

# Year-end report 2009

# Q4

- **Profit before tax SEK 1,375m (5,671)**
- **Earnings per share before dilution SEK 5.32 (32.62)**
- **Proposed dividend SEK 9.50 per share (9)**
- **Overall good development in the holdings**
- **Total return on Ratos shares +47%**

## Ratos in summary

SEKm	2009 Q 4	2008 Q 4	2009	2008
Profit/share of profits	614	220	1,295	1,554
Exit gains		4,411		4,449
Impairment		-92		-92
Profit from holdings	614	4,539	1,295	5,911
Net expenses	-5	-198	80	-240
Profit before tax	609	4,341	1,375	5,671

## Important events

■ In November, Ratos acquired a minority holding of approximately 25% of the shares in Inwido Finland Oy. The purchase price amounted to SEK 89m and was paid with 503,640 newly issued B shares in Ratos. The shares in Inwido Finland were transferred to the Inwido Group against increased ownership

■ In December, Superfos completed the sale of its US operations to Berry Plastics Corporation for USD 82m, which generated a capital gain in Superfos of SEK 302m

■ EuroMaint carried out a number of strategic acquisitions during 2009. The German company RSM Group was acquired in December, making EuroMaint the leading independent player within train maintenance in Europe. The purchase price amounted to SEK 166m and Ratos provided the entire amount. The acquisition was completed in January 2010. EuroMaint also acquired EISAB AB for SEK 25m. Ratos provided the entire amount

■ A number of add-on investments and divestments were carried out by other holdings in 2009. These included Arcus Gruppen, Bisnode, Camfil and HL Display

■ In the fourth quarter Ratos provided capital of SEK 32m to AH Industries and SEK 10m to Contex Group relating to development projects. Earlier in 2009, capital was provided to Contex Group (SEK 318m), DIAB (SEK 80m), Inwido (SEK 400m) and Jøtul (SEK 63m)

■ The acquisition of 3i's shares in DIAB was completed in March. The purchase price amounted to SEK 387m. After the acquisition, Ratos's holding in DIAB amounts to 94%

## Events after the end of the period

■ Leif Johansson, formerly Investment Director at Ratos, has been appointed as the new Deputy CEO and Chief Operating Officer. At the same time Henrik Blomé, Susanna Campbell, Per Frankling, Thomas Hofvenstam and Henrik Joelsson were appointed as new Investment Directors

More information about important events in the holdings is provided on pages 7-12.

# RATOS

## CEO's comments

When we summarise 2009 we can note that our holdings developed well overall due to powerful action programmes and the companies' strong positions in the value chain. Eleven holdings *increased* their operating profit compared with 2008 and all holdings posted a positive operating result, even though some were hit hard by the crisis and in one case lost up to 30% of demand.

After the summer the economy levelled out and today there are clear signs of a renewed upturn. We are still talking about an upturn from a low level, however, and our expectations of modest growth in the years ahead remain unchanged. Looking forward, this somewhat grey macroeconomic development does not necessarily have to be bad for well-run companies. On the contrary, the extensive action and efficiency programmes carried out have created conditions for major operational leverage, which means the companies can become very profitable even with sales levels lower than before the crisis.



Arne Karlsson

Further CEO comments at [www.ratos.se](http://www.ratos.se)

## Business environment and market

Ahead of 2009 we summarised Ratos's macroeconomic forecast using the acronym HAH – Heaven and Hell. Our intention was to reflect two fundamental expectations. One was that during the year the economy would be highly volatile, the other that we would experience an unusually fragmented development between different geographic areas, industries and other sectors. Our assessment was, however, that the enormous stimulation packages launched by governments and central banks would have the desired effect and the world seen as a whole would experience more of a storm than a hurricane – in other words a tough development but no 1930s scenario. Finally, we believed that the economic downturn would level out during the second half of 2009 or the start of 2010 and then turn upwards once again, but that we would then face several years of sub-par growth, i.e. growth in the economy but at a lower level than normal.

This forecast proved to be largely correct:

- development in different economic sectors showed sharp swings between and within months and created an in principle impossible planning situation for companies
- some sectors and companies kept going as if nothing had happened around them (for example Haglöfs grew in 2009 by almost 20%), while others suffered sharp falls in demand (for example Lindab lost approximately 30% in sales)
- stimulation packages saved the world from an imminent depression

■ economic development levelled out after the summer and today there are clear signs of a renewed upturn.

When discussing the current situation in the global economy, however, it is extremely important to differentiate between trend and level. So the trend has turned and is positive again (therefore the number of newspaper articles describing the economy in positive terms), but the level is still low (which is reflected in articles with a negative slant). To explain: the global economy has been relegated at a frightening pace from the premier league down to the third division. There the situation has now stabilised and we have even moved ourselves into the upper half of the league table – so the trend is positive. However, we still find ourselves in the third division – the level is low – and with anticipated modest growth over the next few years it is a long way back to the premier league.

Naturally, Ratos's holdings have been affected by the global recession. Overall, however, the portfolio met our expectations of being less sensitive to economic fluctuations than the economy on average. As many as eleven of our 20 holdings actually achieved a higher operating profit (EBITA) than in 2008, while five holdings report a lower profit than in the previous year but acceptable to good profitability. Four holdings were badly affected by the economic downturn. It can be noted, however, that no holding lost money at operating EBITA level in 2009.

Combined sales for the underlying portfolio of companies decreased during the year by 6%. Taking Ratos's different ownership stakes into account, sales decreased by 2%. The corresponding figures for

operating profit (EBITA) were -16% and -10% respectively, and for profit before tax -1% and +16% respectively.

During the fourth quarter sales decreased by 7%. Taking Ratos's different ownership stakes into account, sales decreased by 2%. The corresponding figures for operating profit (EBITA) were +47% and +37% respectively, and for profit before tax +225% and +217% respectively.

It can be noted that one holding, Lindab, accounts for a large portion of the decline in absolute numbers. If Lindab is excluded from the full-year comparison, sales were unchanged compared with the previous year, operating profit (EBITA) increased by 7% and profit before tax was +53%.

Looking forward, this somewhat grey macroeconomic development set out above does not necessarily have to be bad for well-run companies with strong positions in the value chain. On the contrary, the extremely extensive action and efficiency programmes carried out in many companies have created conditions for major operational leverage, which means that companies can become very profitable even with lower sales levels than before the crisis.

