

## Q1 January – March

- Earnings before tax adjusted for exit gains SEK -25m (-99)
- Earnings before tax SEK -25m (799)
- Earnings per share before dilution SEK -0.25 (2.53)
- Stable performance in the holdings
- Increased market activity for several holdings
- Unchanged positive outlook for 2014
- Total return on Ratos shares +8%

### Ratos in summary

SEKm	2014 Q 1	2013 Q 1	2013
Profit/share of profits	-7	-39	602
Exit gains		898	895
Impairment			-308
<b>Profit from holdings</b>	<b>-7</b>	<b>859</b>	<b>1,189</b>
Central income and expenses	-18	-60	-106
<b>Profit/loss before tax</b>	<b>-25</b>	<b>799</b>	<b>1,083</b>

# Important events

## Events in first quarter

- A refinancing of HL Display was carried out in March whereby Ratos received a payment of SEK 346m. The refinancing was made possible by the company's favourable development and cash flow in recent years
- In March, Biolin Scientific sold all the shares in the subsidiary Osstell to venture capital company Fouriertransform. The selling price (enterprise value) amounted to approximately SEK 33m
- Capital contributions were provided to DIAB amounting to SEK 20m and to Jøtul amounting to SEK 52m in the first quarter of 2014. In April, capital contributions were provided to AH Industries amounting to SEK 6m and to Jøtul amounting to SEK 28m

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

## Performance Ratos's holdings <sup>\*)</sup>

	2014 Q 1		
	100%	Ratos's share	Ratos's share excl. Aibel <sup>**)</sup>
Sales	-9%	-3%	+4%
EBITA	-36%	-31%	-20%
EBITA, excluding items affecting comparability	-10%	-6%	+1%
EBT	—	—	-27%
EBT, excluding items affecting comparability	-7%	+25%	+55%

<sup>\*)</sup> Comparison with corresponding period last year and for comparable units.

<sup>\*\*)</sup> In 2014, Aibel has a significant effect on comparisons with the previous year due to the already announced temporarily lower level of contract activity and Statoil's cost cutbacks. In order to facilitate analysis, performance for the holdings in the first quarter is reported both including and excluding Aibel.

On page 14 an extensive table is provided with key figures for Ratos's holdings to facilitate analysis. At [www.ratos.se](http://www.ratos.se), income statements, statements of financial position, etc., for all Ratos's holdings are available in downloadable Excel files.

## Increased market activity

The first quarter is always the smallest in terms of earnings making it the most volatile and difficult to interpret for the Ratos companies. Adjusted for non-recurring costs the earnings trend for the holdings was stable overall but influenced by various temporary effects. Markets are now starting in many places to gain momentum with higher order bookings and other positive signals. Although thus far for us this has only had a limited impact on earnings. The dedicated efforts with operational improvements in the holdings continue and additional initiatives have been taken in several companies. We are also devoting much of our time to potential transactions since the transaction market continues to look interesting. Our overall view of 2014 as a year in which the Ratos companies will increase their profits is unchanged, as is the basic scenario of a gradual, slow recovery.

### Increased market activity

Particularly in the second half of 2013 we saw a growing stabilisation in many of the markets in which the Ratos companies operate. The first quarter of 2014 got off to a relatively sluggish start but from about mid-February market activity steadily increased in several holdings with increasingly positive signals from customers and rising order bookings in several cases – a cautiously positive trend which has continued during April. This positive market trend does not yet apply to all the holdings and many markets are still moving sideways. Nevertheless, this marks a clear trend shift.

### Stable performance in the holdings

The first quarter is always the most difficult to interpret in terms of earnings for the Ratos holdings. It is a small quarter relatively speaking (in 2013 our holdings had just approximately 15% of their combined operating profit during the first quarter) which means that earnings are more volatile. It is also a quarter that is often affected by weather factors and the number of working days (for example in which quarter Easter occurs). As already announced, the lower contract activity on the Norwegian Shelf and Statoil's cost cutbacks will have a significant impact on Aibel's development during 2014, which makes comparisons with the previous year difficult for the Ratos portfolio.

