

Year-end report 2010

Q4

- **Profit before tax SEK 2,868m (1,375)**
- **Earnings per share before dilution SEK 14.18 (5.32)**
- **Proposed dividend SEK 10.50 per share (9.50)**
- **2:1 share split proposed**
- **Mixed but satisfactory underlying development in the holdings**
- **Acquisition of Biolin Scientific, HL Display, KVD Kvarndammen and Stofa**
- **Major add-ons in EuroMaint (RSM Group) and AH Industries (RM Group)**
- **Exit Haglöfs and 11% of Lindab – total exit gain SEK 1,320m**
- **Agreement on sale of Superfos**
- **Camfil sold after end of the period – exit gain SEK 586m**
- **Total return on Ratos shares +40%**

Ratos in summary

SEKm	2010 Q 4	2009 Q 4	2010	2009
Profit/share of profits	253	614	1,425	1,295
Total profit/share of profits	253	614	1,425	1,295
Exit gains	537		1,320	
Remeasurement and impairment	-25		115	
Profit from holdings	765	614	2,860	1,295
Central income and expenses	56	-5	8	80
Profit before tax	821	609	2,868	1,375

Important events

Fourth quarter

- In December, Ratos and co-owner IK Investment Partners concluded an agreement to sell all shares in Superfos to RPC Group Plc for approximately EUR 240m (Enterprise Value), of which Ratos's share of the equity value amounts to approximately EUR 63m (approximately SEK 548m). The sale provides an exit result for Ratos of approximately SEK -100m and an average annual return (IRR) of approximately 2%. Approval has been received from the relevant competition authorities and the deal is expected to be completed in February 2011
- In November, Ratos made a public offer to the shareholders and owners of convertible debentures in Biolin Scientific of SEK 11.50 per share. At 31 December Ratos owned 88.12% of the shares and votes after full dilution. After an extended acceptance period and shares acquired via NASDAQ OMX Stockholm, at 17 February 2011 Ratos owned 95.48% of the shares and votes. The offer has been finally extended through 24 February. Ratos has so far acquired shares and convertibles for a total of SEK 292m, of which SEK 269m through 31 December. Biolin Scientific has applied for a delisting and the final day for trading on NASDAQ OMX Stockholm is 22 February. Ratos will shortly initiate compulsory acquisition of the remaining shares

cont.

RATOS

- Acquisition of the auction and valuation company KVD Kvarndammen was completed in December. Ratos acquired 100% of the company for a purchase price (Enterprise Value) of SEK 550m, of which Ratos provided equity of SEK 360m. The sellers were the Sixth AP Fund and the company's founders
- In November, 8,850,000 shares (approximately 11%) in Lindab were sold. The sale proceeds amounted to SEK 867m, corresponding to SEK 98 per share, and Ratos's exit gain was SEK 537m. After the sale Ratos's holding in Lindab amounts to just over 11%
- In November, Ratos concluded an agreement to sell its holding in Camfil to the principal owners, the Larson and Markman families, for SEK 1,325m. The sale provided Ratos with an exit gain of SEK 586m and an average annual return (IRR) of 13%. The sale was completed in January 2011

First to third quarter

- In August, the entire holding in Haglöfs was sold to Asics, based in Japan, for SEK 1,007m. The sale provided Ratos with an exit gain of SEK 783m and an average annual return (IRR) of 30%
- In August, AH Industries acquired all the shares in the Danish company RM Group. The seller was the Jørgensen family which founded the company and will remain as owners in the merged company with a holding of 10%. The Enterprise Value amounted to DKK 325m, of which Ratos, in connection with the deal, contributed equity of DKK 227m (SEK 288m). Ratos's holding amounts to 69%
- In July, acquisition was completed of all the shares in the Danish triple-play operator Stofa for a purchase price (Enterprise Value) of DKK 1,090m, of which Ratos provided equity of DKK 527m (SEK 668m). The seller was TeliaSonera
- In June, Ratos signed an agreement to acquire the Remius family's shares in HL Display, corresponding to 28.2% of the capital and 59.1% of the votes in the company. In conjunction with this, and in compliance with the requirements for mandatory offers, a public offer was made to other shareholders of SEK 49 per share. The acquisition was completed during the third quarter and the total consideration transferred amounted to SEK 1,072m, of which SEK 43m comprised newly issued Ratos shares. Completion of the acquisition of the Remius family's

shares gave Ratos control over HL Display and the previously held ownership interest was therefore remeasured at fair value, which resulted in a positive earnings effect of SEK 140m being recognised in profit. The last trading day for HL Display's shares on NASDAQ OMX Stockholm was 17 September 2010. At 31 December, Ratos's holding in HL Display amounted to 99.5% of the capital and 99.7% of the votes. Ratos has called for mandatory acquisition of the remaining shares

- In August, the holding in HL Display was refinanced, whereby Ratos received a cash payment of approximately SEK 400m. The refinancing was carried out to adjust HL Display to the new ownership structure with Ratos as principal owner
- In March, Ratos acquired an additional 5.4% of Medisize for EUR 6.2m (SEK 59.8m)
- EuroMaint's acquisition of the German RSM Group was completed in January. The purchase price amounted to SEK 166m. Ratos provided the entire amount
- Add-ons and divestments were carried out during the period in holdings including Bisnode and Inwido
- During the autumn the Ratos Board has decided to revise the investment strategy with regard to investment size and number of holdings. The lower limit for the smallest investment was raised to SEK 300m (previously SEK 150m). The limit on the number of holdings was also removed. These revisions do not result, however, in any practical change compared with previous application of the investment strategy

Events after the end of the period

- In January 2011, Ratos's subsidiary Stofa signed an agreement to acquire the Danish cable TV operations in Canal Digital for a purchase price (Enterprise Value) of approximately DKK 100m (SEK 120m). The seller is Canal Digital AS, which is owned by Telenor. The acquisition will be financed using existing credit facilities in Stofa and not by Ratos as announced earlier. The deal is subject to approval from the relevant competition authorities and is expected to be completed in the first quarter of 2011

More information about important events in the holdings is provided on pages 8-14.

CEO comments

For Ratos 2010 can be summarised as a good year, with the fourth-highest profit before tax since the conversion into a private equity conglomerate in 1999. This is thanks to several successful exits and an overall satisfactory underlying development in the holdings. The early onset of winter and major costs for action programmes in several holdings meant, however, that earnings were not as strong as we had hoped at the start of the year.

If we take a look into 2011 this will probably be a decisive year for the world when many major issues must find a solution: the American economy, the future of the euro, and so on. The world is facing a Make or Break situation – and our working hypothesis is that this will be resolved and the answer will Become Make (hence this year's acronym MOBBM). Provided this scenario holds, our assessment is that conditions exist for a good earnings development in the holdings in 2011, with the main emphasis on the latter part of the year.



Arne Karlsson

Further CEO comments at www.ratos.se

Business environment and market

Ahead of 2010 Ratos's macroeconomic scenario was ROLWB, Recession Over, Long Way Back. In an overall perspective the global economy developed in this way, with a jerky but equally clear recovery, although with, in a historical perspective, limited strength. This was entirely in line with our expectations of sub-par growth, in other words economic growth but below the long-term potential trend.

Furthermore, growth was distributed extremely unevenly between different regions, countries and sectors, which is why a specific company's sector and geographic mix was able to have a decisive effect on conditions for its operations.

For Ratos, 2010 can be summarised as a good year, with the fourth-highest profit before tax since the conversion into a private equity conglomerate in 1999. So, this result is a combination of profits from some overall successful exits and a satisfactory underlying development in the portfolio companies.

