financial position, etc., for Ratos's associates and subsidiaries is available in downloadable Excel files at www.ratos.se.

Ratos's results

Profit before tax for 2011 amounted to SEK 860m (2,868). The lower result is mainly due to a weaker earnings development in the holdings, lower exit gains and impairment of the value of the holding in Contex Group of SEK 312m. The result includes profit/share of profits from the holdings of SEK 546m (1,419) and exit gains of SEK 525m (1,320).

Central income and expenses

Ratos's central income and expenses amounted to SEK 101m (-11), of which personnel costs in

Ratos AB amounted to SEK 109m (167). The variable portion of personnel costs amounted to SEK 14m (68). Other management costs were SEK 82m (46). Net financial items amounted to SEK +292m (+202).

Tax

Ratos's consolidated tax expense comprises subsidiaries' and Ratos's share of tax in associates. The tax rate in consolidated profit or loss is affected, among other things, by the parent company's investment company status and by capital gains not liable to tax.

SEKm	2011	2010
Profit/share of profits before tax ¹⁾		
AH Industries (69%)	-6	-24
Anticimex (85%)	84	127
Arcus-Gruppen (83%)	82	135
Biolin Scientific (100%) ²⁾	-10	
Bisnode (70%)	106	274
Camfil (30%) ³⁾		99
Contex Group (99%)	-14	43
DIAB (95%)	-51	149
Euromaint (100%)	-144	-165
Finnkino (98%) ⁴⁾	1	
GS-Hydro (100%)	-13	-27
Hafa Bathroom Group (100%)	-18	37
Haglöfs (100%) ⁵⁾		5
HL Display (99%) ⁶⁾	24	13
Inwido (96%)	315	328
Jøtul (61%)	-113	25
KVD Kvarndammen (100%) ²⁾	42	
Lindab (11%)	21	38
Medisize (98%) ⁷⁾	42	95
Mobile Climate Control (100%)	7	71
SB Seating (85%)	95	87
Stofa (99%) ⁸⁾	96	44
Superfos (33%) ⁹⁾		65
Total profit/share of profits	546	1,419
Exit Camfil	586	
Exit Superfos	-99	
Exit Medisize	38	
Exit Haglöfs		783
Exit Lindab		537
Total exit result	525	1,320
Remeasurement HL Display		140
Impairment Contex Group	-312	
Profit from holdings	759	2,879
Central income and expenses		
Management costs	-191	-213
Financial items	292	202
Consolidated profit before tax	860	2,868

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

²⁾ Biolin Scientific and KVD Kvarndammen were acquired at the end of December 2010 and are not included in consolidated profit for 2010.

³⁾ Camfil was sold at the beginning of January 2011 and is not included in consolidated profit for 2011. Until the sale, Camfil was recognised among Assets held for sale.

⁴⁾ Finnkino is included in the Group from May 2011.

⁵⁾ Haglöfs is included in consolidated profit through July 2010. The entire holding was sold in August 2010.

⁶⁾ HL Display is included with 29% through May 2010, in June and July with 61% and subsequently with 99%.

⁷⁾ Medisize is included in consolidated profit through July 2011. The entire holding was sold in August 2011.

⁸⁾ Stofa is included in the Group from August 2010.

⁹⁾ Superfos was recognised among Assets held for sale until it was sold in February and is thus not included in consolidated profit for 2011.

Financial position

Cash flow from operating activities and investing activities was SEK 2,071m (588) and consolidated cash and cash equivalents at the end of the period amounted to SEK 3,042m (2,855), of which short-term interest-bearing investments accounted for SEK 1m (351). Interest-bearing liabilities including pension provisions amounted to SEK 14,222m (14,207).

Parent company

The parent company's profit before tax amounted to SEK 704m (1,608). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 897m (420). Taking into account financial transactions agreed but not yet carried out, at 16 February Ratos has a net liquidity of approximately SEK 2 billion. In addition, there is an existing credit facility of SEK 3.2 billion and authorisation from the 2011 Annual General Meeting to issue 35 million Ratos B shares in conjunction with agreements on acquisitions.

Risks and uncertainties

A description of the Group's and parent company's material risks and uncertainties is provided in the Directors' report and in Note 31 and 38 in the 2010 Annual Report. An assessment for the coming months is provided in the *Business environment and market* section on page 3.

Related-party transactions

The parent company received dividends from subsidiaries and associates of SEK 843m (105). SB Seating has repaid SEK 253m of a shareholder loan. In April, Ratos provided capital to Mobile Climate Control amounting to SEK 114m for the acquisition of Carrier, and in August Ratos provided capital of SEK 65m to Biolin Scientific for the acquisition of Sophion Bioscience. A SEK 55m capital contribution has been provided to GS-Hydro.

Ratos shares

Earnings per share before dilution amounted to SEK 1.63 (7.09). The total return on Ratos shares in 2011 amounted to -32%, compared with the performance for the SIX Return Index which was -14%.

Treasury shares and number of shares

638,845 shares were repurchased during 2011. The number of call options exercised corresponded to 1,161,000 shares. At the end of December, Ratos owned 5,144,127 B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 69.

A division of shares (share split) was implemented in May and each existing share was divided into two shares of the same share class. The record date at Euroclear Sweden was 6 May 2011 and the final trading day before the split was 3 May.

At 31 December the total number of shares in Ratos (A and B shares) amounted to 324,140,896 and the number of votes was 108,587,444. The number of outstanding shares was 318,996,769. The average number of B treasury shares in Ratos in 2011 was 5,104,197 (5,759,730 in 2010).

The Board has decided to propose that the 2012 Annual General Meeting gives the Board a renewed mandate to buy back shares in the company, during the period up to the next Annual General Meeting. Share buy-backs are to be effected on Nasdaq OMX Stockholm and are limited so that the company's holding of treasury shares at any time may not exceed 4% of all the shares in the company. The purpose of share buy-backs is to give the Board greater freedom of action in its efforts to create value for Ratos's shareholders. This includes hedging of call options issued within the framework of Ratos's incentive programme.

Ratos's equity ¹⁾

At 31 December 2011 Ratos's equity (attributable to owners of the parent) amounted to SEK 13,658m (SEK 14,139m at 30 September 2011), correspond-

ing to SEK 43 per outstanding share (SEK 44 at 30 September 2011, adjusted for the share split).

SEKm	31 Dec 2011	% of equity
AH Industries	612	4
Anticimex	571	4
Arcus-Gruppen	505	4
Biolin Scientific	345	3
Bisnode	1,341	10
Contex Group	673	5
DIAB	1,001	7
Euromaint	715	5
Finnkino	398	3
GS-Hydro	-44	0
Hafa Bathroom Group	151	1
HL Display	1,008	7
Inwido	1,983	15
Jøtul	289	2
KVD Kvarndammen	392	3
Lindab	303	2
Mobile Climate Control	781	6
SB Seating	959	7
Stofa	703	5
Total	12,686	93
Other net assets in central companies	972	7
Equity (attributable to owners of the parent)	13,658	100
Equity per share, SEK	43	

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

Credit facilities

The parent company has a five-year rolling credit facility of SEK 3.2 billion including a bank overdraft facility. The purpose of the facility is to be able to use it when bridge 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 parent company should normally be unleveraged. The credit facility was unutilised at the end of the period.

