

RATOS

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2010 – Good but should be better

- Satisfactory development in holdings
- High transaction activity
- Positive profit trend for Ratos
- Strategic development
- Macro: MOBBM
- Good prospects for portfolio companies 2011

Satisfactory development in holdings (1)

Earnings trend 2010, holdings (%)

| | Total | Ratos's share |
|-------|-------|---------------|
| Sales | ±0 | +2 |
| EBITA | +2 | -1 |
| EBT | +6 | +7 |

Satisfactory development in holdings (2)

Earnings trend, holdings (%)

| | Headline | Before eo | Before eo and currency |
|--------|----------|-----------|---------------------------|
| (2010) | | | |
| EBITA | +2 | +7 | +10 |
| EBT | +6 | +15 | +20 |

Satisfactory development in holdings (3)

- 2009 earnings at reasonable level
- Large eo expenses (with long-term positive effects)
- Extremely weak December
- Winter effect
- Longer time axis

High transaction activity within Ratos

■ Investments

- Biolin Scientific
- Finnkino
- HL Display
- KVD Kvarndammen
- MCC/Carrier
- Medisize
- RM Group (AHI)
- RSM Group (EuroMaint)
- Stofa
- Add on investments

■ Exits

- Camfil
- Haglöfs
- Lindab (50%)
- Superfos
- Partial exits

Positive profit trend for Ratios

| | SEKm |
|-------------|--------------|
| 1999 | 1,859 |
| 2000 | 2,104 |
| 2001 | 2,191 |
| 2002 | 956 |
| 2003 | 1,114 |
| 2004 | 2,325 |
| 2005 | 2,601 |
| 2006 | 3,234 |
| 2007 | 3,462 |
| 2008 | 5,671 |
| 2009 | 1,375 |
| 2010 | 2,868 |

Share performance



Total Return

| (%) | 1999-2010 | 2010 | 2011 |
|------------------|-----------|------|------|
| Ratos, B share | + 1,699 | +40 | +2 |
| Six Return Index | +168 | +27 | +1 |

Strategy

- Strategy and business model same as 1999
 - less adaptations and adjustments
- Business model robust!
 - three (deep) crises
 - two bubbles
 - “normal situation”
- PEC
 - “perpetual motion”

PEC – “Private Equity Conglomerate”

Ratos



Strategic “fateful question”

- New world a.L. (after Lehman)
 - totally different liquidity conditions
 - changed internal focus
 - *reality* creates strategic dilemma and choice of direction

Cash flow strategy, Ratos AB

- Basic strategy (ideal)
 - zero cash day after AGM
 - build up dividend gradually during the year
 - current costs covered by current income
 - purchases matched (in principle) by sales

30 September 2010

| | |
|-----------------------|------------|
| Net cash: | SEK 270m |
| Exit opportunities: | SEK 3,000m |
| Acquisition portfolio | SEK 1,500m |
| Dividend April 2011: | SEK 1,500m |

Consequence

- Buy/sell balance?
 - forgo deals (x2)
 - leverage parent
 - take in money proactively
 - NI mandate for acquisitions (non-cash and cash)

NI mandate

- Two steps
 - I: non-cash
 - II: cash

Future

- Permanent mandate
- Less than 10% dilution after NI
- Clarify link to acquisitions
- Clear and explicit order of precedence
 - liquid assets
 - non-cash issue
 - preferential rights issue
 - directed NI

MOBBM

- 2011: a year when many issues will come to a head
 - euro crisis must be solved
 - USA must achieve self-sustaining expansion – otherwise Japan risk
- Make Or Break?
 - Becomes Make

Macro 2011 (1)

- MOBBM

- Make Or Break Becomes Make
- sub-par growth+
- continued low inflation
- low interest rates – continued accommodative monetary policy

Macro 2011 (2)

- 2011 decisive year
 - reasonably optimistic scenario short-medium term
- Uncharted terrain!
 - real time monitoring
 - adapt and trim scenario along the way

Good expectations 2011

- Weaker start – stronger later part of the year
- Continued operational leverage
- Good prospects for a continued improved earnings in the overall portfolio of companies