That said, the first quarter was largely in line with our expectations for most of the holdings. In general, January and February were weaker months, while March was strong. The tentative rise in market activity started to have some effects in several holdings towards the end of the quarter.

Sales for the holdings decreased by a total of 3% in the first quarter (adjusted for the size of Ratos's holding). Adjusted for Aibel, sales increased by 4% but the entire sales increase is attributable to the portfolio company HENT. If we also adjust for HENT, sales were unchanged which provides a fairer view of performance for the Ratos portfolio as a whole.

Reported operating profit decreased by 31% for the quarter, which is an effect of higher costs for action programmes primarily due to a significant relocation of production for Inwido and restructuring costs in Aibel. Adjusted for items affecting comparability (adjusted EBITA) the decline is 6% and adjusted for Aibel operating profit rose by 1%.

Among the holdings which saw a positive start to the year, we can mention Inwido where a clear market recovery resulted in higher order bookings, sales and profits; DIAB, where the market recovery continues and price increases can now be implemented

at the same time as completed action programmes have created a favourable cost position; KVD, where inflows to the second-hand market rose due to strong new car sales; and Nordic Cinema Group which had a fantastic start to the year with good audience figures. As usual, there are also some companies which saw a more sluggish start. Aibel had a weak start to the year, entirely as expected; Bisnode, mainly due to a temporary increase in data processing costs, had a weaker quarter; and HL Display where ongoing changes in the sales organisation led to temporarily lower activity in some major markets.

The ongoing, important in terms of value, rigorous improvement programmes in the holdings continue. New initiatives have been implemented in many holdings, on both the growth and cost side. This will be a major theme in 2014 as well since it is always a central part of Ratos's business.

### Better momentum in the transaction market 2014?

Continued stabilisation and increasing market activity mean that our assessment remains that the transaction market in 2014 will be more active than in 2013. The IPO market has also functioned well at the beginning of the year, which provides support for this view. As far as we are concerned this means that the focus on transactions remains high.

### Future prospects

After the first quarter, our view of 2014 remains unchanged. Taken overall, market development is heading in the right direction and we expect a steady, slow recovery in 2014. In view of this and the extensive measures implemented in many of our holdings to strengthen margins and reduce break-even levels, our assessment is that conditions exist for higher operating profits (adjusted for the size of Ratos's holding) in the Ratos companies in 2014. The associate company Aibel, as previously announced, will see a significant reduction in profits 2014, while taken overall our 17 subsidiaries are expected to increase their profits.



A handwritten signature in black ink, appearing to read 'Susanna Campbell'.

Susanna Campbell

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

## Ratos's results

Earnings before tax for the first quarter of 2014 amounted to SEK -25m (799). Adjusted for the exit gain in Stofa in 2013 loss

for the first quarter was SEK 99m. The result includes profit/share of profits from the holdings of SEK -7m (-39).

SEKm	2014 Q 1	2013 Q 1	2013
<b>Profit/share of profits before tax <sup>1)</sup></b>			
AH Industries (69%)	-6	1	-78
Aibel (32%) <sup>2)</sup>	-34		141
Arcus-Gruppen (83%)	-41	-79	75
Biolin Scientific (100%)	-11	-1	-13
Bisnode (70%)	-23	23	9
DIAB (96%)	-16	-23	-109
Euromaint (100%)	-4	-42	-76
GS-Hydro (100%)	7	8	57
Hafa Bathroom Group (100%)	2	0	-13
HENT (73%) <sup>3)</sup>	47		28
HL Display (99%)	4	16	106
Inwido (97%)	-84	-36	220
Jøtul (93%)	-21	-36	-89
KVD (100%)	6	3	29
Mobile Climate Control (100%)	9	6	68
Nebula (72%) <sup>4)</sup>	12		40
Nordic Cinema Group (58%) <sup>5)</sup>	92	84	120
SB Seating (85%)	54	36	86
Stofa (99%) <sup>6)</sup>		1	1
<b>Total profit/share of profits</b>	<b>-7</b>	<b>-39</b>	<b>602</b>
Exit Stofa		898	895
<b>Total exit result</b>		<b>898</b>	<b>895</b>
Impairment DIAB			-234
Impairment Jøtul			-74
<b>Profit/loss from holdings</b>	<b>-7</b>	<b>859</b>	<b>1,189</b>
<b>Central income and expenses</b>			
Management costs	-46	-96	-240
Financial items	28	36	134
<b>Consolidated profit/loss before tax</b>	<b>-25</b>	<b>799</b>	<b>1,083</b>

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

<sup>2)</sup> Aibel is included in consolidated profit from 11 April 2013.