That said it must be noted, however, that development for the holdings in 2010 was not as strong as we had hoped at the start of the year, which is explained by the following:

- an inherently satisfactory underlying development proved to take slightly longer than we originally assessed – so we have not changed our long-term view of the holdings, but the time axis is slightly more drawn out than previously expected
- large extraordinary costs – even if they have long-term positive consequences – pull down the reported profit
- the year ended with a particularly weak December, largely for weather-related reasons.

cont.

Combined sales for the underlying portfolio of companies in 2010 was unchanged compared with the previous year. Taking Ratos's ownership stakes into account, sales rose 2%. Corresponding figures for operating profit (EBITA) were +2% (-1%) and for profit before tax +6% (+7%).

The effects of the large extraordinary costs are illustrated by the fact that the companies' EBITA before extraordinary items increased by 7% (and profit before tax by 15%). In addition for Ratos the year included an unusually big impact from exchange rate fluctuations. Adjusted for these as well, EBITA for the holdings increased by 10% and profit before tax by 18%.

In this context it should be noted that earnings for the portfolio companies in 2009 given the circumstances were satisfactory – so this is not a bounce back from very low levels.

2011 will probably be a decisive year for the world when many major issues must find solutions (will the US fall down into a multi-year deflationary development like in Japan, or enter a self-sustaining American economic upturn; will the euro crisis be solved or will Europe (and the world) be thrown into a chaotic dissolution of the monetary union, etc).

The world is facing a Make or Break situation – and our working hypothesis is that this will be resolved and the answer will Become Make (hence this year's acronym MOBBM). There are still major risks, however, and constant monitoring of development may result in successive adjustments to our view of the business environment and action taken.

Provided our main scenario holds, our assessment is that conditions exist for a good earnings development in the holdings in 2011, with the main emphasis in the latter part of the year.

Ratos's results

Profit before tax for 2010 amounted to SEK 2,868m (1,375). The higher result is explained by improved earnings in the underlying holdings and the sale of Haglöfs and Lindab. In addition, earnings were positively affected by SEK 140m as a result of a previously held ownership interest in HL Display being remeas-

Performance Ratos's holdings

	2010	
	100%	Ratos's share
Sales	0%	2%
EBITA	2%	-1%
EBT	6%	7%
	2010 Q 4	
	100%	Ratos's share
Sales	0%	-1%
EBITA	-24%	-36%
EBT	-54%	-53%

To facilitate analysis, an extensive table is provided on page 14 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.

ured, in accordance with IFRS, to fair value in conjunction with completion of the acquisition of the Remius family's shares. The result includes profit/share of profits from the holdings of SEK 1,425m (1,295), exit gains of SEK 1,320m (0), impairment of SEK -25m (0) and remeasurement effects of SEK 140m (0).

Central income and expenses

Ratos's central income and expenses amounted to SEK +8m (+80), of which personnel costs amounted to SEK 167m (171). The variable portion of personnel costs amounted to SEK 68m (74). Other management costs were SEK 55m (58). Net financial items amounted to SEK +229m (+309).

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.

Financial position

Cash flow from operating activities and investing activities was SEK 606m (1,400) and the Group's cash and cash equivalents at the end of the period amounted to SEK 2,855m (4,999), of which short-term interest-bearing investments amounted to SEK 351m (1,212). Interest-bearing liabilities including pension provisions amounted to SEK 14,207m (14,505).

Parent company

The parent company's profit before tax amounted to SEK 1,608m (546). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 420m (2,776). Taking into account financial transactions agreed but not yet carried out, at 17 February Ratos has a liquid investment capacity of approximately SEK 1,650m. In addition, there is an existing credit facility of SEK 3.2 billion and authorisation from the 2010 Annual General Meeting to issue 30 million Ratos B shares in conjunction with acquisitions.

Ratos's results

SEKm	2010	2009
Profit/share of profits before tax ¹⁾		
AH Industries (69%)	-24	-19
Anticimex (85%)	127	119
Arcus-Gruppen (83%)	135	165
Bisnode (70%)	274	145
Camfil (30%)	99	80
Contex Group (99%)	43	-73
DIAB (95%)	149	87
EuroMaint (100%)	-165	41
GS-Hydro (100%)	-27	58
Hafa Bathroom Group (100%)	37	38
Haglöfs (100%) ²⁾	5	58
HL Display (99%) ³⁾	13	25
Inwido (96%)	328	125
Jøtul (61%)	25	74
Lindab (11%)	38	27
Medisize (98%)	95	103
Mobile Climate Control (100%)	71	85
SB Seating (85%)	87	-9
Stofa (99%)	44	
Superfos (33%)	65	184
Other holdings	6	-18
Total profit/share of profits	1,425	1,295
Exit Haglöfs	783	
Exit Lindab	537	
Total exit gains	1,320	0
Remeasurement HL Display	140	
Impairment Other holdings	-25	
Profit from holdings	2,860	1,295
Central income and expenses	8	80
Consolidated profit before tax	2,868	1,375

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

²⁾ Haglöfs is included in consolidated profit through July. The entire holding was sold in August 2010.

³⁾ HL Display included with 29% through May 2010, in June and July with 61% and subsequently with 99%.

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 2009 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 105m (223). In January, Ratos provided EuroMaint with SEK 166m for the acquisition of RSM Group. HL Display was sold to a wholly-owned Ratos subsidiary, HL Display Holding AB, in conjunction with refinancing of the holding in August. In August, Ratos provided AH Industries with SEK 288m in conjunction with the acquisition of RM Group.

Ratos shares

Earnings per share before dilution amounted to SEK 14.18 (5.32). The total return on Ratos shares in 2010 amounted to 40%, compared with the performance of the SIX Return Index which was +27%.

Buy-backs and number of shares

172,094 shares were repurchased during 2010. The number of call options exercised corresponded to 576,200 shares. At the end of December, Ratos owned 2,833,141 B shares (corresponding to 1.7% of the total number of shares), repurchased at an average price of SEK 126.

In conjunction with acquisition of the Remius family's shares in HL Display a non-cash issue of 217,556 B shares in Ratos was carried out in July. At 31 December the total number of shares in Ratos (A and B shares) was 162,070,448 and the number of voting rights was 54,298,222. The number of outstanding shares amounted to 159,237,307. The average number of B treasury shares owned by Ratos during the period was 2,879,865 (3,276,077 in 2009).

The Board has decided to propose that the 2011 Annual General Meeting gives the Board a renewed mandate to buy back shares in the company, during the period until 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⁾

SEKm	31 Dec 2010	% of equity
AH Industries	618	4
Anticimex	913	6
Arcus-Gruppen	790	5
Biolin Scientific	269	2
Bisnode	1,217	8
Camfil	259	2
Contex Group	986	7
DIAB	1,066	7
EuroMaint	652	4
GS-Hydro	-62	0
Hafa Bathroom Group	162	1
HL Display	1,024	7
Inwido	2,057	14
Jøtul	324	2
KVD Kvarndammen	360	2
Lindab	310	2
Medisize	795	5
Mobile Climate Control	669	5
SB Seating	1,067	7
Stofa	664	4
Superfos	589	4
Other holdings ²⁾	167	1
Total	14,896	99
Other net assets in central companies	195	1
Equity (attributable to owners of the parent)	15,091	100
Equity per share, SEK	95	

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.

²⁾ Other holdings include the subsidiary BTJ Group and the holdings in Overseas Telecom and IK Investment Partners.

Equity

At 31 December 2010 Ratos's equity (attributable to owners of the parent) amounted to SEK 15,091M (SEK 14,430M at 30 September 2010) corresponding to SEK 95 per outstanding share (SEK 91 at 30 September 2010).

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 2010, 5,000 A shares have been converted to B shares.