Conversion of shares

The 2003 Annual General Meeting resolved that a conversion clause allowing conversion of A shares to B shares should be added to the articles of association. This means that owners of A shares have an ongoing right to convert them to B shares. During 2011, 5,000 A shares were converted to B shares.

Other

Proposal for ordinary dividend

The Board of Directors proposes an ordinary dividend for 2011 of SEK 5.50 per share (5.25). The record date for dividends is proposed as 23 April and dividends are expected to be paid from Euroclear Sweden on 26 April 2012.

Incentive programmes

The Board proposes that the Annual General Meeting decides on the issue of a maximum of 1,150,000 call options on Ratos class B treasury shares. It is proposed that the call options be offered to a maximum of approximately 30 key people working in the company. The call option programme comprises between 10,000 and 300,000 options per person. The exercise price will be set at 125% of the average for each trading day during the period 17-21 September 2012 of the highest and lowest prices for

Ratos B shares on Nasdaq OMX Stockholm according to the official price list. The options will remain valid until and including 20 March 2017. The price of the options shall be determined as their assessed market value taking the share price during the measurement period into account. Purchasers of options will receive an extra remuneration, allocated over five years, corresponding to a maximum of 50% of the option premium, provided the person concerned is still working at Ratos and still holds options acquired from Ratos or shares acquired through options.

In addition, as in the previous year the Board intends to propose to the Annual General Meeting an option programme related to the company's investments in portfolio companies. It is proposed that the programme be carried out through the issue of synthetic options.

The Board further proposes that the Meeting decides on a transfer of a maximum of 16,000 class B Ratos shares to administrative employees. Transfer may take place until the next Annual General Meeting to a maximum total of approximately 20 employees.

Additional information on the incentive programmes will be provided in the notice of the Annual General Meeting which will be published on 8 March 2012 and published on www.ratos.se.

Proposal on authorisation for new issues to be used at acquisitions

The Board proposes that the 2012 Annual General Meeting resolves, during the period until the next Annual General Meeting, to authorise the Board in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the pre-emptive rights of shareholders, for a cash payment, through set-off or non-cash, to make a decision on a new issue of class B shares in the company. This authorisation shall comprise a maximum of 35 million class B shares, which corresponds to 9.7% of the shares and 3.1% of the votes (after full utilisation of the mandate). The issue price will be determined in accordance with current market conditions.

Summary of background and reasons for the proposal

Ratos has had a mandate to use newly issued shares for financing acquisitions since the 2009 Annual General Meeting. The Board is of the opinion that a continued new issue mandate is of decisive importance for implementation of Ratos's strategy. A new issue mandate is an effective instrument for Ratos's liquidity planning since it is difficult to co-ordinate acquisitions and exits in time. Through a new issue mandate Ratos can ensure that operating decisions are made on business grounds

and not on the basis of a temporary liquidity aspect. It is therefore the opinion of the Board that a new issue mandate is of strategic importance to ensure that Ratos can continuously take advantage of acquisition opportunities as they arise. The Board is of the opinion that a mandate to issue shares to be used at acquisitions will enable Ratos to:

- improve liquidity planning
- continuously participate in acquisition opportunities as they arise
- make acquisitions where the seller prefers Ratos shares to cash payment
- structure acquisitions in an optimal manner
- carry out larger and more deals

The reasons for an open mandate are (i) that it is not possible to determine when and to what extent it may be of interest to make acquisitions with shares as a means of payment and (ii) the long time axis for carrying out an issue would make it impossible to use Ratos shares without an open mandate. The mandate will only apply to possible acquisitions and if no acquisitions are completed where all or part of payment is made in the form of Ratos shares, no new issue will be made and the mandate will thus not be utilised.

Nomination Committee's proposal regarding Board of Directors

Ahead of the 2012 Annual General Meeting, Ratos's Nomination Committee proposes that the present CEO Arne Karlsson be elected as the new Chairman. Olof Stenhammar has declined re-election. The Nomination Committee further proposes re-election of Board members Lars Berg, Staffan Bohman, Annette Sadolin, Jan Söderberg, Per-Olof Söderberg and Margareth Øvrum.

Annual General Meeting

Ratos's Annual General Meeting will be held on 18 April 2012 at 17.00 CET in Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm. Shareholders who wish to participate in the meeting must be entered in the share register kept by Euroclear Sweden no later than 12 April 2012, and notify their intention to attend no later than 16.00 CET on 12 April 2012. The Annual Report and other company documentation with basis for decision will be available at www.ratos.se from 9 March 2012. The notice of the Annual General Meeting will be published on 8 March 2012. Notification of attendance may be made via www.ratos.se, by writing to Ratos, Box 1661, SE-111 96 Stockholm or by telephoning +46 8 700 17 00.

Holdings

More information about the holdings and a summary of income statements and statements of financial position for Ratos's holdings is available in downloadable Excel files at www.ratos.se.

AH Industries

- Sales SEK 925m (978) and EBITA SEK 24m (55)
- Due to a continued weak earnings development, action programmes have been implemented including employee cutbacks and the closure of the Danish operations within Tower & Foundations
- Earnings were positively affected by compensation awarded in an arbitration with a former supplier
- Strong development within Site Solutions driven by offshore wind power and new customers
- Strong order bookings in the fourth quarter and a new breakthrough agreement signed with Vestas for 2012
- Continued uncertain market situation for the wind power industry in the short term

Ratos's holding in AH Industries amounted to 69% and the consolidated book value in Ratos was SEK 612m at 31 December 2011.

AH Industries is a world-leading supplier of metal components, modules, systems and services to the wind power and cement and minerals industries. The company is specialised in the manufacture and machining of heavy metal components with high precision requirements. Most of production is carried out in Jutland (Denmark) but the company also has operations in China.

Anticimex

- Sales SEK 1,927m (1,856) and EBITA SEK 192m (198)
- EBITA before items affecting comparability amounted to SEK 202m (198), corresponding to an operating margin of 10.5% (10.7) and sales increased during the period by 5% adjusted for currency effects
- Lower sales of property-related services, due to a reduced number of property transactions, had a negative effect on sales and margins in Sweden
- A number of new major contracts will have a positive impact on the company in 2012 and beyond
- Continued favourable development particularly in Norway, Finland and Germany
- SEK 476m refinancing carried out in March, whereby Ratos received a cash payment of SEK 405m

Ratos's holding in Anticimex amounted to 85% and the consolidated book value in Ratos was SEK 571m at 31 December 2011.

Anticimex is a European service company that provides safe and healthy indoor environments through inspections, guarantees and insurance. Services include pest assurance, hygiene assurance, dehumidification, fire protection as well as property transfer and energy surveys. The Group has operations in Sweden, Finland, Denmark, Norway, Germany and the Netherlands.

Arcus-Gruppen

- Sales SEK 2,072m (1,944) and EBITA SEK 146m (156)
- Good sales growth (+10% in local currency) mainly driven by wine in Sweden and Norway. Stable spirits sales
- Strong operating profit development. EBITA negatively affected by a net amount of SEK 50m mainly related to employee cutbacks prior to the move to a new factory and pension provisions. An additional SEK 120-140m in increased costs related to the move will be charged against earnings for 2012
- Acquisition of 51% of the Norwegian wine wholesaler Excellars and additional shares in Vingruppen during the year
- A NOK 140m distribution to owners in March, of which Ratos received NOK 117m (SEK 132m)

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 505m at 31 December 2011.