During the year Ratos naturally derived great benefit from an extremely strong financial position, both when tackling the difficult situations that arose and also being able to take advantage of opportunities offered. The transaction markets certainly got going far later than we expected – it was not until during the third quarter that the situation started to normalise. Since the Lehman crash just over one year ago, however, Ratos and our holdings have made (add-on) acquisitions for approximately SEK 1,800m, which in general could be made on very attractive terms.

During 2010 we expect that the economy will continue upwards, although still at a restricted rate and from a low level. Given the favourable starting point for Ratos's holdings, the prerequisites for improved earnings in the total portfolio of companies are therefore good.

## Ratos's results

Profit before tax for 2009 amounted to SEK 1,375m (5,671). The lower result is mainly due to the inclusion

### Performance Ratos's holdings

	2009	
	100%	Ratos's share
Sales	-6%	-2%
EBITA	-16%	-10%
EBT	-1%	+16%

  

	2009 Q 4	
	100%	Ratos's share
Sales	-7%	-2%
EBITA	+47%	+37%
EBT	+225%	+217%

To facilitate analysis, an extensive table is provided on page 12 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](http://www.ratos.se).

in earnings for 2008 of an exit gain of SEK 4.4 billion from Hägglunds Drives. The result includes profit/share of profits from the holdings of SEK 1,295m (1,554) and exit gains of SEK 0m (4,449).

## Central income and expenses

Ratos's central income and expenses amounted to SEK +80m (-240), of which personnel costs amounted to SEK -171m (-261). The higher net income and expenses is mainly due to lower costs for variable salaries and lower transaction costs. The variable portion of personnel costs amounted to SEK -74m (-161). Other management costs were SEK -58m (-289). Net financial items amounted to SEK +309m (+307).

## Tax

Ratos's consolidated tax expense comprises subsidiaries' and Ratos's share of tax in associates. The tax rate in the consolidated income statement is affected, among other things, by the parent company's investment company status, capitalisation of loss carry forwards and by non-taxable capital gains.

## Financial position

Cash flow from operating activities and investing activities was SEK 1,400m (3,587) and the Group's cash and cash equivalents at the end of the year amounted to SEK 4,999m (7,485), of which short-term interest-bearing investments accounted for SEK 1,212m (5,060). Interest-bearing liabilities including pension provisions amounted to SEK 14,505m (15,927).

## Parent company

The parent company's profit before tax amounted to SEK 546m (4,438). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 2,776m (5,700). Taking into account financial transactions agreed but not yet carried out, at today's date Ratos has a liquid investment capacity of approximately SEK 2.7 billion. In addition, there is an existing credit facility of SEK 3.2 billion and authorisation from the 2009 Annual General Meeting to issue 30 million Ratos B shares as payment for acquisitions.

## Ratos's results

SEKm	2009	2008
<b>Profit/share of profits before tax <sup>1)</sup></b>		
AH Industries (66%)	-19	83
Anticimex (85%)	119	84
Arcus Gruppen (83%)	165	132
Bisnode (70%)	145	15
Camfil (30%)	80	81
Contex Group (99%)	-73	2
DIAB (94%) <sup>2)</sup>	87	88
EuroMaint (100%)	41	33
GS-Hydro (100%)	58	104
Hafa Bathroom Group (100%)	38	35
Häglöfs (100%)	58	40
HL Display (29%)	25	39
Inwido (96%)	125	67
Jøtul (63%)	74	-57
Lindab (22%)	27	222
MCC (100%)	85	115
Medisize (93%)	103	-45
SB Seating (85%)	-9	31
Superfos (33%)	184	14
Other holdings <sup>3)</sup>	-18	92
Hägglands Drives <sup>4)</sup>		379
<b>Total profit/share of profits</b>	<b>1,295</b>	<b>1,554</b>
DIAB		31
Hägglands Drives		4,405
Other holdings <sup>5)</sup>		13
<b>Total exit gains</b>		<b>4,449</b>
Impairment, Jøtul		-92
<b>Profit from holdings</b>	<b>1,295</b>	<b>5,911</b>
Central income and expenses	80	-240
<b>Consolidated profit before tax</b>	<b>1,375</b>	<b>5,671</b>

<sup>1)</sup> Subsidiaries' profits included with 100% and associates' profits with respective holding percentage.

<sup>2)</sup> DIAB included with 48% holding through February 2009.

<sup>3)</sup> Relates to subsidiary BTJ Group. Previous year's figures also included Atle Industri.

<sup>4)</sup> Hägglands Drives was sold in December 2008.

<sup>5)</sup> Relates to holdings in Overseas Telecom and IK Investment Partners.

## 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 30 and 36 in the 2008 Annual Report. An assessment for the coming months is provided in the *Business environment and market* section on page 2.

## Related-party transactions

Shareholder contributions and shareholder loans were granted to subsidiaries. The parent company received dividends from subsidiaries and associates of SEK 223m (757). During the year Ratos provided capital to AH Industries of SEK 32m, Contex Group SEK 328m, DIAB SEK 80m, Inwido SEK 400m and Jøtul SEK 63m. Ratos provided SEK 25m to EuroMaint for the acquisition of EISAB.

## Ratos shares

Earnings per share before dilution amounted to SEK 5.32 (32.62). The total return on Ratos shares in 2009 amounted to +47%, compared with the performance of the SIX Return Index which was +53%.

## Buy-backs and number of shares

No shares were repurchased during 2009. The number of call options exercised in 2009 corresponded to 174,150 shares. At the end of December, Ratos owned 3,237,247 B shares (corresponding to 2% of the total number of shares) repurchased at an average price of SEK 121.

In November, a non-cash issue was carried out in conjunction with the buyout of the minority holding in Inwido Finland, which increased the number of B shares in Ratos by 503,640 and the number of votes by 50,364. At 31 December the total number of shares in Ratos (A and B shares) amounted to 161,852,892 and the number of voting rights was 54,280,966. The number of shares outstanding totals 158,615,645. The average number of B treasury shares owned by Ratos in 2009 was 3,276,077 (2,773,222 in 2008).