Other

Proposal for ordinary dividend

The Board of Directors proposes an ordinary dividend for 2010 of SEK 10.50 per share (9.50). The record date for dividends is estimated as 8 April and dividends are expected to be paid from Euroclear Sweden on 13 April 2011.

Proposed division of shares (share split)

The Board of Directors proposes that the Annual General Meeting decides on a division of shares (share split) so that each existing share is divided into two shares of the same class. The record date at Euroclear Sweden is proposed as 6 May 2011. After the split the total number of shares in Ratos will increase from 162,070,448 to 324,140,896. Provided the Annual General Meeting approves this proposal, it is proposed that the number of shares in the Articles of Association paragraph 5 be changed to a minimum of 300,000,000 and a maximum of 1,200,000,000.

Incentive programmes

The Board has decided to propose that the Annual General Meeting decides on the issue of a maximum of 650,000 call options (prior to possible decision on share split) on repurchased Ratos class B shares. It is proposed that the call options be offered to a maximum of approximately 35 key people working in the company. The call option programme comprises between 5,000 and 100,000 options per person (prior to possible decision on a share split). The exercise price will be set at 125% of the average for each trading day during the period 6-12 May 2011 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 18 March 2016. The price of the options will 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 8,000 class B shares (prior to possible decision on a share split) 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 25 February 2011 and published on www.ratos.se.

Proposal on authorisation for new issues to be used at acquisitions

The Board proposes that the 2011 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 17.5 million class B shares (prior to possible decision on a share split), 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 2011 Annual General Meeting the Nomination Committee proposes re-election of Board members Olof Stenhammar, Lars Berg, Staffan Bohman, Arne Karlsson (CEO), Annette Sadolin, Jan Söderberg, Per-Olof Söderberg and Margareth Øvrum.

Annual General Meeting

Ratos's Annual General Meeting will be held on 5 April 2011 at 17.00 CET in Berwaldhallen, Dag Hammarskjölds väg 3, Stockholm. Shareholders who wish to participate in the meeting must be entered in the share register kept by Euroclear Sweden no later than 30 March 2011, and notify their intention to attend no later than 16.00 CET on 30 March 2011. The Annual Report and other company documentation with basis for decision will be available at www.ratos.se from 7 March 2011. The notice of the Annual General Meeting will be published on 25 February 2011. 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 978m (1,236) and EBITA SEK 55m (86), pro forma including acquisition of RM Group
- Weak sales and earnings development due to continued low market activity within wind power
- Acquisition of RM Group completed at an Enterprise Value of DKK 325m, of which Ratos provided equity of DKK 227m (SEK 288m). Costs of SEK 12m related to the acquisition were charged against earnings in the fourth quarter
- Integration of RM Group is proceeding according to plan and a new organisational structure has been implemented with two business areas – Wind Solutions and Cement & Minerals Solutions
- Continued uncertain market situation for the wind power industry means that a broad market recovery will take time

Ratos's holding in AH Industries amounted to 69% and the consolidated book value in Ratos was SEK 618m at 31 December 2010.

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 1,856m (1,803) and EBITA SEK 198m (197)
- Sales growth affected by lower activity within energy surveys for apartment blocks
- Year ended strongly, EBITA margin amounted to 11.9% (10.4) for the fourth quarter. Particularly positive earnings development for operations outside Sweden
- Strong operating cash flow

Ratos's holding in Anticimex amounted to 85% and the consolidated book value in Ratos was SEK 913m at 31 December 2010.

Anticimex is a service company that offers a broad range of services for healthy and safe indoor environments. Services include pest assurance, hygiene assurance, insurance, dehumidification, fire protection as well as property transfer and energy surveys. The Group is currently represented in Sweden, Finland, Denmark, Norway, Germany and the Netherlands.

Arcus-Gruppen

- Sales SEK 1,944m (1,829) and EBITA SEK 156m (83)
- Good sales growth (+9% in local currency), mainly driven by wine in Sweden and Norway
- Strong earnings development mainly due to higher volumes and a strengthening of the Norwegian krone and Swedish krona against the euro
- Arcus-Gruppen has concluded an agreement to increase its holding in Vingruppen from 62.5% to 90.5%
- Otto Drakenberg has been appointed as the new CEO from 1 April 2011

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 790m at 31 December 2010.

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 142m (137) and EBITA SEK 12m (12)
- Weaker result in the fourth quarter mainly due to negative currency effects and postponed orders
- Ratos made a public offer for Biolin Scientific in November and at 31 December owned 88.12% of shares and votes after full dilution. The offer has been extended through 24 February and compulsory acquisition of the remaining shares will be initiated shortly. The final day for trading on NASDAQ OMX Stockholm is 22 February. Biolin Scientific is included in Ratos's earnings with effect from 1 January 2011.

Ratos's holding in Biolin Scientific amounted to 88% and the consolidated book value in Ratos was SEK 269m at 31 December 2010. On 17 February 2011 Ratos owned 95% of Biolin Scientific.

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 and biophysics. Customers are found worldwide and mainly comprise researchers in academia, research institutes and the industrial sector.

Bisnode

- Sales SEK 4,451m (4,741) and EBITA SEK 536m (593)
- Organic growth was -1.4% adjusted for currency effects. The late-cyclical part of operations, Marketing Solutions, noted a turnaround towards year-end
- EBITA before items affecting comparability amounted to SEK 594m (563), corresponding to an operating margin of 13% (12%)
- Poslovna Domena in Croatia and Yritystele in Finland were acquired in the fourth quarter
- The offering in Germany was strengthened with the launch of a new credit information company

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,217m at 31 December 2010.

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 750m (698) and EBITA SEK 97m (11)
- Stock reductions by customers in 2009 contributed to good sales growth for Contex A/S. Strong development for Z Corporation during the fourth quarter
- Strong improvement in margins due to the extensive cost-cutting programmes in 2008 and 2009
- Aage Snorgaard new CEO from 1 October 2010

Ratos's holding in Contex Group amounted to 99% and the consolidated book value in Ratos was SEK 986m at 31 December 2010.

The Danish company Contex Group is a world-leading developer and manufacturer of innovative 2D and 3D digital imaging solutions. The company has three operating areas: Contex A/S is the world's largest manufacturer of wide-format scanners, Z Corporation manufactures 3D printers, Vidar Systems Corporation manufactures products for medical imaging.

DIAB

- Sales SEK 1,396m (1,322) and EBITA SEK 188m (156)
- Sales increased by 11% in local currency. Good growth in the wind power market in Asia, but weaker development in Europe as well as North and South America
- Marine segment showing good recovery
- Improved profitability due to increased capacity utilisation and efficiency gains
- CEO Anders Paulsson has informed the board that he wishes to resign by summer 2011 at the latest. Anders Paulsson will continue to be an advisor to DIAB

Ratos's holding in DIAB amounted to 95% and the consolidated book value in Ratos was SEK 1,066m at 31 December 2010.

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

EuroMaint

- Sales SEK 3,532m (2,510) and EBITA SEK -67m (133)
- Organic sales growth (excluding acquisition of RSM and EISAB) was 9% due to favourable development within EuroMaint Rail
- EBITA before costs affecting comparability amounted to SEK 148m. Costs are related to restructuring of operations and measures for extensive winter damage to trains
- Continued weak development for EuroMaint Industry, although rising demand during the year
- EuroMaint Rail renewed its maintenance contracts with Green Cargo and SJ during 2010

Ratos's holding in EuroMaint amounted to 100% and the consolidated book value in Ratos was SEK 652m at 31 December 2010.

EuroMaint is a leading provider of advanced maintenance services to the manufacturing industry and the rail transport sector. Operations are conducted in two subsidiaries: EuroMaint Rail and EuroMaint Industry. EuroMaint conducts operations at 18 locations in Sweden, as well as in Germany, Belgium, Poland, the Netherlands and Latvia.