Arcus-Gruppen is Norway's leading spirits producer and one of the largest wine suppliers in the Nordic region through Vingruppen, Vinordia and Arcus Wine Brands. The group's best-known brands include Braastad Cognac, Linie Aquavit, Løiten and Vikingfjord Vodka.

Biolin Scientific

- Sales SEK 232m (227) and EBITA SEK 15m (17) (pro forma taking into account acquisition of Sophion Bioscience and closure of the Farfield product area)
- Adjusted for currency effects sales rose 9%. Currency effects had negative effect on EBITA of approximately SEK 7m
- Good growth within Analytical Instruments and Discovery Instruments (Sophion). Stable development within Diagnostic Instruments (Osstell), new contracts expected to make positive contribution in 2012
- Farfield product area phased out due to weak sales and low potential in the product

Ratos's holding in Biolin Scientific amounted to 100% and the consolidated book value in Ratos was SEK 345m at 31 December 2011.

Biolin Scientific develops, manufactures and markets analytical instruments for research, development, quality control and clinical diagnostics. The company's largest market niche is nanotechnology, primarily materials science, cell analysis and biophysics. Customers are found worldwide and mainly comprise researchers in universities, research institutes and the industrial sector.

Bisnode

- Sales SEK 4,310m (4,451) and EBITA SEK 447m (536)
- Continued weak organic sales development (-2% adjusted for currency effects)
- Credit Solutions show continued good growth and earnings development. Very weak development for companies within Marketing Solutions and as expected lower sales of SPAR-related products
- EBITA before items affecting comparability amounted to SEK 526m (594), corresponding to an operating margin of 12% (13)
- Six companies were acquired and two companies were sold during the year. Agreement to sell WLW signed in December and expected to be completed during the first quarter of 2012
- Lars Pettersson took over as CEO on 1 February 2012

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1 341m at 31 December 2011.

Bisnode is a leading European provider of digital business information with services within market, credit and business information. Using Bisnode's services companies can increase their sales, reduce their risks and improve their day-to-day business decisions. Operations are conducted in 17 countries in Europe.

Contex Group

- Sales SEK 662m (750) and EBITA SEK 44m (97)
- Sale of subsidiaries Z Corporation and Vidar Systems completed in January 2012
- Sales for continuing operations, Contex A/S, amounted to SEK 316m and EBITA was SEK 24m
- Refinancing carried out in January 2012 where Ratos received a dividend of SEK 355m. Net debt then amounted to USD 16m (SEK 110m)

Ratos's holding in Contex Group amounted to 99% and the consolidated book value in Ratos was SEK 673m at 31 December 2011.

The Danish company Contex Group is the world-leading manufacturer of advanced wide-format scanners. Contex sells under its own brand, and as an OEM supplier to companies including HP and Océ.

DIAB

- Sales SEK 1,219m (1,396) and EBITA SEK -5m (188)
- Substantial downturn in the wind segment in China due to official directives on a temporary reduction in the rate of new wind power installations. China's long-term plans for wind power expansion remain positive, however
- Action programme implemented. Non-recurring costs mainly related to action programme charged against earnings with approximately SEK 40m
- Good sales development within the Transport, Industry and Aerospace segments
- Weak profitability due to low sales volumes, low capacity utilisation and restructuring costs in conjunction with initiated action programme

Ratos's holding in DIAB amounted to 95% and the consolidated book value in Ratos was SEK 1,001m at 31 December 2011.

DIAB is a world-leading company that manufactures and develops core materials for composite structures including blades for wind turbines, hulls and decks for leisure boats, and components for aircraft, trains, industrial applications and buildings. The material has a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

Euromaint

- Sales SEK 2,860m (2,814) and EBITA SEK 102m (-15) (pro forma taking discontinued and sold operations into account)
- Improved earnings development due to initiated action programmes, which reduced costs and raised productivity
- The Refurbishment business area has been closed down and is reported as a discontinued operation
- Euromaint Industry sold to Coor Service Management for approximately SEK 100m (enterprise value)

Ratos's holding in Euromaint amounted to 100% and the consolidated book value in Ratos was SEK 715m at 31 December 2011.

Euromaint is one of Europe's leading independent maintenance companies for the rail transport industry. The company's services and products guarantee the reliability and service life of track-mounted vehicles such as freight carriages, passenger trains, locomotives and work machines. Euromaint has operations in Sweden, Belgium, Latvia, the Netherlands and Germany.

Finnkino

- Sales SEK 799m (846) and EBITA SEK 77m (87)
- Good development since Ratos's acquisition (May 2011), EBITA (adjusted for non-recurring items) during the ownership period improved by EUR 1.8m compared with the same period last year
- Strong earnings development in the fourth quarter, particularly in the Baltic countries. Sales were stable
- Revenue from peripheral sales per admission rose 6%

Ratos's holding in Finnkino amounted to 98% and the consolidated book value in Ratos was SEK 398m at 31 December 2011.

Finnkino is the largest movie theatre chain in Finland and the Baltic countries with 25 movie theatres and 160 screens with a total of approximately 30,000 seats. The company also conducts film distribution and some distribution of DVDs. The movie theatre operations are conducted under the name Finnkino in Finland and Forum Cinemas in the Baltic countries.

GS-Hydro

- Sales SEK 1,074m (1,244) and EBITA SEK 31m (27)
- Weaker sales due to market downturn for the company's customers and a late-cyclical position. The underlying trend has improved, however, and order bookings were good during the second half
- Cost-cutting measures implemented to adapt operations to the lower volume
- Ratos provided SEK 55m in the third quarter to strengthen the company's capital structure

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK -44m at 31 December 2011 (negative value due to refinancing in 2008).

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 and automotive and aerospace industries. The head office is located in Finland.

Hafa Bathroom Group

- Sales SEK 324m (407) and EBITA SEK -5m (46)
- Lower sales due to a terminated customer contract as well as sharp falls in the consumer market. Adjusted for the terminated contract, sales decreased by 2%
- Significant new contracts concluded and under implementation
- Weak earnings development due to lower volumes, costs related to aggressive marketing, construction of new product displays and costs for cost-cutting measures
- Operations in Denmark have been phased out and are reported as discontinued operations

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 151m at 31 December 2011.

Hafa Bathroom Group with the Hafa and Westerbergs brands is one of the Nordic region's leading bathroom interiors companies.

HL Display

- Sales SEK 1,643m (1,617) and EBITA SEK 64m (66)
- Sales increased by 8% adjusted for currency effects. Growth in all regions, but strongest in Asia, Southern Europe and Northern Europe
- Currency effects had a negative impact on EBITA of approximately SEK 31m
- Manufacture in Karlskoga, Sweden, was relocated to Poland during the third quarter and a decision was made to close and relocate the factory in Falun, Sweden. Restructuring costs of approximately SEK 40m were charged against profit for the year

Ratos's holding in HL Display amounted to 99% and the consolidated book value in Ratos was SEK 1,008m at 31 December 2011.

HL Display is a global, market-leading supplier of products and systems for merchandising and in-store communication with operations in 47 countries. Manufacture takes place in China, Poland, the UK and Sweden.

