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## **Ratos invests in Q-Labs – a leading company in managing software risks**

*Ratos, the Swedish Private Equity Company, invests SEK 190 million in Q-Labs through a new share issue. Ratos' holding in Q-Labs will be 40 per cent. Other owners are Ericsson, and DNV (Det Norske Veritas). Through this investment, Ratos intends to contribute to Q-Labs' further expansion, which is likely to involve future acquisitions.*

*Q-Labs is a world-leading consultant within software engineering services. Q-Labs' core business is to manage software risks at companies with a large or critical software dependency. Some of the major clients are international corporations, such as Ericsson, ABB and Robert Bosch. Today, the company has a strong position in Europe, and a break-in has started on the U.S. market.*

*"Q-Labs acts on a market, which we regard as highly interesting, and we view Q-Labs as one of the most powerful companies on this market. As I see it, we will take advantage of Q-Labs strong brand in the company's future expansion phase, together with the management of the company and the co-owners," said Arne Karlsson, CEO of Ratos.*

*Software represents a growing part of the companies' development costs. Software systems supporting new products, as well as manufacturing processes are becoming increasingly complex, which increases the need for systematical risk management of software and system engineering. The global market for software engineering services is today estimated to more than USD 800 million (SEK 7.6 billion), and is expected to grow with 30 per cent annually in the years to come.*

*"We will have a strong combination of owners, each of them contributing with valuable knowledge and experience," said Geir Fagerhus, founder and CEO of Q-Labs. "DNV's and Ericsson's active ownership have made it possible for Q-Labs to develop into a world-leading consultant within risk management of software engineering services. In addition to financial expertise, Ratos has competence and experience from M&A's, as well as IPO's, which can prove to be very valuable to us."*

*Ericsson and DNV welcome Ratos as a new co-investor. "Ratos' new financial perspective and knowledge of acquisitions and other transactions will be a valuable complement to Q-Labs' Board of Directors," said Peter Rodholm, Senior Vice President of DNV.*

***“Q-Labs is a preferred supplier and partner to Ericsson, and the new ownership structure will strengthen Q-Labs position as the market leader,” said Lars Larsson, Director of Strategic Alliances, Ericsson.***

*Ratos’ acquisition of shares in Q-Labs is conditioned by approval from the relevant competition authorities.*

***Q-Labs provides solutions for managing risks in software engineering to major software intensive corporations. The company was founded in 1989, and today, the company has over 180 employees in Sweden, Denmark, Great Britain, Ireland, Norway, Germany, France and the U.S. In 1999, Q-Labs revenues amounted to approximately SEK 170 million (pro forma).***

***www.q-labs.com***

***Ratos is a Private Equity company listed on the O-list of OM Stockholm Stock Exchange. The investment strategy is to focus on medium sized and large unlisted companies, in which Ratos’ ownership amounts to 20-50 per cent. Among Ratos’ investments are Telelogic, Telia Overseas, Camfil, Scandic Hotels, Dahl, DataVis, Esselte, Air Cargo Express, Superfos and Capona.***

***www.ratos.se***

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