GS-Hydro

- Sales SEK 1,244m (1,495) and EBITA SEK 27m (113)
- Weak order bookings and sales development due to reduced investment by customers. Stabilisation in the offshore segment and increased activity in several markets during the fourth quarter
- Cost-cutting measures are being implemented to adapt operations to lower volumes
- Pekka Frantti took over as the new CEO on 1 February 2010

Ratos holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK -62m at 31 December 2010 (negative value due to refinancing in 2008).

GS-Hydro is a leading supplier of non-welded piping solutions. 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 424m (390) and EBITA SEK 38m (51)
- Positive sales growth due to higher demand driven by low interest rates, the "ROT-avdrag" (tax reductions on repairs and maintenance) and a long-term positive renovation trend for homes and bathrooms. A terminated customer contract had a negative impact, however, from the fourth quarter. Significant new contracts have been signed but will not fully compensate in 2011
- Launch of campaign focused on professional market
- Ratos received a dividend of SEK 90m during the period

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 162m at 31 December 2010.

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

HL Display

- Sales SEK 1,617m (1,360) and EBITA SEK 66m (86)
- Sales increased by 19%. Excluding acquisition of PPE (December 2009) sales rose 1% (+5% adjusted for currency effects)
- Earnings were negatively affected by costs affecting comparability of SEK 27m related, among other things, to restructuring of production and transaction costs. Currency effects also had a negative impact on earnings of approximately SEK 20m
- Ratos's acquisition of HL Display has been completed and compulsory acquisition of the remaining shares is under way
- Refinancing carried out where Ratos received approximately SEK 400m

Ratos's holding in HL Display amounted to 99% and the consolidated book value in Ratos was SEK 1,024m at 31 December 2010.

HL Display is a global, market leading supplier of products and systems for merchandising and in-store communication with operations in 33 countries. Manufacture takes place in China, the UK and Sweden.

Inwido

- Sales SEK 5,149m (5,026) and EBITA SEK 446m (348)
- EBITA before items affecting comparability amounted to SEK 527m (389) corresponding to an operating margin of 10% (8). Continued good development in Sweden, Finland and Norway. Cost efficiency and good gross margins contributed to the positive earnings development. Weak in markets outside the Nordic region where improvement programmes have been initiated
- The early onset of winter had a negative impact on sales and order bookings in the fourth quarter
- In the first quarter of 2010 34% of the Danish subsidiary was acquired and DKK 25m was paid in 2010 and DKK 71m will be paid no later than 2012. In addition a possible earn-out of a maximum of DKK 17m will be paid in 2013. An additional 5% was acquired in February 2011. Following this acquisition the holding in Denmark amounts to 100%

Ratos's holding in Inwido amounted to 96% and the consolidated book value in Ratos was SEK 2,057m at 31 December 2010.

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 1,044m (1,044) and EBITA SEK 97m (89)
- Very good market development in Norway while sales in France weakened. Sales in local currency increased by 5%
- EBITA was positively affected by changed pension rules, but negatively by higher raw material prices, currency fluctuations and changes to the product mix
- Following conversion into shares of the capital contribution made in 2009, Ratos's holding amounts to 61%

Ratos's holding in Jøtul amounted to 61% and the consolidated book value in Ratos was SEK 324m at 30 December 2010.

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 239m (221) and EBITA SEK 32m (31)
- EBITA before costs affecting comparability amounted to SEK 44m (31). These costs are mainly attributable to the change of owner
- Stronger market share and increased revenues item mainly in the car business area
- Ratos's acquisition was completed in December 2010. KVD Kvarndammen is included in Ratos's earning with effect from 1 January 2011

Ratos's holding in KVD Kvarndammen amounted to 100% and the consolidated book value in Ratos was SEK 360m at 31 December 2010.

KVD Kvarndammen is Sweden's largest independent online marketplace offering broker services for second-hand company cars and car fleets. The company, which was founded in 1991, runs kvd.se where cars, heavy vehicles, machines, liquidation goods and surplus goods 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 6,527m (7,019) and EBITA SEK 401m (265)
- Mixed development in the group's business areas and geographic markets during the fourth quarter. Negative impact on sales from the early and cold winter
- EBITA was affected by items affecting comparability, including a capital gain from sale and leaseback of property in a net amount of SEK 46m (-47)
- Acquisition of Finnish ventilation company IVK-Tuote Oy
- Ratos sold half its holding and subsequently owns just over 11% of the shares in Lindab

Ratos's holding in Lindab amounted to 11% and the consolidated book value in Ratos was SEK 310m at 31 December 2010.

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 60% of sales go to countries outside the Nordic region. Lindab is listed on NASDAQ OMX Stockholm, Large Cap List.

Medisize

- Sales SEK 1,079m (1,358) and EBITA SEK 109m (134)
- Sales decreased by 11% adjusted for currency effects. Adjusted for revenues related to the start-up of a new production line in 2009, sales rose 4%
- Lower earnings due to normalised production volumes in the Drug Delivery Devices segment
- In the first quarter of 2010 Ratos acquired an additional 5.4% of Medisize for EUR 6.2m (SEK 59.8m)

Ratos's holding in Medisize amounted to 98% and the consolidated book value in Ratos was SEK 795m at 31 December 2010.

Medisize is an international contract manufacturer specialised in medical devices for delivery and administration of drugs and pharmaceutical packaging (Development & Manufacturing) as well as development, manufacture and distribution of single-use plastic products for anaesthesia and intensive care (Airway Management).

Mobile Climate Control (MCC)

- Sales SEK 902m (1,085) and EBITA SEK 112m (128)
- Reduced sales due to lower demand in the military segment, but clear signs of a recovery in the off-road vehicle segment
- Stable EBITA margin of 12% (12) despite lower sales
- Earn-out of SEK 43m paid, attributable to acquisition of ACME in 2008

Ratos's holding in MCC amounted to 100% and the consolidated book value in Ratos was SEK 669m at 31 December 2010.

Mobile Climate Control (MCC) offers complete climate comfort systems for three main customer segments: buses, off road and military vehicles. Approximately 75% of the company's sales take place in North America and 25% in Europe. Major production plants are located in Toronto (Canada), Goshen (USA), Norrtälje (Sweden), and Wrocław (Poland).

SB Seating

- Sales SEK 1,203m (1,203) and EBITA SEK 197m (56)
- The late-cyclical office chair market has gradually stabilised. In local currency sales rose 14% in the fourth quarter and 4% for the full-year 2010
- Strong improvement in EBITA margin, 16% (10% 2009, before items affecting comparability). Reduced costs combined with the effects of the completed re-organisation explain the improved earnings
- Stronger operating cash flow due to earnings development and capital efficiency

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 1,067m at 31 December 2010.

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, Benelux and France.

Stofa

- Sales SEK 1,411m (1,460) and EBITA SEK 117m (130)
- EBITA before costs affecting comparability amounted to SEK 142m (130). These costs are related to the change of owner
- New advertising campaign with adjusted brand identity started during the autumn
- Ratos's acquisition completed as of 31 July
- After the end of the period Stofa concluded an agreement to acquire Canal Digital's Danish cable TV operations. The deal is subject to approval from the competition authorities

Ratos's holding in Stofa amounted to 99% and the consolidated book value in Ratos was SEK 664m at 31 December 2010.

Stofa is a Danish triple-play operator (broadband, cable TV and telephony) which provides some 350,000 households with cable TV and 40% 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.