<sup>3)</sup> HENT is included in consolidated profit from July 2013.

<sup>4)</sup> Nebula is included in consolidated profit from May 2013.

<sup>5)</sup> 2013 relates solely to Finnkino until 30 April and subsequently relate to Nordic Cinema Group.

<sup>6)</sup> Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.

## Central income and expenses

Ratos's central income and expenses amounted to SEK -18m (-60), of which personnel costs in Ratos AB amounted to SEK 28m (48). The variable portion of personnel costs amounted to SEK 4m (25). Other management costs amounted to SEK 18m (48). Net financial items amounted to SEK +28m (+36).

## 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 and by capital gains not liable to tax.

## Financial position

Cash flow from operating activities and investing activities was SEK -531m (64) and consolidated cash and cash equivalents at the end of the period amounted to SEK 3,486m (3,956), of which short-term interest-bearing investments accounted for SEK 0m (1,114). The interest-bearing liabilities including pension provisions amounted to SEK 13,656m (11,333).

## Parent company

The parent company's profit before tax amounted to SEK 13m (-55). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 1,468m (2,934). Taking into account dividend paid on A and B shares after the end of the period as well as other financial transactions, at 8 May 2014 Ratos has a net liquidity of approximately SEK 450m. In addition, there is a credit facility of SEK 3.2 billion, authorisation from the 2014 Annual General Meeting to issue a maximum of 35 million Ratos B shares in conjunction with agreements on acquisitions and an authorisation to issue a maximum total of 1,250,000 Class C and/or Class D preference shares in conjunction with agreements on acquisitions.

## Risks and uncertainties

Ratos invests in and develops unlisted companies in the Nordic region. These operations include inherent risks attributable to both Ratos and the holdings. These mainly comprise market, operational and transaction risks and can include both general risks, such as external factors and macroeconomic development, as well as company- and sector-specific risks. Ratos's future earnings development is dependent to a large extent on the success and returns of the underlying holdings which is also dependent, among other things, on how successful those responsible for the investments and each holding's management group and board are at developing and implementing value-enhancing initiatives.

Ratos is also exposed to various types of financial risks, primarily related to loans, trade receivables, trade payables and derivative instruments. The financial risks consist of financing risks, interest rate risks, credit risks and currency risks.

It is also essential that Ratos has the ability to attract and retain employees with the right skills and experience. A more detail description of the material risks and uncertainties

to which the Group and the parent company are exposed is provided in the Directors' report and in Notes 30 and 37 in the 2013 Annual Report. An assessment for the coming months is provided in the *CEO comments on performance in the first quarter* on page 3.

## Related-party transactions

The parent company received dividends and repayments of shareholder contributions from subsidiaries of SEK 386m (49). Capital contributions were provided to DIAB and Jøtul in the first quarter totalling SEK 72m.

## Ratos B shares

Earnings per share before dilution amounted to SEK -0.25 (2.53). The total return on Ratos B shares in the first quarter amounted to +8%, compared with the performance of the SIX Return Index which was +5%.

## Ratos preference shares

The closing price for Ratos's Class C preference shares on 31 March was SEK 1,915. The dividend is regulated by the Articles of Association and amounts to SEK 25 per quarter, a maximum of SEK 100 per year, and is paid quarterly in February, May, August and November. A dividend with record date 14 February 2014 was paid on 19 February 2014 totalling SEK 21m.

## Treasury shares and number of shares

No shares were repurchased and no call options were exercised in the first quarter of 2014. 3,770 shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At 31 March, Ratos owned 5,131,107 B shares (corresponding to 1.6% of the total number of shares), at an average price of SEK 69.