The Board has decided to propose that the 2010 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 7% of the total number of 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 <sup>1)</sup>

SEKm	31 Dec 2009	% of equity
AH Industries	413	3
Anticimex	835	5
Arcus Gruppen	786	5
Bisnode	1,230	8
Camfil	204	1
Contex Group	990	6
DIAB	1,054	7
EuroMaint	515	3
GS-Hydro	-65	0
Hafa Bathroom Group	233	2
Haglöfs	152	1
HL Display	298	2
Inwido	1,956	13
Jøtul	313	2
Lindab	675	5
MCC	652	4
Medisize	728	5
SB Seating	1,034	7
Superfos	617	4
Other holdings <sup>2)</sup>	189	1
<b>Total</b>	<b>12,809</b>	<b>84</b>
Other net assets in central companies	2,493	16
<b>Equity (attributable to owners of the parent)</b>	<b>15,302</b>	<b>100</b>

**Equity per share, SEK** **96**

<sup>1)</sup> 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 capitalised interest on such loans are also included.

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

## Equity

At 31 December 2009 Ratos's equity (attributable to owners of the parent) amounted to SEK 15,302m (14,625m at 30 September 2009) corresponding to SEK 96 per outstanding share (SEK 93 at 30 September 2009).

## 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 year.

## Conversion of shares

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

## Other

### Proposal for ordinary dividend

The Board of Directors proposes an ordinary dividend for 2009 of SEK 9.50 per share (9). The record date for dividends is proposed as 20 April and dividends are thus expected to be paid through Euroclear Sweden on 23 April 2010.

### Incentive programme for key people

The Board has decided to propose that the Annual General Meeting decides on the issue of a maximum of 650,000 call options 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. The exercise price will be set at 125% of the average for each trading day during the period 7–14 May 2010 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 2015. 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. Additional information on the options offer will be provided in the notice of the Annual General Meeting which will be published on 4 March 2010.

#### **Proposal on authorisation for new issues to be used at acquisitions**

The Board of Ratos AB proposes that the 2010 Annual General Meeting resolves, during the period until the next Annual General Meeting, to authorise the Board in conjunction with company acquisitions, on one or several occasions, deviating from the pre-emptive rights of shareholders, against 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 30 million class B shares. The issue price will be determined in accordance with current market conditions. Maximum dilution of the number of voting rights will be less than 10%. This mandate will apply solely to possible acquisitions and if no acquisitions are made where all or parts of the payment takes the form of Ratos shares, no new issue will be carried out and the mandate will thus not be utilised.

#### **Summary of background and reasons for the proposal**

Ratos's Board has for several years discussed the possibility of using treasury shares as payment in conjunction with company acquisitions, partly because of a wish from sellers of companies to receive shares as payment at acquisition, and partly because Ratos's relative value in relation to the outside world has improved considerably over the last ten years. This led to the 2009 Annual General Meeting granting the Board an mandate to issue shares. The Board is of the opinion that a mandate to issue shares to be used at acquisitions will give Ratos:

- the possibility to carry out acquisitions where the seller does not wish payment in cash and wishes Ratos shares in exchange
- the possibility to structure acquisitions in a optimal manner
- prerequisites to carry out larger and more deals
- improved choice when handling Ratos's cash assets and from a risk perspective.

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.

This year's proposal is expanded to include new issues in exchange for cash payment. The motive is that experience from the past year showed that the new issue mandate would in this way be even more useable in relation to its purpose.

#### **Nomination Committee's proposal regarding the Board of Directors**

Ahead of the 2010 Annual General Meeting, Ratos's 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 15 April 2010 at 17.30 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 9 April 2010, and notify their intention to attend no later than 16.00 CET on 12 April 2010. Complete company documentation and basis for decision will be available at the company's offices at Drottninggatan 2 in Stockholm and on the company's website [www.ratos.se](http://www.ratos.se) from 16 April 2010. The notice of the Annual General Meeting will be published on 4 March 2010. Notification of attendance may be made by writing to Ratos, Box 1661, SE-111 96 Stockholm, by telephoning +46 8 700 17 00 or via the website [www.ratos.se](http://www.ratos.se).

# Holdings

## AH Industries

- Sales SEK 523m (751) and EBITA SEK 8m (110)
- Weak sales and earnings development as a result of the financial crisis and its effect on available project financing, as well as production shutdowns and stock reductions at customers
- Extensive cost-cutting programmes implemented during the year. In total the workforce was reduced by 30%
- Continued major market uncertainty in the short term, although more positive signals started during the autumn. The long-term positive driving forces for wind power are still considered good but the timing of the recovery is uncertain
- Ratios provided capital of SEK 32m in the fourth quarter of 2009

Ratos's holding in AH Industries amounted to 66% and the consolidated book value in Ratios was SEK 413m at 31 December 2009.

AH Industries is a Danish leading supplier of metal components and services to the wind power, offshore and marine industries. The company is specialised in the manufacture and machining of heavy metal components with high precision requirements. Operations are conducted in four business areas: AH Flanges, AH Components, AH Projects and AH Transport.

## Anticimex

- Sales SEK 1,803m (1,688) and EBITA SEK 197m (181)
- 75 years of positive growth, +7% 2009
- Improved EBITA margin, 10.9% (10.7)
- Very strong development within energy inspections and positive earnings development in markets outside Sweden

Ratos's holding in Anticimex amounted to 85% and the consolidated book value in Ratios was SEK 835m at 31 December 2009.

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, dehumidifying, fire protection as well as property transfer and energy inspections. The Group is currently represented in Sweden, Finland, Denmark, Norway, Germany and the Netherlands.

## Arcus Gruppen

- Sales SEK 1,829m (1,532) and EBITA SEK 198m (168)
- Good sales growth for spirits in Norway and wine in Sweden
- Strong earnings improvement despite negative currency effects. Earnings include a net non-recurring positive effect of SEK 77m mainly related to completion of a new pension plan (effect in previous year SEK +61m)
- EBT includes a non-recurring cost of approximately SEK 10m
- Agreement reached on financing of new construction of a production and logistics facility in Gjelleråsen outside Oslo
- Acquisition of brands Star Gin, Red Port and Dry Anis from Pernod Ricard completed

Ratos's holding in Arcus Gruppen amounted to 83% and the consolidated book value in Ratios was SEK 786m at 31 December 2009.

Arcus Gruppen is Norway's leading spirits producer and wine supplier and also has a strong position in the other Nordic countries. The group's best-known brands include Braastad Cognac, Vikingfjord Vodka, Løiten and Linie Aquavit.