Superfos

- Sales SEK 3,158m (3,128) and EBITA SEK 226m (292)
- Sales in reporting currency increased by 12%, of which the volume increase was 5%. The improved economic situation led to a strong recovery in the paint, building materials and chemicals segments. Development was stable for the food segment, which is more independent of the economic climate
- Lower earnings due to sharp rise in raw material prices. Adjusted for the effect of raw materials, the earnings development was positive compared with 2009
- In December, Ratos and co-owner IK Investment Partners concluded an agreement to sell all shares in Superfos to RPC Group Plc for approximately EUR 240m (Enterprise Value), of which Ratos's share of the equity value amounts to approximately EUR 63m (approximately SEK 548m). The sale provides an exit result for Ratos of approximately SEK -100m and an average annual return (IRR) of approximately 2%. Approval has been received from the relevant competition authorities and the deal is expected to be completed in February 2011

Ratos's holding in Superfos amounted to 33% and the consolidated book value in Ratos was SEK 589m at 31 December 2010.

Superfos is an international Danish group with operations in 20 countries mainly in Europe. The company develops, produces and sells injection moulded packaging for the food, paint and chemical industries.

Other holdings

- BTJ's sales amounted to SEK 808m (863) and EBITA to SEK 8m (-16). Positive development where lower sales were compensated by reduced operating expenses after completed action programmes
- Continued intense competition in the market for Overseas Telecom
- Starting in the first quarter of 2011 Other holdings will no longer be reported separately but will instead be included in Ratos's other net assets

The total consolidated book value for Other holdings in Ratos was SEK 167m at 31 December 2010.

Other holdings comprise three holdings: BTJ Group, IK Investment Partners and Overseas Telecom.

Ratos's holdings at 31 December 2010 (holdings owned at 17 February 2011)

SEKm	Net sales		EBITA		EBT ^{A)}	
	2010	2009	2010	2009	2010	2009
AH Industries ¹⁾	978	1,236	55	86	26	54
Anticimex	1,856	1,803	198	197	159	148
Arcus-Gruppen	1,944	1,829	156	83	135	50
Biolin Scientific	142	137	12	12	7	11
Bisnode	4,451	4,741	536	593	376	324
Contex Group	750	698	97	11	43	-71
DIAB	1,396	1,322	188	156	149	97
EuroMaint	3,532	2,510	-67	133	-132	70
GS-Hydro	1,244	1,495	27	113	-27	58
Hafa Bathroom Group	424	390	38	51	37	40
HL Display ²⁾	1,617	1,360	66	86	29	61
Inwido	5,149	5,026	446	348	328	189
Jøtul	1,044	1,044	97	89	67	112
KVD Kvarndammen ³⁾	239	221	32	31	22	20
Lindab	6,527	7,019	401	265	112	119
Medisize	1,079	1,358	109	134	95	103
Mobile Climate Control	902	1,085	112	128	71	85
SB Seating	1,203	1,203	197	56	180	76
Stofa ⁴⁾	1,411	1,460	117	130	83	99
Superfos	3,158	3,128	226	292	201	230
Other holdings ⁵⁾	808	863	8	-16	6	-18
Total	39,854	39,926	3,049	2,978	1,968	1,859
Change	0%		2%		6%	

SEKm	Depreciation ^{B)} 2010	Investment ^{C)} 2010	Cash flow ^{D)} 2010	Equity ^{E)} 31 Dec 2010	Interest-bearing net debt ^{E)} 31 Dec 2010	Average no. employees 2010	Consolidated value 31 Dec 2010	Ratos's
								holding 31 Dec 2010
AH Industries ¹⁾	57	–	–	886	362	420	618	69%
Anticimex	38	65	200	1,052	391	1,204	913	85%
Arcus-Gruppen	35	35	-67	1,018	-295	452	790	83%
Biolin Scientific	5	7	-4	196	47	91	269	88%
Bisnode	135	95	391	2,279	2,289	3,080	1,217	70%
Contex Group	56	55	27	1,003	655	309	986	99%
DIAB	87	81	91	1,212	820	1,327	1,066	95%
EuroMaint	59	28	38	668	741	2,713	652	100%
GS-Hydro	28	15	41	307	617	611	-62	100%
Hafa Bathroom Group	5	4	6	51	85	177	162	100%
HL Display ²⁾	38	–	–	1,123	490	1,102	1,024	99%
Inwido	179	69	321	2,340	1,501	3,759	2,057	96%
Jøtul	58	67	30	614	546	714	324	61%
KVD Kvarndammen ³⁾	5	–	–	360	178	140	360	100%
Lindab	164	128	628	2,755	1,856	4,454	310	11%
Medisize	45	46	78	821	250	837	795	98%
Mobile Climate Control	17	50	23	695	509	512	669	100%
SB Seating	49	23	203	1,158	723	471	1,067	85%
Stofa ⁴⁾	94	–	–	667	618	429	664	99%
Superfos	210	171	51	1,743	365	1,322	589	33%
Other holdings ⁵⁾	10	7	-13	57	34	267	13	66%

^{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 company acquisitions.

^{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 loan. Interest-bearing debt excludes shareholder loan.

¹⁾ AH Industries' earnings and average number of employees in 2009 and 2010 are pro forma taking the acquisition of RM Group into account.

²⁾ HL Display's earnings for 2009 and 2010 are pro forma taking Ratos's acquisition into account.

³⁾ KVD Kvarndammen's earnings for 2009 and 2010 are pro forma taking Ratos's acquisition into account.

⁴⁾ Stofa's earnings and average number of employees for 2009 and 2010 are pro forma taking Ratos's acquisition into account.

⁵⁾ "Other holdings" include the subsidiary BTJ Group.

**Telephone conference
17 February
10.00 CET**

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

Financial calendar

2011

5 April	Annual General Meeting
5 May	Interim report Jan-March
19 Aug	Interim report Jan-June
9 Nov	Interim report Jan-Sept

Stockholm, 17 February 2011
Ratos AB (publ)



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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	2010 Q 4	2009 Q 4	2010	2009
Net sales	7,870	7,153	27,953	26,356
Other operating income	168	56	376	178
Change in inventories	394	-166	27	-140
Raw materials and consumables	-3,296	-2,362	-10,411	-9,663
Employee benefit costs	-2,527	-2,167	-8,941	-8,469
Depreciation and impairment of property, plant and equipment and intangible assets	-325	-295	-1,050	-1,134
Other costs	-1,788	-1,564	-6,097	-5,447
Remeasurement HL Display			140	
Capital gain/loss from the sale of group companies	-4	28	774	6
Capital gain/loss from the sale of associates	537	-6	537	-6
Share of profits of associates	34	131	253	358
Operating profit	1,063	808	3,561	2,039
Financial income	74	47	253	328
Financial expenses	-316	-246	-946	-992
Net financial items	-242	-199	-693	-664
Profit before tax	821	609	2,868	1,375
Tax	-73	-202	-455	-441
Profit for the period	748	407	2,413	934
Profit for the period attributable to:				
Owners of the parent	687	354	2,255	842
Non-controlling interests	61	53	158	92
Earnings per share, SEK				
– before dilution	4.31	2.24	14.18	5.32
– after dilution	4.30	2.23	14.15	5.32

Consolidated statement of comprehensive income

SEKm	2010 Q 4	2009 Q 4	2010	2009
Profit for the period	748	407	2,413	934
Other comprehensive income				
Translation differences for the period	-54	211	-1,153	-172
Change in hedging reserve for the period	34	49	95	64
Tax attributable to other comprehensive income	-6	-3	-22	-7
Other comprehensive income for the period	-26	257	-1,080	-115
Total comprehensive income for the period	722	664	1,333	819
Total comprehensive income for the period attributable to:				
Owners of the parent	672	579	1,352	777
Non-controlling interests	50	85	-19	42