Inwido

- Sales SEK 5,050m (5,149) and EBITA SEK 407m (446)
- Good growth in the industry segment while consumer demand was cautious. Increased market shares in the Nordic region during the year
- Streamlining of production structure is underway and factories in Denmark, Sweden and Russia have been closed down
- EBITA was negatively affected by costs affecting comparability related to the streamlining of SEK 69m (80), of which SEK 3m (60) in the fourth quarter
- Danish window manufacturer Pro Tec acquired in 2011
- Inwido paid a dividend of SEK 301m in July, of which Ratos's share amounted to SEK 290m

Ratos's holding in Inwido amounted to 96% and the consolidated book value in Ratos was SEK 1,983m at 31 December 2011.

Inwido develops, manufactures and sells a full range of windows and doors to consumers, construction companies and prefabricated home manufacturers. Operations are conducted in all the Nordic countries as well as in the UK, Ireland, Poland and Russia. The company's brands include Elitfönster, SnickarPer, Tiivi, KPK, Lyssand and Allan Brothers.

Jøtul

- Sales SEK 996m (1,044) and EBITA SEK -33m (97)
- Very weak development during the fourth quarter due to the warm start to the winter
- Earnings charged with SEK 27m for the full year related to inventories impairment, guarantee provisions and employee cutbacks
- Arve Johan Andresen new CEO from 1 November 2011. At the end of the year and the beginning of 2012 the company's management was reorganised and employee cutbacks implemented

Ratos's holding in Jøtul amounted to 61% and the consolidated book value in Ratos was SEK 289m at 31 December 2011.

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

KVD Kvarndammen

- Sales SEK 276m (239) and EBITA SEK 52m (32)
- Strong performance, sales +16%, operating EBITA +18% (costs affecting comparability in conjunction with acquisition charged against EBITA with SEK 12m for 2010)
- Increased market share in Cars business area
- Higher average selling prices contributed to increased revenue per item
- New mobile site launched (m.kvd.se)

Ratos's holding in KVD Kvarndammen amounted to 100% and the consolidated book value in Ratos was SEK 392m at 31 December 2011.

KVD Kvarndammen is Sweden's largest independent online marketplace offering broker services for capital goods. The company, which was founded in 1991, runs kvd.se where cars, heavy vehicles and machines are offered for sale at weekly online auctions. The number of unique visitors totals approximately 200,000 per week. The company includes Sweden's largest valuation portal for cars, bilpriser.se.

Lindab

- Sales SEK 6,878m (6,527) and EBITA SEK 348m (401)
- Sales increased by 9% adjusted for currency effects, acquisitions and divestments
- Operating EBITA amounted to SEK 407m (354)
- Good growth and earnings development in the fourth quarter

Ratos's holding in Lindab amounted to 11% and the consolidated book value in Ratos was SEK 303m at 31 December 2011.

Lindab is a leading European company within development, production, marketing and distribution of systems and products in sheet metal and steel for the construction industry. The group is established in 31 countries. Approximately 50% of sales go to countries outside the Nordic region. Lindab is listed on Nasdaq OMX Stockholm, Mid Cap List.

Mobile Climate Control (MCC)

- Sales SEK 1,048m (902) and EBITA SEK 45m (112)
- Acquisition of Carrier's North American operations within bus AC completed in April
- Increased sales as a result of the acquisition. Demand from the military and bus segment negatively affected by budget savings in North America while other operations developed well
- Consolidation of European production to Poland and closure of the factory in Norrtälje, Sweden, initiated
- Less favourable earnings development due to negative currency effects, higher raw material prices, a changed customer mix and non-recurring costs (SEK 58m) mainly related to factory closures and acquisition and integration costs

Ratos's holding in Mobile Climate Control amounted to 100% and the consolidated book value in Ratos was SEK 781m at 31 December 2011.

Mobile Climate Control (MCC) offers complete climate comfort systems for three main customer segments: buses, off road and military vehicles. Approximately 80% of the company's sales take place in North America and 20% in Europe. Major production plants are located in Toronto (Canada), Goshen (USA) and Olawa (Poland).

SB Seating

- Sales SEK 1,264m (1,203) and EBITA SEK 253m (197)
- Strong fourth quarter with 5% growth in local currency and EBITA margin of 21% (14)
- During the year sales in local currency increased by 6% and EBITA by 32%. Very good development in Sweden, Norway, Germany and France. Weak development in the UK and the Netherlands
- Improved EBITA margin, 20% (16), due to increased volumes and completed action programmes
- NOK 250m refinancing carried out in December and in conjunction with this it was decided to pay a total of NOK 273m (approximately SEK 315m) to the company's owners. Ratos's share amounts to SEK 303m, of which SEK 253m was paid in December and SEK 50m will be paid in March 2012

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 959m at 31 December 2011.

SB Seating develops and produces ergonomic office chairs in Scandinavian design for private and public environments. The group markets three strong brands, HÅG, RH and RBM, which are mainly sold through retail outlets. The group is represented today in Norway, Sweden, Denmark, Germany, the UK, the Netherlands and France.

Stofa

- Sales SEK 1,390m (1,411) and EBITA SEK 146m (117)
- Sales in local currency increased by 4%
- EBITA affected by SEK 32m (24) in non-recurring costs related to employee cutbacks and acquisitions
- Increased sales of broadband, TV programmes and add-on services made a positive contribution to sales and profitability
- Klaus Høeg-Hagensen new CEO from 1 August 2011
- Stofa acquired part of Canal Digital's Danish cable TV business at the end of October. The purchase price (enterprise value) amounted to DKK 51m (approximately SEK 62m)
- Refinancing completed in first quarter of 2012, whereby Ratos will receive a total of approximately SEK 510m

Ratos's holding in Stofa amounted to 99% and the consolidated book value in Ratos was SEK 703m at 31 December 2011.

Stofa is a Danish triple-play operator (broadband, cable TV and telephony) which provides some 350,000 Danish households with cable TV and 50% of them with broadband as well. The services are delivered in close cooperation with 300 antenna associations throughout Denmark. In addition, Stofa also sells to end-user subscribers who are offered interactive TV services (pay TV), broadband and IP telephony.

Ratos's holdings at 31 December 2011

SEKm	Net sales		EBITA		EBT ^{A)}	
	2011	2010	2011	2010	2011	2010
AH Industries ¹⁾	925	978	24	55	-6	26
Anticimex ²⁾	1,927	1,856	192	198	113	139
Arcus-Gruppen ³⁾	2,072	1,944	146	156	78	116
Biolin Scientific ⁴⁾	232	227	15	17	0	2
Bisnode	4,310	4,451	447	536	203	376
Contex Group	662	750	44	97	-15	43
DIAB	1,219	1,396	-5	188	-50	149
Euromaint ⁵⁾	2,860	2,814	102	-15	52	-79
Finnkino ⁶⁾	799	846	77	87	21	32
GS-Hydro	1,074	1,244	31	27	-13	-27
Hafa Bathroom Group ⁷⁾	324	407	-5	46	-2	45
HL Display ⁸⁾	1,643	1,617	64	66	24	29
Inwido	5,050	5,149	407	446	315	328
Jøtul	996	1,044	-33	97	-66	67
KVD Kvarndammen ⁹⁾	276	239	52	32	42	22
Lindab	6,878	6,527	348	401	186	112
Mobile Climate Control	1,048	902	45	112	7	71
SB Seating	1,264	1,203	253	197	196	180
Stofa ¹⁰⁾	1,390	1,411	146	117	96	83
Total	34,950	35,004	2,351	2,859	1,183	1,716
Change	0%		-18%		-31%	