## Bisnode

- Sales SEK 4,741m (4,325) and EBITA SEK 592m (533)
- Continued stable sales and good cash flows. Earnings for 2009 include capital gains of SEK 26m (SEK 42m 2008)
- Good development within credit rating services while development for direct marketing services and the Software & Applications business area was weaker
- In line with the strategy to streamline and focus Bisnode's market offering Nomi, Sverige Bygger and Norge Bygger as well as ICC were sold. The operations in UK/Ireland were phased out
- Continued focus on consolidating positions in selected markets. Three major acquisitions were made in 2009: the Finnish company Kauppalehti 121, the French company Directinet and the Swedish company Teleadress

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratios was SEK 1,230m at 31 December 2009.

Bisnode is a leading European provider of digital business information with services within market, credit and product information with information about consumers and companies. Operations are conducted in 18 countries in Europe.

### Camfil

- Sales SEK 4,503m (4,361) and EBITA SEK 417m (400)
- Improved profitability due to completed action programmes
- Very strong cash flow from operating activities
- Acquisition of the Austrian company Mecke Klima GmbH

Ratos's holding in Camfil amounted to 30% and the consolidated book value in Ratos was SEK 204m at 31 December 2009.

Camfil is a world leader in clean air technology and air filters. The Group's products and services contribute to a good indoor climate and protect sensitive manufacturing processes and the surrounding environment. Manufacture takes place in 23 plants on four continents and the Group is represented by subsidiaries and agents in over 50 countries.

### Contex Group

- Sales SEK 698m (818) and EBITA SEK 11m (88)
- Continued weak sales development due to weak business climate
- Extensive cost-cutting programmes have been carried out which are starting to yield results. EBITA before non-recurring costs for the fourth quarter was SEK 19m better than in the previous year. The costs of cost-cutting measures were charged against EBITA for the full year with approximately SEK 50m, of which SEK 5m in the fourth quarter
- CFO Kenneth Aaby Sachse was appointed Acting CEO from September 2009. At the same time, Chairman of the Board Arne Frank assumed the role of Executive Chairman
- During 2009 Ratos provided capital of SEK 328m, of which SEK 10m in the fourth quarter related to financing of development projects

Ratos's holding in Contex Group amounted to 99% and the consolidated book value in Ratos was SEK 990m at 31 December 2009.

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 1,322m (1,414) and EBITA SEK 156m (220)
- Growth in the wind segment in Asia but weak development in the marine segment
- Action carried out to adjust costs to a lower volume
- Strong cash flow due to reduced working capital
- From 1 March, Ratos's holding amounts to 94% following acquisition of 3i's shareholding
- Ratos provided capital of SEK 80m in 2009

Ratos's holding in DIAB amounted to 94% and the consolidated book value in Ratos was SEK 1,054m at 31 December 2009.

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 2,510m (2,324) and EBITA SEK 133m (122)
- Continued positive sales development for passenger traffic and gradual improvement for goods traffic and manufacturing industry
- Significant measures to improve efficiency and quality of deliveries
- EuroMaint Rail acquired the German company Rail Service Management Group (RSM) for SEK 166m. The acquisition was completed in January 2010. Ratos provided the entire amount
- EuroMaint Industry acquired EISAB AB for SEK 25m. Ratos provided the entire amount

Ratos's holding in EuroMaint amounted to 100% and the consolidated book value in Ratos was SEK 515m at 31 December 2009.

EuroMaint is one of Sweden's leading maintenance companies and offers advanced maintenance services to 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, Latvia and the US.



### GS-Hydro

- Sales SEK 1,495m (1,528) and EBITA SEK 113m (169)
- Continued weak order bookings and sales development in all segments due to reduced investment by customers
- Savings measures carried out to adjust operations to lower order bookings
- Asset deal acquisition of Spanish company Pine with annual sales of approximately EUR 2m
- Pekka Frantti new CEO from 1 February 2010

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK -65m at 31 December 2009 (following 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, automotive and aerospace, and defence industries. The head office is located in Finland.

### Hafa Bathroom Group

- Sales SEK 390m (391) and EBITA SEK 51m (41)
- Good sales development during the second half of the year due to increased demand driven by low interest rates and introduction of the "ROT-avdrag" (tax reductions on renovations and extensions)
- Improved earnings due, among other things, to cost savings and adjustment of the product range
- Strong cash flow due to working capital rationalisation and positive earnings development

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 233m at 31 December 2009.

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

### Haglöfs

- Sales SEK 590m (495) and EBITA SEK 65m (53)
- Strong sales trend, +19%, and earnings development during the year
- Good development in most markets and all three business areas. Particularly strong growth in Europe's largest outdoor market Germany/Austria
- Good order book ahead of spring 2010

Ratos's holding in Haglöfs amounted to 100% and the consolidated book value in Ratos was SEK 152m at 31 December 2009.

Haglöfs is a Nordic market leader in equipment and clothes for an active outdoor life. The company develops and markets high-quality clothing, sleeping bags, footwear, and backpacks. The company is currently represented in 19 countries, in Europe plus Japan.

### HL Display

- Sales SEK 1,360m (1,536) and EBITA SEK 86m (130)
- Continued weak demand, primarily within food and non-food retail, had a negative impact on sales and earnings, which was compensated to some extent by efficiency measures and changes in the product mix
- The British company PPE (sales approximately SEK 320m) was acquired in December. This acquisition gives HL Display a stronger position in the British market and strengthens the company's offering to the key customer segment brand manufacturers

Ratos's holding in HL Display amounted to 29% and the consolidated book value in Ratos was SEK 298m at 31 December 2009.

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, Sweden and the US. HL Display is listed on NASDAQ OMX Stockholm, Small Cap list.

### Inwido

- Sales SEK 5,026m (5,639) and EBITA SEK 348m (323)
- Following a weak start to the year, order bookings increased at the end of the second quarter. The recovery continued in the second half of the year. "ROT" programmes (tax deductions on renovations and extensions) and lower interest rates made a positive contribution in the Nordic countries, primarily in the consumer market
- EBITA margin before non-recurring costs of SEK 35m (SEK 77m 2008) amounted to 10% (7) in the fourth quarter. Higher capacity utilisation and lower costs contributed to the positive earnings development
- Ownership in the group was streamlined during the year through acquisition of minority owners' shares in Finland, Norway and the UK. Payment for a minority holding in Inwido Finland, corresponding to 25% of the shares, was made with newly issued Ratos B shares with a value of SEK 89m
- Ratos provided capital of SEK 400m in 2009

Ratos's holding in Inwido amounted to 96% and the consolidated book value in Ratos was SEK 1,956m at 31 December 2009.