Summary consolidated statement of financial position

SEKm	31 Dec 2010	31 Dec 2009
ASSETS		
Non-current assets		
Goodwill	20,304	18,507
Other intangible assets	1,621	1,875
Property, plant and equipment	4,050	3,702
Financial assets	808	2,807
Deferred tax assets	632	500
Total non-current assets	27,415	27,391
Current assets		
Inventories	2,884	2,617
Current receivables	6,291	5,661
Cash and cash equivalents	2,855	4,999
Assets held for sale	1,318	190
Total current assets	13,348	13,467
Total assets	40,763	40,858
EQUITY AND LIABILITIES		
Equity including non-controlling interests	16,465	16,802
Non-current liabilities		
Interest-bearing liabilities	10,923	12,040
Non-interest bearing liabilities	405	415
Pension provisions	412	451
Other provisions	431	607
Deferred tax liabilities	778	779
Total non-current liabilities	12,949	14,292
Current liabilities		
Interest-bearing liabilities	2,872	2,014
Non-interest bearing liabilities	7,851	7,167
Provisions	626	579
Liabilities attributable to Assets held for sale		4
Total current liabilities	11,349	9,764
Total equity and liabilities	40,763	40,858

Summary statement of changes in consolidated equity

SEKm	31 Dec 2010			31 Dec 2009		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
Opening equity	15,302	1,500	16,802	15,825	1,465	17,290
Adjusted for changed accounting principle	-25		-25			
Adjusted equity	15,277	1,500	16,777	15,825	1,465	17,290
Total comprehensive income for the period	1,352	-19	1,333	777	42	819
Dividend	-1,512	-23	-1,535	-1,423	-11	-1,434
New issue	43	145	188	89	102	191
Transfer of treasury shares (at acquisitions) in associates	10		10			
Purchase of treasury shares in associates				2		2
Purchase of treasury shares	-34		-34			
Transfer of treasury shares (exercise of call options)	80		80	14		14
Option premiums	9		9	18		18
Redemption of convertible programme in associates	-8		-8			
Acquisition of non-controlling interests	-117	-234	-351		-158	-158
Disposal of non-controlling interests		1	1			
Redemption of options in subsidiary	-9		-9			
Non-controlling interests at acquisition		32	32		60	60
Non-controlling interests in disposals		-28	-28			
Closing equity	15,091	1,374	16,465	15,302	1,500	16,802

Consolidated statement of cash flows

SEKm	2010	2009
Operating activities		
Profit before tax	2,868	1,375
Adjustment for non-cash items	-621	1,033
	2,247	2,408
Income tax paid	-250	-285
Cash flow from operating activities before change in working capital	1,997	2,123
Cash flow from change in working capital		
Increase (-)/Decrease (+) in inventories	-2	475
Increase (-)/Decrease (+) in operating receivables	254	144
Increase (+)/Decrease (-) in operating liabilities	-429	-239
Cash flow from operating activities	1,820	2,503
Investing activities		
Acquisition, group companies	-2,032	-516
Disposal, group companies	1,118	205
Acquisition, shares in associates and other holdings	-488	-20
Disposal, shares in associates and other holdings	858	31
Acquisition other intangible/tangible assets	-710	-974
Disposal, other intangible/tangible assets	76	163
Investment, financial assets	-67	-28
Disposal, financial assets	31	36
Cash flow from investing activities	-1,214	-1,103
Financing activities		
Purchase of treasury shares	-34	
Exercise of options	71	-23
Option premiums	8	19
Non-controlling interest in issue/capital contribution		102
Acquisition of non-controlling interests (minority)	-271	
Dividends paid	-1,512	-1,423
Dividends paid/redemption, non-controlling interests	-23	-11
Loans raised	987	474
Amortisation of loans	-1,880	-3,070
Cash flow from financing activities	-2,654	-3,932
Cash flow for the year	-2,048	-2,532
Cash and cash equivalents at beginning of the year	4,999	7,485
Exchange differences in cash and cash equivalents	-96	46
Cash and cash equivalents at the end of the year	2,855	4,999

Consolidated key figures

	2010 Q 4	2009 Q 4	2010	2009
Return on equity, %			15	5
Equity ratio, %			40	41
Key figures per share				
Total return, %			40	47
Dividend yield, %			4.2	5.1
Market price, SEK			249.00	185.00
Dividend, SEK			10.50	9.5
Equity attributable to owners of the parent, SEK			95	96
Earnings per share before dilution, SEK			14.18	5.32
Average number of shares outstanding				
– before dilution	159,237,307	158,316,782	159,067,460	158,124,369
– after dilution	159,588,350	158,495,196	159,376,350	158,186,343
Total number of registered shares				
Number of shares outstanding			162,070,448	161,852,892
– of which A shares			42,323,530	42,328,530
– of which B shares			116,913,777	116,287,115

Parent company income statement

SEKm	2010 Q 4	2009 Q 4	2010	2009
Other operating income	100	10	104	11
Other external costs	-52	-26	-139	-60
Personnel costs	-48	-50	-167	-158
Depreciation of property, plant and equipment	-1	-2	-5	-4
Other operating expenses		4		-2
Operating profit/loss	-1	-64	-207	-213
Capital gain from sale of participations in group companies			932	310
Dividends from group companies			93	25
Impairment of shares in group companies	-4	-57	-4	-57
Capital gain from sale of interests in associates	737	-1	737	-1
Dividends from associates			12	198
Impairment of interests in associates	-3		-3	
Result from other securities and receivables accounted for as non-current assets	10	48	116	262
Other interest income and similar profit/loss items	2	-6	7	50
Interest expenses and similar profit/loss items	-6	-5	-75	-28
Profit/loss after financial items	735	-85	1,608	546
Tax				
Profit/loss for the period	735	-85	1,608	546

Parent company statement of comprehensive income

SEKm	2010 Q 4	2009 Q 4	2010	2009
Profit/loss for the period	735	-85	1,608	546
Other comprehensive income:				
Change in fair value reserve for the period		20	-21	99
Other comprehensive income for the period	0	20	-21	99
Comprehensive income for the period	735	-65	1,587	645

Summary parent company balance sheet

SEKm	31 Dec 2010	31 Dec 2009
ASSETS		
Non-current assets		
Property, plant and equipment	87	90
Financial assets	13,711	11,124
Total non-current assets	13,798	11,214
Current assets		
Current receivables	43	119
Cash and cash equivalents	420	2,776
Total current assets	463	2,895
Total assets	14,261	14,109
EQUITY AND LIABILITIES		
Equity	13,493	13,321
Non-current provisions		
Pension provisions	2	2
Other provisions	31	168
Non-current liabilities		
Interest-bearing liabilities	272	197
Non-interest bearing liabilities	99	136
Current provisions		10
Current liabilities		
Interest-bearing liabilities	184	
Non-interest bearing liabilities	180	275
Total equity and liabilities	14,261	14,109
Pledged assets and contingent liabilities	none	none

Summary statement of changes in parent company's equity

SEKm	31 Dec 2010	31 Dec 2009
Opening equity, 1 January	13,321	13,988
Comprehensive income for the period	1,587	645
Dividend	-1,512	-1,423
Repurchase of treasury shares	-34	
New issue	43	89
Transfer of treasury shares (exercise call options)	80	14
Option premiums	8	8
Closing equity	13,493	13,321