SEKm	Depreciation ^{B)} 2011	Investment ^{C)} 2011	Cash flow ^{D)} 2011	Equity ^{E)} 31 Dec 2011	Interest-bearing net debt ^{E)} 31 Dec 2011	Average no. employees 2011	Consolidated value 31 Dec 2011	Ratos's holding 31 Dec 2011
AH Industries ¹⁾	55	51	-11	879	371	457	612	69%
Anticimex ²⁾	42	60	118	644	768	1,338	571	85%
Arcus-Gruppen ³⁾	34	63	31	634	16	469	505	83%
Biolin Scientific ⁴⁾	7	-	-	351	149	141	345	100%
Bisnode	130	133	212	2,359	2,427	3,016	1,341	70%
Contex Group	43	55	17	1,003	660	302	673	99%
DIAB	90	67	-88	1,142	888	1,389	1,001	95%
Euromaint ⁵⁾	57	-	-	737	647	2,442	715	100%
Finnkino ⁶⁾	68	-	-	405	318	794	398	98%
GS-Hydro	24	10	31	323	529	608	-44	100%
Hafa Bathroom Group ⁷⁾	5	2	45	40	58	176	151	100%
HL Display ⁸⁾	36	53	22	1,123	469	1,140	1,008	99%
Inwido	133	81	469	2,227	1,372	3,523	1,983	96%
Jøtul	57	73	-78	546	621	713	289	61%
KVD Kvarndammen ⁹⁾	5	2	29	392	144	177	392	100%
Lindab	163	143	231	2,699	1,746	4,484	303	11%
Mobile Climate Control	16	13	60	807	570	630	781	100%
SB Seating	42	33	187	1,055	766	479	959	85%
Stofa ¹⁰⁾	101	143	209	710	482	400	703	99%

^{A)} Earnings with restored interest expenses on shareholder loan.

^{B)} Depreciation includes depreciation and impairment of property, plant and equipment as well as internally generated and directly acquired intangible assets. Depreciation and impairment are included in EBITA.

^{C)} Investments excluding business combinations.

^{D)} Cash flow refers to cash flow from operating activities including paid interest and investing activities before acquisition and disposal of companies.

^{E)} Equity includes shareholder loans. Interest-bearing debt excludes shareholder loans.

¹⁾ AH Industries' earnings and average number of employees for 2010 are pro forma taking the acquisition of RM Group into account.

²⁾ Anticimex's earnings for 2010 and 2011 are pro forma taking new financing into account.

³⁾ Arcus-Gruppen's earnings for 2010 and 2011 are pro forma taking new financing into account.

⁴⁾ Biolin Scientific's earnings for 2010 and 2011 are pro forma taking into account a new group structure, acquisition of Sophion Bioscience in August 2011, new financing and discontinuation of Farfield.

⁵⁾ Euromaint's earnings and average number of employees for 2010 and 2011 are pro forma taking into account discontinued operations (Refurbishment) and the sale of Euromaint Industry.

⁶⁾ Finnkino's earnings for 2010 and 2011 are pro forma taking Ratos's acquisition into account.

⁷⁾ Hafa Bathroom Group's earnings for 2010 and 2011 are pro forma taking discontinued operations in Denmark into account.

⁸⁾ HL Display's earnings for 2010 are pro forma taking into account the refinancing in August 2010.

⁹⁾ KVD Kvarndammen's earnings for 2010 are pro forma taking Ratos's acquisition into account.

¹⁰⁾ Stofa's earnings and average number of employees for 2010 are pro forma taking Ratos's acquisition into account.

**Telephone
conference**

**16 February
10.00 CET**

+46 8 505 201 10

**Listen to CEO
Arne Karlsson's
comments on
this report at
www.ratos.se**

Financial calendar

2012

18 April	Annual General Meeting
8 May	Interim report Jan-March
17 Aug	Interim report Jan-June
9 Nov	Interim report Jan-Sept

Stockholm, 16 February 2012
Ratos AB (publ)



Arne Karlsson
CEO

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

This information is disclosed pursuant to the Swedish Securities Market Act, the Swedish Financial Instruments Trading Act or requirements stipulated in the listing agreement.

Consolidated income statement

SEKm	2011 Q 4	2010 Q 4	2011	2010
Net sales	7,985	7,870	29,669	27,953
Other operating income	44	168	215	376
Change in inventories	-157	394	-64	27
Raw materials and consumables	-3,009	-3,296	-11,385	-10,411
Employee benefit costs	-2,462	-2,527	-9,529	-8,941
Depreciation and impairment of property, plant and equipment and intangible assets	-610	-325	-1,470	-1,050
Other costs	-1,714	-1,788	-6,272	-6,097
Remeasurement HL Display				140
Capital gain/loss from the sale of group companies	-6	-4	27	774
Capital gain/loss from the sale of associates	-2	537	485	537
Share of profits of associates	5	34	33	253
Operating profit	74	1,063	1,709	3,561
Financial income	66	74	155	253
Financial expenses	-215	-316	-1,004	-946
Net financial items	-149	-242	-849	-693
Profit before tax	-75	821	860	2,868
Tax	-103	-73	-314	-455
Profit/loss for the period	-178	748	546	2,413
Profit for the period attributable to:				
Owners of the parent	-184	687	521	2,255
Non-controlling interests	6	61	25	158
Earnings per share, SEK				
– before dilution	-0.58	2.16	1.63	7.09
– after dilution	-0.58	2.15	1.63	7.07

Consolidated statement of comprehensive income

SEKm	2011 Q 4	2010 Q 4	2011	2010
Profit/loss for the period	-178	748	546	2,413
Other comprehensive income:				
Translation differences for the period	-287	-54	-38	-1,153
Change in hedging reserve for the period	-9	34	-24	95
Tax attributable to other comprehensive income	3	-6	7	-22
Other comprehensive income for the period	-293	-26	-55	-1,080
Total comprehensive income for the period	-471	722	491	1,333
Total comprehensive income for the period attributable to:				
Owners of the parent	-426	672	478	1,352
Non-controlling interests	-45	50	13	-19

Summary consolidated statement of financial position

SEKm	31 Dec 2011	31 Dec 2010
ASSETS		
Non-current assets		
Goodwill	20,483	20,304
Other intangible assets	1,541	1,621
Property, plant and equipment	4,286	4,050
Financial assets	785	808
Deferred tax assets	617	632
Total non-current assets	27,712	27,415
Current assets		
Inventories	2,684	2,884
Current receivables	6,291	6,291
Cash and cash equivalents	3,042	2,855
Assets held for sale	193	1,318
Total current assets	12,210	13,348
Total assets	39,922	40,763
EQUITY AND LIABILITIES		
Equity including non-controlling interests	14,655	16,465
Non-current liabilities		
Interest-bearing liabilities	11,667	10,923
Non-interest bearing liabilities	845	405
Pension provisions	410	412
Other provisions	396	431
Deferred tax liabilities	690	778
Total non-current liabilities	14,008	12,949
Current liabilities		
Interest-bearing liabilities	2,145	2,872
Non-interest bearing liabilities	8,307	7,851
Provisions	718	626
Liabilities attributable to assets held for sale	89	
Total current liabilities	11,259	11,349
Total equity and liabilities	39,922	40,763