Inwido develops, manufactures and sells a full range of windows and doors to consumers, construction companies and modular 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 (1,060) and EBITA SEK 89m (46)
- Good sales development in countries including Sweden, Germany, France and Poland. Continued weak development in the US
- Costs-cutting measures combined with positive currency effects and raw material price development improved profitability
- Ratos provided capital of SEK 63m in 2009

Ratos's holding in Jøtul amounted to 63% and the consolidated book value in Ratos was SEK 313m at 31 December 2009.

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.

### Lindab

- Sales SEK 7,019m (9,840) and EBITA SEK 265m (1,172)
- The economic downturn continues to have a negative impact on demand. Falling demand has levelled out, but not entirely stabilised
- Completed and ongoing cost-cutting programmes will generate total annual savings of SEK 550m
- Good cash flow through reduction in working capital

Ratos's holding in Lindab amounted to 22% and the consolidated book value in Ratos was SEK 675m at 31 December 2009.

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.

### MCC

- Sales SEK 1,085m (1,024) and EBITA SEK 128m (167)
- Positive sales development due to acquisition of ACME in 2008
- Sharp fall in volume primarily in the off road segment
- Cost adjustments carried out to adapt to lower volume within parts of operations
- Cash flow strengthened through reduction of working capital

Ratos's holding in MCC amounted to 100% and the consolidated book value in Ratos was SEK 652m at 31 December 2009.

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), Norrtälje (Sweden), and Wrocław (Poland).

### Medisize

- Sales SEK 1,358m (1,021) and EBITA SEK 134m (18)
- Growth within Drug Delivery Devices, while other segments noted weaker development
- The extended production of insulin pens for sanofi-aventis started in the third quarter
- Additional cost savings are being implemented primarily in the Primary Pharmaceutical Packaging segment

Ratos's holding in Medisize amounted to 93% and the consolidated book value in Ratos was SEK 728m at 31 December 2009.

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).

### SB Seating

- Sales SEK 1,203m (1,509) and EBITA SEK 56m (242)
- The economic downturn continued to have a strong impact on the office furniture market
- A number of action programmes carried out including a 27% reduction in the number of employees. The costs of the programme were charged to EBITA in 2009 with a total of SEK 70m, of which SEK 10m in the fourth quarter
- EBITA margin before non-recurring costs amounted to 10% (16), 12% (13) in the fourth quarter
- The factory in Fjerritslev, Denmark, was closed and production moved to the existing factory in Nässjö, Sweden

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 1,034m at 31 December 2009.

SB Seating develops and produces ergonomic seating solutions in Scandinavian design for companies 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.

### Superfos

- Sales SEK 3,441m (3,481) and EBITA SEK 626m (180)
- Very strong earnings due to improved gross margins and completed action programmes
- Construction-related segments were negatively affected by the weak business climate. Superfos's main segment, consumer products for the food segment, is more independent of the economic climate and showed more stable development
- Successful product launches and conversion from metal packaging in the paint segment contributed to increased market shares in 2009
- In December, Superfos sold its operations in the US to one of the world's largest players in plastic packaging, Berry Plastics Corporation. The capital gain amounted to SEK 302m

Ratos's holding in Superfos amounted to 33% and the consolidated book value in Ratos was SEK 617m at 31 December 2009.

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

- Sales SEK 863m and EBITA SEK -16m. Action programme in BTJ Group designed to improve profitability was carried out during the year and charged against earnings with a total of SEK 19m
- Lower sales and earnings for Overseas Telecom

The total consolidated book value for Other holdings in Ratos was SEK 189m at 31 December 2009.

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

## Ratos's holdings at 31 December 2009

SEKm	Net sales		EBITA		EBT <sup>A)</sup>	
	2009	2008	2009	2008	2009	2008
AH Industries	523	751	8	110	-19	83
Anticimex	1,803	1,688	197	181	148	111
Arcus Gruppen <sup>1)</sup>	1,829	1,532	198	168	165	132
Bisnode	4,741	4,325	592	533	324	83
Camfil <sup>2)</sup>	4,503	4,361	417	400	376	356
Contex Group	698	818	11	88	-71	2
DIAB	1,322	1,414	156	220	97	178
EuroMaint	2,510	2,324	133	122	70	60
GS-Hydro <sup>3)</sup>	1,495	1,528	113	169	58	83
Hafa Bathroom Group	390	391	51	41	40	35
Haglöfs	590	495	65	53	57	40
HL Display	1,360	1,536	86	130	84	136
Inwido	5,026	5,639	348	323	189	107
Jøtul	1,044	1,060	89	46	112	-22
Lindab	7,019	9,840	265	1,172	119	990
MCC <sup>4)</sup>	1,085	1,024	128	167	85	115
Medisize <sup>5)</sup>	1,358	1,021	134	18	103	-34
SB Seating	1,203	1,509	56	242	76	104
Superfos <sup>6)</sup>	3,441	3,481	626	180	564	43
Other holdings <sup>7)</sup>	863	845	-16	-10	-18	-13
<b>Total</b>	<b>42,801</b>	<b>45,580</b>	<b>3,656</b>	<b>4,354</b>	<b>2,560</b>	<b>2,588</b>
<b>Change</b>	<b>-6%</b>		<b>-16%</b>		<b>-1%</b>	

