
P R E S S R E L A S E 3 April 2002

Kronans Droghandel sells Norwegian subsidiary Holtung

Kronans Droghandel (KD), 49% owned by private equity company Ratos, is selling Holtung to the UK based pan-European pharmaceutical distributor Alliance UniChem Plc.

With Alliance UniChem, Holtung is gaining an industrial owner which will be able to use its pan-European wholesale experience and market presence to develop Holtung in a way appropriate to address the new dynamics of the Norwegian market.

The transfer of Holtung should be viewed in the light of last year's deregulation of the Norwegian pharmacy market. This deregulation, which among other things prevents pharmaceutical producers from owning pharmacies, has led in a short time to more than 90% of the Norwegian pharmacies becoming tied to pharmacy chains backed by major foreign wholesalers. This consolidation has significantly changed the dynamics of Holtungs business reducing the number of independent pharmacy customers in the Norwegian market. The competitive opportunities for KD, which is 42% owned by pharmaceutical producers, therefore has deteriorated in a way which makes it impossible for KD to operate in the Norwegian market.

Holtung's annual sales amounted to approximately SEK 1.1 billion in 2001 which corresponds to less than 10% of KD's total sales. During that year, Holtung posted an operating loss of SEK 60m. This divestment is expected to generate a capital loss of SEK 130m and to have a negative effect on liquidity of approximately SEK 25m. The deal is expected to have a negative impact on Ratos's earnings for the second quarter of 2002 of approximately SEK 64m.

"With this deal we are addressing the main source of weakness in the KD's result in 2001 while ensuring Holtungs future for the benefit of both customers and employees" says Ratos's CEO Arne Karlsson commenting on the sale of Holtung.

The transfer of Holtung to AU is subject, among other things, to approval by the Norwegian Competition Authority.

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Financial calendar Ratos 2002:

Three-month report

13 May

Six-month report

26 August

Nine-month report

13 November

Annual General Meeting

10 April

Ratos is a listed private equity company. The business concept is to maximise shareholder value over time by investing in, developing and divesting primarily unlisted companies. Ratos thus offers stock market players a unique investment opportunity. The net asset value of Ratos's investments is approximately SEK 9 billion.