Summary statement of changes in consolidated equity

SEKm	31 Dec 2011			31 Dec 2010		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
Opening equity	15,091	1,374	16,465	15,302	1,500	16,802
Adjusted for changed accounting principle				-25		-25
Effect of adopted purchase price allocation	-23		-23			
Adjusted equity	15,068	1,374	16,442	15,277	1,500	16,777
Total comprehensive income for the year	478	13	491	1,352	-19	1,333
Dividend	-1,678	-130	-1,808	-1,512	-23	-1,535
New issue		10	10	43	145	188
Transfer of treasury shares (at acquisitions) in associates				10		10
Purchase of treasury shares	-74		-74	-34		-34
Transfer of treasury shares (exercise of call options)	88		88	80		80
Option premiums	6		6	9		9
Redemption of convertible programme in associates				-8		-8
Put option, future acquisition from non-controlling interest		-215	-215			
Acquisition of non-controlling interests	-230	-140	-370	-117	-234	-351
Disposal of non-controlling interests					1	1
Redemption of options in subsidiary				-9		-9
Non-controlling interests at acquisition		99	99		32	32
Non-controlling interests in disposals		-14	-14		-28	-28
Closing equity	13,658	997	14,655	15,091	1,374	16,465

Consolidated statement of cash flows

SEKm	2011	2010
Operating activities		
Profit before tax	860	2,868
Adjustment for non-cash items	1,034	-621
	1,894	2,247
Income tax paid	-316	-250
Cash flow from operating activities before change in working capital	1,578	1,997
Cash flow from change in working capital		
Increase (-)/Decrease (+) in inventories	64	-2
Increase (-)/Decrease (+) in operating receivables	-146	254
Increase (+)/Decrease (-) in operating liabilities	212	-447
Cash flow from operating activities	1,708	1,802
Investing activities		
Acquisition, group companies	-1,531	-2,032
Disposal, group companies	913	1,118
Acquisition, shares in associates	-4	-488
Disposal, shares in associates	1,876	858
Acquisition other intangible/tangible assets	-956	-710
Disposal, other intangible/tangible assets	33	76
Investment, financial assets	-19	-67
Disposal, financial assets	51	31
Cash flow from investing activities	363	-1,214
Financing activities		
Purchase of treasury shares	-74	-34
Exercise of options	40	71
Option premiums	13	26
Acquisition of non-controlling interests (minority)	-237	-271
Dividend paid	-1,678	-1,512
Dividend paid/redemption, non-controlling interests	-130	-23
Borrowings	6,097	987
Amortisation of loans	-5,930	-1,880
Cash flow from financing activities	-1,899	-2,636
Cash flow for the year	172	-2,048
Cash and cash equivalents at beginning of the year	2,855	4,999
Exchange differences in cash and cash equivalents	15	-96
Cash and cash equivalents at the end of the year	3,042	2,855

Consolidated key figures ¹⁾

	2011 Q 4	2010 Q 4	2011	2010
Return on equity, %			4	15
Equity ratio, %			37	40
Key figures per share				
Total return, %			-32	40
Dividend yield, %			6.8 ²⁾	4.2
Market price, SEK			80.75	124.50
Dividend, SEK			5.50 ²⁾	5.25
Equity attributable to owners of the parent, SEK			43	47
Earnings per share before dilution, SEK			1.63	7.09
Average number of shares outstanding				
– before dilution	318,996,769	318,474,614	319,036,699	318,134,920
– after dilution	318,996,769	319,176,700	319,288,848	318,752,700
Total number of registered shares				
Number of shares outstanding			324,140,896	324,140,896
– of which A shares			84,637,060	84,647,060
– of which B shares			234,359,709	233,827,554

¹⁾ Relevant historical figures are recalculated taking the 2011 share split into account.

²⁾ Proposed dividend.

Parent company income statement

SEKm	2011 Q 4	2010 Q 4	2011	2010
Other operating income		100	1	104
Other external costs	-17	-52	-79	-139
Personnel costs	-11	-48	-109	-167
Depreciation of property, plant and equipment	-1	-1	-5	-5
Operating profit/loss	-29	-1	-192	-207
Capital gain from sale of investments in group companies			107	932
Dividends from group companies			827	93
Impairment of shares in group companies	-322	-4	-322	-4
Reversed impairment of shares in group companies			37	
Capital gain from sale of interests in associates		737	78	737
Dividends from associates			16	12
Impairment of interests in associates	-7	-3	-7	-3
Result from other securities and receivables accounted for as non-current assets	49	10	175	116
Other interest income and similar profit/loss items	-6	2	27	7
Interest expenses and similar profit/loss items	-9	-6	-42	-75
Profit/loss after financial items	-324	735	704	1,608
Tax				
Profit/loss for the period	-324	735	704	1,608

Parent company statement of comprehensive income

SEKm	2011 Q 4	2010 Q 4	2011	2010
Profit/loss for the period	-324	735	704	1,608
Other comprehensive income:				
Change in fair value reserve for the period	-6	0	0	-21
Other comprehensive income for the period	-6	0	0	-21
Comprehensive income for the period	-330	735	704	1,587

Summary parent company balance sheet

SEKm	31 Dec 2011	31 Dec 2010
ASSETS		
Non-current assets		
Property, plant and equipment	82	87
Financial assets	12,540	13,711
Total non-current assets	12,622	13,798
Current assets		
Current receivables	67	43
Cash and cash equivalents	897	420
Total current assets	964	463
Total assets	13,586	14,261
EQUITY AND LIABILITIES		
Equity	12,541	13,493
Non-current provisions		
Pension provisions	1	2
Other provisions	16	31
Non-current liabilities		
Interest-bearing liabilities, group companies	620	272
Non-interest bearing liabilities	36	99
Current provisions	20	
Current liabilities		
Interest-bearing liabilities, group companies	260	184
Non-interest bearing liabilities	92	180
Total equity and liabilities	13,586	14,261
Pledged assets and contingent liabilities	none	none

Summary statement of changes in parent company's equity

SEKm	31 Dec 2011	31 Dec 2010
Opening equity	13,493	13,321
Comprehensive income for the year	704	1,587
Dividend	-1,678	-1,512
Purchase of treasury shares	-74	-34
New issue		43
Transfer of treasury shares (exercise call options)	88	80
Option premiums	8	8
Closing equity	12,541	13,493

Parent company cash flow statement

SEKm	2011	2010
Operating activities		
Profit before tax	704	1,608
Adjustment for non-cash items	-45	-1,759
	659	-151
Income tax paid	-	-
Cash flow from operating activities before change in working capital	659	-151
Cash flow from change in working capital		
Increase (-)/Decrease (+) in operating receivables	-19	-11
Increase (+)/Decrease (-) in operating liabilities	-64	-128
Cash flow from operating activities	576	-290
Investing activities		
Investment, shares in subsidiaries	-909	-2,513
Disposal and redemption, shares in subsidiaries	1,738	1,489
Investment, shares in associates and other holdings		-484
Disposal, shares in associates and other holdings	549	855
Acquisition, property, plant and equipment	-1	-2
Investment, financial assets	-126	-40
Disposal, financial assets	61	80
Cash flow from investing activities	1,312	-615
Financing activities		
Purchase of treasury shares	-74	-34
Transfer of treasury shares (exercise call options)	88	80
Option premiums	10	11
Redemption incentive programme	-47	
Dividend paid	-1,678	-1,512
Loans raised in group companies	290	4
Cash flow from financing activities	-1,411	-1,451
Cash flow for the year	477	-2,356
Cash and cash equivalents at the beginning of the year	420	2,776
Cash and cash equivalents at the end of the year	897	420