SEKm	Depreciation <sup>B)</sup> 2009	Invest- ments <sup>C)</sup> 2009	Cash flow <sup>D)</sup> 2009	Equity <sup>E)</sup> 31 Dec 2009	Interest-bearing net debt <sup>E)</sup> 31 Dec 2009	Average number of employees 2009	Consolidated value 31 Dec 2009	Ratos's holding 31 Dec 2009
AH Industries	37	32	67	612	420	210	413	66%
Anticimex	38	52	171	965	624	1,178	835	85%
Arcus Gruppen <sup>1)</sup>	35	190	13	994	-202	463	786	83%
Bisnode	132	119	358	2,287	2,684	3,300	1,230	70%
Camfil <sup>2)</sup>	130	164	487	1,931	410	3,249	204	30%
Contex Group	69	59	9	1,009	742	335	990	99%
DIAB	89	49	231	1,204	844	1,132	1,054	94%
EuroMaint	42	25	-34	516	772	1,906	515	100%
GS-Hydro <sup>3)</sup>	29	27	53	360	768	623	-65	100%
Hafa Bathroom Group	5	5	80	122	0	166	233	100%
Haglöfs	5	7	65	299	40	119	152	100%
HL Display	36	24	102	551	144	906	298	29%
Inwido	160	84	449	2,416	1,992	3,865	1,956	96%
Jøtul	59	39	59	605	647	717	313	63%
Lindab	214	182	561	3,003	2,422	4,435	675	22%
MCC <sup>4)</sup>	16	10	144	678	553	591	652	100%
Medisize <sup>5)</sup>	52	57	35	799	349	891	728	93%
SB Seating	71	37	108	1,117	971	457	1,034	85%
Superfos <sup>6)</sup>	281	204	391	1,826	430	1,452	617	33%
Other holdings <sup>7)</sup>	12	7	-8	62	17	279	13	66%

<sup>A)</sup> Earnings with restored interest expenses on shareholder loan.

<sup>B)</sup> 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.

<sup>C)</sup> Investments excluding company acquisitions.

<sup>D)</sup> Cash flow refers to cash flow from operating activities including paid interest and investing activities before acquisition and divestment of companies.

<sup>E)</sup> Equity includes shareholder loan. Interest-bearing debt excludes shareholder loan.

<sup>1)</sup> Earnings include net positive non-recurring effects of SEK 77m mainly relating to completion of a new pension plan.

<sup>2)</sup> Ratos refinanced its holding in Camfil in 2008 and has an interest-bearing net debt at 31 December 2009 of SEK 508m, which is not included in Camfil's income statement and balance sheet. Ratos's consolidated book value has been adjusted to take the refinancing into account.

<sup>3)</sup> GS-Hydro was refinanced in September 2008. Earnings for 2008 are calculated pro forma, taking new financing and group structure into account.

<sup>4)</sup> ACME is included in earnings for 2008 with effect from 1 September.

<sup>5)</sup> Earnings for 2008 are pro forma taking acquisition of Medisize Medical into account.

<sup>6)</sup> Earnings for 2009 include capital gains of SEK 302m for sold operations in the US.

<sup>7)</sup> "Other holdings" include the subsidiary BTJ Group.

**Telephone conference**  
**18 February**  
**10.00 CET**

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### **Financial calendar**

#### **2010**

15 April	Annual General Meeting
6 May	Interim report Jan-March
20 Aug	Interim report Jan-June
4 Nov	Interim report Jan-Sept

Stockholm, 18 February 2010



Arne Karlsson  
CEO

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



# Consolidated income statement

SEKm	2009 Q 4	2008 Q 4	2009	2008
Net sales	7,153	7,170	26,356	26,836
Other operating income	56	82	178	237
Change in inventories	-166	-25	-140	-12
Raw materials and consumables	-2,362	-2,584	-9,663	-10,047
Employee benefit costs	-2,167	-2,126	-8,469	-8,286
Depreciation and impairment of tangible and intangible non-current assets	-295	-368	-1,134	-949
Other costs	-1,564	-1,848	-5,447	-5,928
Profit on sale of group companies	28	4,406	6	4,412
Profit on sale of associates	-6		-6	31
Share of profits of associates	131	60	358	582
Operating profit	808	4,767	2,039	6,876
Financial income	47	74	328	264
Financial expenses	-246	-500	-992	-1,469
Net financial items	-199	-426	-664	-1,205
Profit before tax	609	4,341	1,375	5,671
Tax	-202	-57	-441	-382
Profit for the year	407	4,284	934	5,289
Profit for the year attributable to				
Owners of the parent	354	4,283	842	5,172
Minority interests	53	1	92	117
Earnings per share, SEK				
– before dilution	2.24	27.11	5.32	32.62
– after dilution	2.23	27.10	5.32	32.54

# Consolidated statement of comprehensive income

SEKm	2009 Q 4	2008 Q 4	2009	2008
Profit for the year	407	4,284	934	5,289
Other comprehensive income:				
Translation differences for the year	196	637	-266	869
Change in hedging reserve for the year	49	-348	64	-393
Change in fair value reserve for the year	15	-91	94	-117
Tax attributable to other comprehensive income	-3	82	-7	99
Other comprehensive income for the year	257	280	-115	458
Total comprehensive income for the year	664	4,564	819	5,747
Total comprehensive income for the year attributable to				
Owners of the parent	579	4,510	777	5,548
Minority interests	85	54	42	199

# Summary consolidated statement of financial position

SEKm	31 Dec 2009	31 Dec 2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	18,507	17,621
Other intangible assets	1,875	2,065
Property, plant and equipment	3,702	3,378
Financial assets	2,807	3,435
Deferred tax assets	500	471
Total non-current assets	27,391	26,970
<b>Current assets</b>		
Inventories	2,617	2,802
Current receivables	5,661	5,493
Cash and cash equivalents	4,999	7,485
Assets held for sale	190	
Total current assets	13,467	15,780
Total assets	40,858	42,750
<b>EQUITY AND LIABILITIES</b>		
<b>Equity including minority interests</b>	16,802	17,290
<b>Non-current liabilities</b>		
Interest-bearing liabilities	12,040	13,643
Non-interest bearing liabilities	415	508
Pension provisions	451	486
Other provisions	607	679
Deferred tax liabilities	779	780
Total non-current liabilities	14,292	16,096
<b>Current liabilities</b>		
Interest-bearing liabilities	2,014	1,798
Non-interest bearing liabilities	7,167	7,097
Provisions	579	469
Liabilities attributable to Assets held for sale	4	
Total current liabilities	9,764	9,364
Total equity and liabilities	40,858	42,750