Parent company cash flow statement

SEKm	2010	2009
Operating activities		
Profit/loss before tax	1,608	546
Adjustment for non-cash items	-1,759	-456
Income tax paid	-151	90
Cash flow from operating activities before change in working capital	-151	90
Cash flow from change in working capital		
Increase (-)/Decrease (+) in operating receivables	-11	24
Increase (+)/Decrease (-) in operating liabilities	-125	-250
Cash flow from operating activities	-287	-136
Investing activities		
Investment, shares in subsidiaries	-2,513	-2,360
Sale and redemption, shares in subsidiaries	1,489	1,157
Investment, shares in associates and other holdings	-486	-20
Sales, shares in associates and other holdings	855	6
Acquisition, property, plant and equipment	-2	-59
Investment, financial assets	-38	-165
Sales, financial assets	80	85
Cash flow from investing activities	-615	-1,356
Financing activities		
Repurchase of treasury shares	-34	
Transfer of treasury shares (exercise call options)	80	14
Option premiums	8	8
Dividends paid	-1,512	-1,423
Loans raised	4	
Amortisation of loans		-31
Cash flow from financing activities	-1,454	-1,432
Cash flow for the year	-2,356	-2,924
Cash and cash equivalents at the beginning of the year	2,776	5,700
Cash and cash equivalents at the end of the year	420	2,776

Operating segments

SEKm	Sales				EBT ¹⁾			
	2010 Q 4	2009 Q 4	2010	2009	2010 Q 4	2009 Q 4	2010	2009
Holdings								
AH Industries	240	140	611	523	-13	-3	-24	-19
Anticimex	486	460	1,856	1,803	40	31	127	119
Arcus-Gruppen	604	597	1,944	1,829	84	172	135	165
Biolin Scientific ²⁾								
Bisnode	1,163	1,243	4,451	4,838	85	57	274	145
Camfil					20	22	99	80
Contex Group	198	175	750	698	6	9	43	-73
DIAB	316	307	1,396	1,095	14	17	149	87
EuroMaint	949	698	3,532	2,510	-86	17	-165	41
GS-Hydro	294	370	1,244	1,495	-48	4	-27	58
Hafa Bathroom Group	100	102	424	390	-1	2	37	38
Haglöfs ³⁾		107	289	587		-1	5	58
HL Display ⁴⁾	392		662		-7	8	13	25
Inwido	1,391	1,473	5,149	5,026	41	75	328	125
Jøtul	384	368	1,044	1,044	52	54	25	74
KVD Kvarndammen ²⁾								
Lindab					-5	0	38	27
Medisize	253	407	1,079	1,358	10	60	95	103
Mobile Climate Control	217	210	902	1,085	4	6	71	85
SB Seating	329	313	1,203	1,203	16	-4	87	-9
Stofa ⁵⁾	365		600		32		44	
Superfos					7	92	65	184
Other holdings	187	182	808	863	2	-4	6	-18
Total	7,868	7,152	27,944	26,347	253	614	1,425	1,295
Exit Haglöfs							783	
Exit Lindab					537		537	
Exit gains	0	0	0	0	537	0	1,320	0
Remeasurement HL Display							140	
Impairment Other holdings					-25		-25	
Holdings total	7,868	7,152	27,944	26,347	765	614	2,860	1,295
Central income and expenses	2	1	9	9	56	-5	8	80
Group total	7,870	7,153	27,953	26,356	821	609	2,868	1,375

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

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

³⁾ Haglöfs is included in consolidated earnings until the end of July. The entire holding was sold in August 2010.

⁴⁾ HL Display is included with 29% through May 2010, with 61% in June and July and subsequently with 99%.

⁵⁾ Stofa included in the Group from August 2010.

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 and the Swedish Securities Market Act are also applied.

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

Except where specified below, 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. This requirement pertains to both associates and subsidiaries.

New accounting principles for 2010

Revised IFRS 3 Business Combinations and amended IAS 27 Consolidated and Separate Financial Statements are applied as of 1 January 2010. These standards provide new rules for partial disposals and partial acquisitions. How an acquisition/disposal is recognised in the accounts depends on the size of the share acquired/sold.

■ If the partial acquisition results in control being obtained in the acquired company, the previously owned share is remeasured at fair value, and profit/loss 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 remeasured at fair value on each accounting date. Re-measurement is recognised as income/expense in profit or loss for the year.

■ Transaction costs that arise in conjunction with an acquisition are expensed immediately. Ratos has chosen to recognise transaction costs that arose in the Group during 2009 and where the acquisition was not completed until 2010 in retained earnings.

■ For business combinations there are two alternative methods for recognising goodwill, either full or a proportionate share of goodwill. The choice between these two methods will be made individually for every acquisition.

Other revised IFRS standards and interpretations from IFRIC have not had any material effect on the performance, financial position or disclosures of the Group or the parent company.

Significant accounting and valuation principles

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

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.

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 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

Ratos increased its holding in Medisize by 5.4% to 98.4%. Consideration transferred amounted to EUR 6.2m (SEK 59.8m). Acquisition-related costs amount to SEK 1m and are recognised as other operating expenses in consolidated profit for the period.

Following conversion to shares of the capital contribution in Jøtul carried out in 2009, Ratos's holding amounts to 61% (63).

HL Display

In June, Ratos concluded an agreement to acquire the Remius family's shares in HL Display, corresponding to 28.2% of the capital and 59.1% of the votes. In conjunction with this, Ratos made an offer to the other shareholders in HL Display, in accordance with the requirements for mandatory offers, to transfer shares issued in HL Display to Ratos for SEK 49 per share.

During the second quarter, Ratos increased its holding in HL Display through acquisition of shares via NASDAQ OMX Stockholm to a value of SEK 483m. Acquisition of the Remius family's shares was completed on 21 July. Consideration transferred amounted to SEK 428m. Payment comprised 90% cash and 10% newly issued shares in Ratos corresponding to SEK 385m cash and 217,556 new shares in Ratos. In conjunction with the acquisition of the Remius family's shares, Ratos acquired control over HL Display which with effect from 1 August 2010 is reported as a subsidiary. Since the previously owned ownership interest was remeasured at fair value when control was obtained, an earnings effect of the remeasurement including reversed currency effects of SEK 140m is recognised within operating profit. Ratos has chosen to report the acquisition according to the partial goodwill method. Preliminary goodwill amounts to a total of SEK 1,110m.

After acquiring control, Ratos acquired additional shares through the public offer and via NASDAQ OMX Stockholm to a value of SEK 161m. These acquisitions are regarded according to revised IFRS 3 Business Combinations as equity transactions since Ratos acquires the shares from a "non-controlling interest" (minority), therefore the difference between the consideration transferred and the acquired "non-controlling interest" is recognised directly in equity with SEK 105m. The total consideration transferred during the period amounts to SEK 1,072m, of which SEK 43m comprised newly issued Ratos shares. At the end of the year, Ratos owned 99.5% of the capital and 99.7% of the votes.

HL Display has a strong market position and is the only global company in its sector. The company has a unique broad product range and its innovative ability and size provide good opportunities to create new

competitive products. Acquired goodwill reflects these values.

As a subsidiary, HL Display is included in consolidated sales from August with SEK 270m and in profit before tax with SEK -3m. Sales for the full year totalled SEK 1,617m and profit before tax was SEK 29m. The acquisition company's interest expenses are reported pro forma to correspond to a full-year figure.

Acquisition-related costs amounted to SEK 8m and are recognised as other operating expenses in consolidated profit or loss.

Stofa

In July, Ratos signed an agreement with TeliaSonera on acquisition of all the shares in Stofa. The acquisition was completed on 30 July. Enterprise Value amounted to DKK 1,090m and the consideration transferred amounted to DKK 527m (SEK 668m). In the preliminary PPA, goodwill amounts to SEK 885m. The goodwill recognised for the acquisition corresponds to the company's profitability level which is based, among other things, on the company's customer offering, technical expertise, market position and historical market presence.

The acquired company is included in consolidated sales with SEK 600m and in profit before tax with SEK 44m. Sales for the full year totalled SEK 1,411m and profit before tax was SEK 83m. The acquisition company's interest expenses are reported pro forma to correspond to a full-year figure.

Acquisition-related costs amounted to SEK 12m and are recognised as other operating expenses in consolidated profit or loss.