Operating segments

SEKm	Sales				EBT ¹⁾			
	2011 Q 4	2010 Q 4	2011	2010	2011 Q 4	2010 Q 4	2011	2010
Holdings								
AH Industries	267	240	925	611	-2	-13	-6	-24
Anticimex	509	486	1,927	1,856	16	40	84	127
Arcus-Gruppen	681	604	2,072	1,944	94	84	82	135
Biolin Scientific ²⁾	77		180		-13		-10	
Bisnode	1,166	1,163	4,310	4,451	57	85	106	274
Camfil ³⁾						20		99
Contex Group	172	198	662	750	-52	6	-14	43
DIAB	295	316	1,219	1,396	-35	14	-51	149
Euromaint	782	949	3,329	3,532	-37	-86	-144	-165
Finnkino ⁴⁾	216		543		9		1	
GS-Hydro	311	294	1,074	1,244	9	-48	-13	-27
Hafa Bathroom Group	82	100	335	424	2	-1	-18	37
Haglöfs ⁵⁾				289				5
HL Display ⁶⁾	410	392	1,643	662	-12	-7	24	13
Inwido	1,410	1,391	5,050	5,149	106	41	315	328
Jøtul	343	384	996	1,044	-51	52	-113	25
KVD Kvarndammen ²⁾	77		276		12		42	
Lindab					3	-5	21	38
Medisize ⁷⁾		253	617	1,079		10	42	95
Mobile Climate Control	276	217	1,048	902	8	4	7	71
SB Seating	352	329	1,264	1,203	40	16	95	87
Stofa ⁸⁾	382	365	1,390	600	18	32	96	44
Superfos ⁹⁾						7		65
Total	7,808	7,681	28,860	27,136	172	251	546	1,419
Exit Camfil							586	
Exit Superfos							-99	
Exit Medisize							38	
Exit Haglöfs								783
Exit Lindab						537		537
Exit gains					0	537	525	1,320
Remeasurement HL Display								140
Impairment Contex Group					-312		-312	
Holdings total	7,808	7,681	28,860	27,136	-140	788	759	2,879
Central income and expenses	177	189	809	817	65	33	101	-11
Group total	7,985	7,870	29,669	27,953	-75	821	860	2,868

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

²⁾ Biolin Scientific and KVD Kvarndammen were acquired at the end of December 2010 and are not included in consolidated profit for 2010.

³⁾ Camfil was sold at the beginning of January 2011 and is not included in consolidated profit for 2011. Until the sale, Camfil was recognised among Assets held for sale.

⁴⁾ Finnkino is included in the Group from May 2011.

⁵⁾ Haglöfs is included in consolidated profit through July 2010. The entire holding was sold in August 2010.

⁶⁾ HL Display is included with 29% through May 2010, in June and July with 61% and subsequently with 99%.

⁷⁾ Medisize is included in consolidated profit through July 2011. The entire holding was sold in August 2011.

⁸⁾ Stofa is included in the Group from August 2010.

⁹⁾ Superfos was recognised among Assets held for sale until it was sold in February and is thus not included in consolidated profit for 2011.

Accounting principles in accordance with IFRS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with IAS 34, Interim Financial Reporting. Pertinent regulations in the Swedish Annual Accounts Act are also applied.

The parent company's interim report is prepared in accordance with the Annual Accounts Act which is in accordance with the regulations in RFR 2 Accounting for Legal Entities.

The accounting principles and basis of calculation are the same as those applied for the Group and the parent company in preparation of the most recent annual report. IFRS requires uniform accounting principles within a group.

New accounting principles for 2011

The revised IFRS standards and interpretations from IFRIC which come into force in 2011 have not had any material effect on the performance, financial position or disclosures of the Group or parent company.

Significant accounting and valuation principles

A brief summary of Ratos's key accounting principles is provided below.

Business combinations

IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements are applied to acquisitions of subsidiaries. How an acquisition/disposal is recognised in the accounts depends on the size of the share acquired/sold.

- In the event ownership in the company exists, without this providing a controlling interest, when a controlling interest is obtained in the acquired company a remeasurement is performed at fair value whereby profit/loss is recognised in profit or loss for the year. In a corresponding manner a disposal, which results in a loss of control, is recognised as a capital gain or loss from the disposal while the remaining share in the company is remeasured at fair value.
- Acquisitions that take place after control has been obtained or in the event of a disposal when control remains, are regarded as owner transactions, whereby any changes are recognised in equity.
- Contingent considerations will be measured at fair value on the transaction date and in cases where the contingent consideration results in a liability it will be measured at fair value on each accounting date. Remeasurement is recognised as income/expense in profit or loss for the year.

- Transaction costs that arise in conjunction with an acquisition are expensed immediately.
- For business combinations there are two alternative methods for recognising goodwill, either full or proportionate share of goodwill. The choice between these two methods is made individually for every acquisition.

Purchase price allocations

Purchase price allocations (PPAs) are preliminary until adopted, which must take place within 12 months from the acquisition. In cases where a PPA is changed, income statements and balance sheets are adjusted for the comparative period when appropriate.

PPAs have been adopted for Biolin Scientific, HL Display KVD Kvarndammen and Stofa. A definitive PPA for Stofa is reported under Business combinations. PPAs for Biolin Scientific, KVD Kvarndammen and HL Display have been adopted in accordance with the preliminary PPAs.

Goodwill and intangible assets

IFRS represents a requirement to identify and measure intangible assets at acquisition. To the extent intangible assets can be identified goodwill decreases correspondingly. Goodwill is not amortised but is subject to an annual test for impairment. Other intangible assets are amortised to the extent that 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.

When testing for impairment, goodwill and other intangible assets with an indeterminable useful life are attributable to cash-generating units, which in Ratos's case constitute separate subsidiaries (holdings). All holdings' carrying amounts, including the value of goodwill and intangible non-current assets attributable to the acquisition are tested by calculating the recoverable amount for the holdings. Holdings are tested for impairment annually regardless of whether or not there is any indication of impairment. Testing is conducted between annual periods if there is any indication of impairment.

Business combinations

Acquisitions

In March, Ratos signed an agreement with the Sanoma media group to acquire the Finnish movie theatre group Finnkino. The acquisition was completed on 30 April. The consideration transferred amounted to EUR 71m (SEK 635m). Ratos provided equity of EUR 45m (SEK 402m). In the preliminary PPA goodwill amounts to SEK 537m. Finnkino conducts movie theatre operations in both Finland and the Baltic countries. The goodwill recognised for the acquisition reflects the company's strong market position, a well-developed concept with movie theatres with many screens, digital and 3D technology as well as service through the sale of snacks, sweets and soft drinks, which have contributed to the company's rising profitability level.

The acquired company is included in consolidated sales from the acquisition date with SEK 543m and in profit before tax with SEK 38m. For the full year 2011 sales amounted to SEK 799m and profit before tax was SEK 21m. The acquisition company's interest expenses are stated pro forma to correspond to a full year. Acquisition-related costs amounted to SEK 26m and are recognised as other operating expenses in consolidated profit or loss.