# Summary statement of changes in consolidated equity

SEKm	31 Dec 2009			31 Dec 2008		
	Owners of the parent	Minority interest	Total equity	Owners of the parent	Minority interest	Total equity
Balance at 1 January	15,825	1,465	17,290	11,905	1,965	13,870
Total comprehensive income for the year	777	42	819	5,548	199	5,747
Dividend	-1,423	-11	-1,434	-1,430	-175	-1,605
New issue	89	102	191		97	97
Shareholder contributions to subsidiaries				11	131	142
Purchase/sale of treasury shares	14		14	-141		-141
Effect of purchase of treasury shares in associates	2		2	-78		-78
Redemptions					-405	-405
Option premiums	18		18	10		10
Acquired minority		-158	-158		-320	-320
Minority at acquisition		60	60		4	4
Minority in sold company					-31	-31
Closing equity	15,302	1,500	16,802	15,825	1,465	17,290

# Consolidated statement of cash flows

SEKm	2009	2008
<b>Operating activities</b>		
Profit before tax	1,375	5,671
Adjustment for non-cash items	1,033	-3,193
	2,408	2,478
Income tax paid	-285	-514
Cash flow from operating activities before change in working capital	2,123	1,964
Cash flow from change in working capital		
Increase (-)/Decrease (+) in inventories	475	-76
Increase (-)/Decrease (+) in operating receivables	144	-389
Increase (+)/Decrease (-) in operating liabilities	-239	471
Cash flow from operating activities	2,503	1,970
<b>Investing activities</b>		
Acquisition, group companies	-516	-1,854
Divestment, group companies	205	4,245
Acquisition, shares in associates and other holdings	-20	-108
Sale, shares in associates and other holdings	31	148
Acquisition, other intangible/tangible assets	-974	-937
Sale, other intangible/tangible assets	163	161
Investment, financial assets	-28	-71
Sale, financial assets	36	33
Cash flow from investing activities	-1,103	1,617
<b>Financing activities</b>		
Purchase of treasury shares		-168
Transfer of treasury shares	14	27
Option premiums	19	15
Redemption of options	-37	
Minority share in new issue/capital contribution	102	238
Dividends paid	-1,423	-1,430
Dividend paid/redemption, minority	-11	-580
Loans raised	474	6,645
Amortisation of loans	-3,070	-5,095
Cash flow from financing activities	-3,932	-348
Cash flow for the period	-2,532	3,239
Cash and cash equivalents at beginning of the year	7,485	4,240
Exchange differences in cash and cash equivalents	46	6
Cash and cash equivalents at the end of the year	4,999	7,485

# Consolidated key figures

	2009	2008
Return on equity, %	5	37
Equity ratio, %	41	40
<b>Key figures per share</b>		
Total return, %	47	-20
Dividend yield, %	5.1 <sup>1)</sup>	6.7
Market price, SEK	185.00	135.00
Dividend, SEK	9.50 <sup>1)</sup>	9.00
Equity attributable to owners of the parent, SEK	96	100
Earnings per share before dilution, SEK	5.32	32.62

	2009 Q 4	2008 Q 4	2009	2008
<b>Average number of shares outstanding</b>				
– before dilution	158,316,782	157,964,071	158,124,369	158,576,030
– after dilution	158,495,196	158,071,701	158,186,343	158,919,119
<b>Total number of registered shares</b>			161,852,892	161,349,252
Number of shares outstanding (at year-end)			158,615,645	157,937,855
– of which A shares			42,328,530	42,328,530
– of which B shares			116,287,115	115,609,325

<sup>1)</sup> Proposed



# Parent company income statement

SEKm	2009 Q 4	2008 Q 4	2009	2008
Other operating income	10		11	4
Other external costs	-26	-207	-60	-267
Personnel costs	-50	-53	-158	-248
Depreciation of property, plant and equipment	-2		-4	-1
Other operating expenses	4	-1	-2	-5
Operating profit/loss	-64	-261	-213	-517
Profit on sale of participations in group companies		2,936	310	3,556
Dividends from group companies			25	639
Impairment of shares in group companies	-57	-197	-57	-197
Profit from sale of interests in associates	-1		-1	551
Dividends from associates			198	118
Impairment of interests in associates				-13
Result from other securities and receivables accounted for as non-current assets	48	67	262	242
Other interest income and similar profit/loss items	-6	22	50	89
Interest expenses and similar profit/loss items	-5	6	-28	-30
Profit/loss after financial items	-85	2,573	546	4,438
Tax	—	—	—	—
Profit/loss for the year	-85	2,573	546	4,438

# Parent company statement of comprehensive income

SEKm	2009 Q 4	2008 Q 4	2009	2008
Profit/loss for the year	-85	2,573	546	4,438
Other comprehensive income:				
Change in fair value reserve for the year	20	-54	99	-63
Other comprehensive income for the year	20	-54	99	-63
Comprehensive income for the year	-65	2,519	645	4,375

# Summary parent company balance sheet

SEKm	31 Dec 2009	31 Dec 2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	90	38
Financial assets	11,124	9,111
Total non-current assets	11,214	9,149
<b>Current assets</b>		
Current receivables	119	22
Cash and cash equivalents	2,776	5,700
Total current assets	2,895	5,722
Total assets	14,109	14,871
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	13,321	13,988
<b>Non-current provisions</b>		
Pension provisions	2	2
Other	168	178
<b>Non-current liabilities</b>		
Non-interest bearing	197	228
Interest bearing	136	193
<b>Current provisions</b>	10	57
<b>Current liabilities</b>		
Non-interest bearing		2
Interest-bearing	275	223
Total equity and liabilities	14,109	14,871
Pledged assets and contingent liabilities	none	none

# Summary statement of changes in parent company's equity

SEKm	31 Dec 2009	31 Dec 2008
Balance at 1 January	13,988	11,168
Comprehensive income for the year	645	4,375
Dividend	-1,423	-1,430
New issue	89	—
Purchase of treasury shares		-168
Transfer of treasury shares	14	27
Option premiums	8	16
Closing equity	13,321	13,988