KVD Kvarndammen

An acquisition agreement was concluded at the end of November, and acquisition of all the shares in KVD Kvarndammen was completed on 17 December. Enterprise Value amounted to SEK 550m, of which Ratos provided equity of SEK 360m. Consideration transferred amounted to SEK 587m with preliminary goodwill amounting to SEK 513m. Goodwill recognised is mainly motivated by a strong position in the Swedish market for brokerage of capital goods, primarily cars. An effective business model, combined with strong managerial and organisational abilities, is expected to increase KVD Kvarndammen's market share in Sweden and in the long term expansion to other countries is also possible. Since the acquisition was completed on 17 December, no sales or profit before tax are included in consolidated sales or profit before tax for 2010. KVD Kvarndammen's sales totalled SEK 239m and profit before tax was SEK 22m for 2010. The acquisition company's interest expenses are reported pro forma to correspond to a full-year figure.

Acquisition-related costs amounted to SEK 3m and are recognised as other operating expenses in consolidated profit or loss.

Biolin Scientific

Ratos submitted a recommended cash offer to shareholders and holders of convertible debentures in Biolin Scientific on 29 November. Under this offer SEK 11.50 was received in cash for each share and convertible respectively. The ordinary acceptance period was from 1 December until 21 December 2010. After the end of the acceptance period, Ratos's holding amounted to 88.12% of shares and votes, whereupon Ratos decided to extend the acceptance period until 12 January 2011. After the extended acceptance period, Ratos's holding amounted to 92.71% of shares and votes in Biolin Scientific. Ratos has acquired an additional 2.78% of shares and votes outside the offer. On 17 February Ratos owned a total of 95.48% of shares and votes. Since Ratos's holding amounts to more than 90% of the votes, Ratos will shortly initiate compulsory acquisition of the remaining shares. The last trading day for Biolin Scientific on NASDAQ OMX Stockholm is 22 February 2011.

At year-end Ratos owned 88.12% of shares and convertibles after full dilution. Conversion took place in January 2011. Consideration transferred as per 31 December 2010 amounted to SEK 269m and preliminary goodwill amounted to SEK 177m. Biolin Scientific is a company that develops, manufactures and sells analytical instruments for research, development, quality assurance and clinical diagnostics. The company's research and development within nanotechnology, primarily material science and biophysics, is assessed as having major commercial potential. The company has the strong sales and distribution organisation that is required to achieve international success, since customers are found worldwide and mainly comprise researchers within academia, research institutes and the industrial sector. Combined with a strong company management and skilled employees, acquired goodwill reflects these factors.

Since Ratos obtained control on 28 December, no sales or profit before tax are included in consolidated sales and profit before tax. For the full year sales totalled SEK 142m and profit before tax was SEK 7m.

Acquisition-related costs amounted to SEK 4m and are recognised as other operating expenses in consolidated profit or loss.

PPAs for each company are provided below.

Purchase price allocations (PPAs)

PPAs in conjunction with obtaining control

SEKm	HL Display	Stofa	KVD Kvarndammen	Biolin Scientific	Total
Intangible assets	4	6		52	62
Property, plant and equipment	221	467	63	7	758
Financial assets	24	68		60	152
Current assets	582	254	66	62	964
Cash and cash equivalents	144	131	47	24	346
Non-controlling interests	-59	-1		-29	-89
Non-current liabilities and provisions	-293	-813	-2	-11	-1,119
Current liabilities	-386	-329	-100	-73	-888
Net identifiable assets and liabilities	237	-217	74	92	186
Consolidated value of associate at acquisition date	-775				-775
Remeasurement of previously held ownership interest, excluding currency effect	-144				-144
Consolidated goodwill	1,110	885	513	177	2,685
Consideration transferred	428	668	587	269	1,953

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

Acquisitions in group companies

Bisnode's investments in Directinet and Bilfakta were completed. Yritystele in Finland was acquired in the fourth quarter. The combined consideration transferred for these acquisitions amounted to SEK 95m. The acquired companies are included in consolidated sales with SEK 129m and in profit before tax with SEK -5m.

For 2010 sales totalled SEK 130m and loss before tax was SEK 6m. Acquisition-related costs amounted to SEK 1m and are recognised as other operating expenses in consolidated profit or loss. Bisnode also paid a contingent consideration of SEK 108m for acquisitions made in 2007.

EuroMaint's acquisition of Rail Service Management Group (RSM) was completed in January, whereby consideration transferred for the acquisition together with some smaller acquisitions amounted to SEK 169m. The acquired companies are included in consolidated sales with SEK 833m and in profit before tax with SEK 15m. For 2010 the companies' sales amounted to SEK 833m and profit before tax was 15m. Acquisition-related costs amounted to SEK 1m and are recognised as other operating expenses in consolidated profit or loss.

AH Industries acquired RM Group on 31 August. Consideration transferred amounted to DKK 316m (SEK 399m), of which Ratos provided equity of DKK 227m (SEK 288m). Goodwill amounts to DKK 160m (SEK 202m). The acquisition is expected to provide synergies in the form of a complementary product range, broader customer and supplier base as well as qualified expertise in the wind power, cement and minerals industries. In addition, the acquisition provides a platform for continued expansion outside Europe, among other things through RM Group's operations in China. Acquired goodwill reflects these values.

RM Group is included in consolidated sales with SEK 154m and in profit before tax with SEK 15m. In 2010 sales totalled SEK 521m and profit before tax was SEK 65m. Acquisition-related costs amounted to SEK 12m and are recognised as other operating expenses in consolidated profit or loss.

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

PPAs

SEKm	Bisnode	EuroMaint	AH Industries	Total
Intangible assets	5	1		6
Property, plant and equipment	2	61	121	184
Financial assets	1			1
Current assets	52	225	175	452
Cash and cash equivalents	10	1	77	88
Non-current liabilities and provisions	-14	-49	-82	-145
Current liabilities	-59	-121	-94	-274
Net identifiable assets and liabilities	-3	118	197	312
Consolidated goodwill ^{*)}	98	51	202	351
Consideration transferred	95	169	399	663

^{*)} EuroMaint's consolidated goodwill includes bargain purchase (negative goodwill) amounting to SEK 6m, which is recognised in profit for the period.

Since all PPAs with the exception of AH Industries are preliminary, fair value has not been finally identified for all items. The PPA for AH Industries has been adopted in accordance with the preliminary PPA.

Acquisition in group company after the end of the reporting period

Ratos's subsidiary Stofa acquired the Danish cable TV operations of Canal Digital for an Enterprise Value of approximately DKK 100m (SEK 120m). The acquisition will be financed with existing credit facilities in Stofa. The acquisition is subject to approval from the relevant competition authorities and is expected to be completed during the first quarter of 2011.

Disposals

On 12 July, Ratos concluded an agreement to sell the wholly owned subsidiary Haglöfs to Asics, based in Japan. The deal was completed on 20 August 2010. The consideration transferred amounted to SEK 1,007m and Ratos's capital gain (exit gain) amounted to SEK 783m.

In November, Ratos sold half its holding (11%) in the associated company Lindab. Consideration transferred amounted to SEK 867m and Ratos's capital gain (exit gain) amounted to SEK 537m.

Disposals after the end of the reporting period

In November 2010, Ratos concluded an agreement with the principal owners, the Larson and Markman families, on a sale of the associated company Camfil. 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 have concluded an agreement to sell all shares in Superfos Industries A/S. Approval has been received from the relevant competition authorities and the deal is expected to be completed in February 2011. Ratos's share of the consideration transferred is estimated to amount to EUR 63m (approximately SEK 548m) and the capital gain for Ratos (exit gain) to SEK -100m.

RATOS

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