Purchase price allocation (PPA)

SEKm	Finnkino
Intangible assets	3
Property plant and equipment	622
Financial assets	1
Current assets	60
Cash and cash equivalents	53
Non-controlling interests	-7
Non-current liabilities and provisions	-474
Current liabilities	-160
Net identifiable assets and liabilities	98
Consolidated goodwill	537
Consideration transferred	635

Since the PPA is preliminary, fair value has not been finally identified for all items.

Adoption of purchase price allocations (PPAs) from the previous year

Customer relationships have been measured in the definitive PPA for Stofa. Customer relationships are amortised over a 6-month period. As per year-end, customer relationships were therefore fully amortised.

Stofa

SEKm	Preliminary PPA	New measurement	Definitive PPA
Intangible assets	6	28	34
Property, plant and equipment	467		467
Financial assets	68		68
Current assets	254		254
Cash and cash equivalents	131		131
Non-controlling interests	-1		-1
Non-current liabilities and provisions	-813		-813
Current liabilities	-329		-329
Net identifiable assets and liabilities	-217	28	-189
Consolidated goodwill	885	-28	857
Consideration transferred	668	0	668

Acquisitions in group companies

Bisnode acquired four Creditinfo Schufa companies in the Czech Republic, Slovakia and Poland which operate within credit and business information solutions. In Norway, Bisnode acquired the credit information company Lindorff Decision and 90.1% of the market information company Lindorff Match. The company also acquired 51% of Vendemore Nordic AB and Poslovna Domena in Croatia. The total consideration transferred for these acquisitions amounted to SEK 402m. The acquired companies are included in consolidated sales from the acquisition date with SEK 106m and in profit before tax with SEK -10m. For the full year 2011 sales amounted to SEK 209m and profit before tax was SEK 3m. Acquisition-related costs amounted to SEK 8m for the period and are recognised as other operating expenses in consolidated profit or loss.

Mobile Climate Control (MCC) acquired Carrier's bus AC operations in North America from the American group Carrier Corporation. Consideration transferred amounted to SEK 217m, whereby Ratos provided capital of SEK 114m. In addition to this a minor acquisition was made. The acquired companies are included in consolidated sales from the acquisition date with SEK 268m and in profit before tax with SEK 17m. Since the acquisition is an asset deal, no sales or profit before tax have been calculated for the period prior to the acquisition.

Arcus-Gruppen acquired 51% of the shares in the Norwegian wine wholesaler Excellars AS in August. Consideration transferred amounted to SEK 86m. The acquired company is included in consolidated sales from the acquisition date with SEK 39m and in profit before tax with SEK 11m. For the full year sales amounted to SEK 111m and profit before tax was SEK 39m. Acquisition-related costs amounted to SEK 1m and are recognised as other operating expenses in consolidated profit or loss.

Inwido acquired the Danish window company Pro Tec Vinduer in July. Consideration transferred amounted to SEK 27m. The acquired company is included in consolidated sales from the acquisition date with SEK 106m and in profit before tax with SEK 5m. For the full year sales amounted to SEK 180m and loss before tax was SEK 14m. Acquisition-related costs amounted to SEK 1m and are recognised as other operating expenses in consolidated profit or loss.

In August, Biolin Scientific acquired all the shares in the Danish company Sophion Bioscience A/S from NeuroSearch A/S as well as a number of venture capital companies. Consideration transferred amounted to DKK 145m (SEK 179m). Ratos provided SEK 65m. In

the preliminary PPA goodwill amounts to SEK 139m. Sophion Bioscience's strong position within Life Science will both provide the company with new technology and increase Biolin Scientific's opportunities to reach new customer groups, which motivates the recognised goodwill. Sophion Bioscience is included in consolidated sales from the acquisition date with SEK 51m and in profit before tax with SEK 19m. For the full year sales amounted to SEK 108m and profit before tax was SEK 18m. Acquisition-related costs amounted to SEK 2m and are recognised as other operating expenses in consolidated profit or loss.

In October, Stofa acquired part of Canal Digital's Danish cable TV operations from Telenor. Consideration transferred amounted to DKK 60m corresponding to SEK 73m. The acquired company is included in consolidated sales from the acquisition date with SEK 29m and in profit before tax with SEK 1m. Acquisition-related costs amounted to SEK 5m and are recognised as other operating expenses in consolidated profit or loss. Since the acquisition is an asset deal, no sales or profit before tax have been calculated for the period prior to the acquisition.

Preliminary PPAs for each company are provided in the table below.

Purchase price allocations (PPAs)

SEKm	Arcus-Gruppen	Biolin Scientific	Bisnode	Inwido	Mobile Climate Control	Stofa
Intangible assets	5	12	43		140	1
Property, plant and equipment	0	4	2	8	7	45
Financial assets		2		0		
Deferred tax assets		12	1			
Current assets	50	26	31	50	110	26
Cash and cash equivalents	30	0	30	0		
Non-controlling interests	-97		-2			
Non-current liabilities and provisions	-1	-2	18	-7		
Current liabilities	-60	-14	-52	-43	-28	-22
Net identifiable assets and liabilities	-73	39	70	8	231	49
Consolidated goodwill	159	139	332	19		24
Consideration transferred	86	179	402	27	231	73

Since all the PPAs are preliminary, fair value has not been finally identified for all items.

Disposals

In November 2010, Ratos concluded an agreement with the principal owners on a sale of the associated company Camfil to the Larson and Markman families. Consideration transferred amounted to SEK 1,325m and Ratos's capital gain (exit gain) amounted to SEK 586m. The sale was completed in January 2011.

Ratos and co-owner IK Investment Partners concluded an agreement in December 2010 on the sale of all the shares in Superfos Industries A/S. The sale was completed in February and Ratos's share of the consideration transferred amounted to EUR 63m (SEK 549m) and the exit result for Ratos was SEK -99m.

The sale of the subsidiary Medisize to Phillips Plastics was completed on 12 August. Consideration transferred amounted to SEK 866m and Ratos's exit gain amounted to SEK 38m.

Disposal in group company

Euromaint's sale of Euromaint Industry to Coor Service Management was completed in December. Consideration transferred was SEK 100m and the exit loss for Euromaint amounted to SEK 7m.

Disposal after the end of the reporting period

In December, Bisnode concluded an agreement to sell WLW, a company which offers online search services for companies, to the German private equity company Paragon Partners. The selling price is estimated to amount to EUR 79m. The sale is expected to be completed during the first quarter of 2012.

In December, Contex Group concluded an agreement to sell its subsidiaries Z Corporation and Vidar System to the American company 3D Systems Corporation. The sale was completed in January 2012. Consideration transferred amounted to USD 137m and the exit loss was USD 8m which will be recognised in Contex Group.

Share split

At the Annual General Meeting held on 5 April 2011 a decision was made to increase the number of shares in Ratos by each share being divided into two shares (2:1 share split). The share split was effected on 6 May 2011. After the split the number of shares amounted to 324,140,896 instead of 162,070,448, comprising

84,637,060 A shares and 239,503,836 B shares. The completed share split means that the quota value per share (share capital divided by the number of shares) has changed from SEK 6.30 to SEK 3.15. Earnings per share have been recalculated taking the above change into account.