# Parent company cash flow statement

SEKm	2009	2008
<b>Operating activities</b>		
Profit before tax	546	4,438
Adjustment for non-cash items	-456	-3,887
	90	551
Income tax paid	–	–
Cash flow from operating activities before change in working capital	90	551
Cash flow from change in working capital		
Increase (-)/Decrease (+) in operating receivables	24	106
Increase (+)/Decrease (-) in operating liabilities	-250	-79
Cash flow from operating activities	-136	578
<b>Investing activities</b>		
Acquisition, shares in subsidiaries	-2,360	-953
Sale and redemption, shares in subsidiaries	1,157	5,024
Acquisition, shares in associates and other holdings	-20	-87
Sale, shares in associates and other holdings	6	497
Acquisition, other property, plant and equipment	-59	-25
Acquisition, financial assets	-165	-115
Sale, financial assets	85	25
Cash flow from investing activities	-1,356	4,366
<b>Financing activities</b>		
Purchase of treasury shares		-168
Transfer of treasury shares	14	27
Option premiums	8	15
Dividend paid	-1,423	-1,430
Loans raised		32
Amortisation of loans	-31	-16
Cash flow from financing activities	-1,432	-1,540
Cash flow for the year	-2,924	3,404
Cash and cash equivalent at the beginning of the year	5,700	2,296
Cash and cash equivalents at the end of the year	2,776	5,700

# Operating segments

SEKm	Sales				EBT <sup>1)</sup>			
	2009 Q 4	2008 Q 4	2009	2008	2009 Q 4	2008 Q 4	2009	2008
<b>Holdings</b>								
AH Industries	140	190	523	751	-3	15	-19	83
Anticimex	460	437	1,803	1,688	31	27	119	84
Arcus Gruppen	597	502	1,829	1,532	172	130	165	132
Bisnode	1,243	1,222	4,838	4,534	57	-94	145	15
Camfil					22	18	80	81
Contex Group	175	228	698	818	9	-14	-73	2
DIAB <sup>2)</sup>	307		1,095		17	21	87	88
EuroMaint	698	620	2,510	2,324	17	5	41	33
GS-Hydro	370	414	1,495	1,528	4	57	58	104
Hafa Bathroom Group	102	94	390	391	2	9	38	35
Haglöfs	107	108	587	495	-1	-4	58	40
HL Display					8	7	25	39
Inwido	1,473	1,410	5,026	5,639	75	-41	125	67
Jøtul	368	388	1,044	1,060	54	23	74	-57
Lindab					0	13	27	222
MCC	210	314	1,085	1,024	6	33	85	115
Medisize	407	273	1,358	810	60	-38	103	-45
SB Seating	313	389	1,203	1,509	-4	-33	-9	31
Superfos					92	-7	184	14
Other holdings <sup>3)</sup>	182	189	863	845	-4	-9	-18	92
Hägglands Drives <sup>4)</sup>		404		1,910	0	102		379
Total holdings	7,152	7,182	26,347	26,858	614	220	1,295	1,554
DIAB								31
Hägglands Drives						4,405		4,405
Other holdings <sup>5)</sup>						6		13
Exit gains						4,411		4,449
Impairment, Jøtul						-92		-92
Holdings, total	7,152	7,182	26,347	26,858	614	4,539	1,295	5,911
Central income and expenses	1	2	9	10	-5	-198	80	-240
Other/eliminations		-14		-32				
Group, total	7,153	7,170	26,356	26,836	609	4,341	1,375	5,671

<sup>1)</sup> Subsidiaries' profits included with 100% and associates' profits before tax with respective holding percentage.  
Earnings charged with interest on shareholder loan.

<sup>2)</sup> DIAB included with 48% holding through February 2009.

<sup>3)</sup> Relates to subsidiary BTJ Group. Previous year's figures included Atle Industri.

<sup>4)</sup> Hägglands Drives was sold in December 2008.

<sup>5)</sup> Relates to holdings in Overseas Telecom and IK Investment Partners.



# 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 Annual Accounts Act and the Swedish Securities Market Act are also applied.

The parent company prepared the interim report in accordance with the Annual Accounts Act and the Swedish Securities Market Act which are in accordance with the regulations in RFR 2.2 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.

## New accounting principles for 2009

Revised IAS 1 Presentation of Financial Statements is applied with effect from 1 January 2009. This change means that RatOS presents two income statements: (i) an unchanged consolidated statement of income and (ii) a new income statement entitled "Consolidated statement of comprehensive income". Comprehensive income includes income and expenses such as change in exchange differences, change in hedging and fair value reserve. These items were previously recognised in equity. The consolidated balance sheet is now entitled "Consolidated statement of financial position".

IFRS 8 Operating Segments is applied with effect from 1 January 2009. RatOS has chosen to report its holdings as segments, the manner in which RatOS's management monitors business operations. On the other hand RatOS, in conformity with the earlier IAS 14 Segment Reporting, does not report the information required on "Products and services, geographic regions and major customers". This information is not material since it lacks practical interest, both for internal governance and reporting and for external monitoring of RatOS.

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

With effect from 1 January 2009 the parent company recognises dividends from subsidiaries and associates as income when the right to receive dividends is established.

## Significant accounting and valuation principles

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

### Associates

As previously, RatOS applies the equity method for consolidation of associates. IFRS requires uniform accounting principles to be applied within a group. This requirement relates to both associates and subsidiaries.

### 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. The PPA for DIAB has been adopted. This adoption did not result in any changes from a previously prepared preliminary PPA.

During the period RatOS increased its holding in Contex Group from 97% to 99% through a capital contribution.

A minority shareholding of approximately 25% was acquired in November in Inwido Finland Oy. The purchase price amounted to EUR 8.7m and was paid with 503,640 newly issued B shares in RatOS. The shares in Inwido Finland were subsequently transferred to Inwido AB. RatOS's holding in Inwido is 96%.

In March, RatOS acquired an additional 46% in DIAB, the purchase price amounted to SEK 387m. As a result of this acquisition DIAB, which was previously an associate, is consolidated as a subsidiary in the RatOS Group. In the preliminary purchase price allocation the difference between the cost and fair value of acquired identifiable assets and liabilities was attributed to goodwill. After the acquisition, RatOS's holding in DIAB amounts to 94%.

### DIAB

#### SEKm

Intangible non-current assets	26
Property, plant and equipment	723
Deferred tax assets	80
Current assets	627
Cash and cash equivalents	70
Non-current liabilities and provisions	-888
Current liabilities	-706
Net identifiable assets and liabilities	-68
Consolidated goodwill	1,008
Less minority interests	-60
Reclassification from associate	-491
Consideration including costs directly attributable to the acquisition	389
Costs directly attributable to the acquisition	-2
Consideration paid	387

### Goodwill and intangible assets

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

When testing for impairment goodwill and other intangible assets with an indeterminable useful life are attributable to cash-generating units, which 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.

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

The logo for RATOS, featuring the word "RATOS" in white capital letters on a dark blue rectangular background.

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