At 31 March the total number of shares in Ratos (A and B shares as well as preference shares) amounted to 324,970,896 and the number of votes was 108,670,443.6. The number of outstanding A and B shares was 319,009,789 and the number of outstanding preference shares 830,000. The average number of B treasury shares in Ratos in the first quarter of 2014 was 5,133,818 (5,135,696 in the full year 2013).

## Total return

1 January 2009 – 31 March 2014



Source: SIX and Ratos

## Ratos's equity <sup>1)</sup>

At 31 March 2014 Ratos's equity (attributable to owners of the parent) amounted to SEK 12,699m (SEK 13,778m at

31 December 2013), corresponding to SEK 35 per outstanding share (SEK 38 at 31 December 2013).

SEKm	31 March 2014	% of equity
AH Industries	313	2
Aibel	1,606	13
Arcus-Gruppen	524	4
Biolin Scientific	317	3
Bisnode	1,249	10
DIAB	635	5
Euromaint	638	5
GS-Hydro	29	0
Hafa Bathroom Group	148	1
HENT	378	3
HL Display	787	6
Inwido	2,399	19
Jøtul	202	2
KVD	280	2
Mobile Climate Control	865	7
Nebula	333	3
Nordic Cinema Group	695	5
SB Seating	673	5
<b>Total</b>	<b>12,071</b>	<b>95</b>
Other net assets in central companies	628	5
<b>Equity</b> (attributable to owners of the parent)	<b>12,699</b>	<b>100</b>
<b>Equity per ordinary share, SEK <sup>2)</sup></b>	<b>35</b>	

<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> Equity attributable to owners of the parent with a deduction for total preference capital divided by the number of outstanding ordinary shares at the end of the period. Preference capital per preference share amounted to SEK 1,837.50, which corresponds to the redemption amount after the 2017 Annual General Meeting.

### 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.

### Annual General Meeting resolutions

#### Election of Board of Directors and auditors

The Meeting resolved in accordance with the Nomination Committee's proposal to re-elect Board members Lars Berg, Staffan Bohman, Arne Karlsson, Annette Sadolin, Jan Söderberg and Per-Olof Söderberg. Charlotte Strömberg was elected as a new member of the Board. Margareth Övrum had declined re-election. Arne Karlsson was elected as Chairman of the Board.

The Meeting elected PricewaterhouseCoopers AB as auditors for the period until the next Annual General Meeting has been held.

#### Dividend A and B shares

The Meeting resolved on an ordinary dividend of SEK 3 (3) per Class A and Class B share. The record date for dividend was set at 1 April 2014 and payments from Euroclear Sweden were made on 4 April 2014.

#### Dividend preference shares

The Meeting resolved that dividends on outstanding Class C preference shares until the 2015 Annual General Meeting in accordance with the Articles of Association, shall be paid quarterly with SEK 25 per Class C preference share, although a maximum of SEK 100.

The Meeting resolved that record dates, before the next Annual General Meeting, for quarterly dividends on outstanding

Class C preference shares should be 15 May 2014, 15 August 2014, 14 November 2014 and 13 February 2015. Payments from Euroclear Sweden AB are expected to be made on 20 May 2014, 20 August 2014, 19 November 2014 and 18 February 2015.

#### Purchase of treasury shares

The Meeting gave the Board a mandate to decide, during the period before the next Annual General Meeting, on repurchase of a maximum number of shares so that the company's holding of treasury shares does not at any time exceed 4% of all the shares in the company.

#### Incentive programmes

The Meeting resolved to issue a maximum of 800,000 call options on repurchased treasury B shares to be transferred to key people in Ratos at a market premium. The Meeting further resolved to transfer a maximum of 800,000 shares in the company in conjunction with exercise of the above-mentioned options.

The Meeting resolved, as in the previous year, on a cash-settled option programme related to the company's investments in the holdings. The programme will be carried out through issuance of synthetic options which key people within Ratos will be entitled to acquire.

The Meeting also resolved to transfer a maximum of 16,000 Ratos B shares to administrative employees.

#### Authorisation for new issues of B shares to be used at acquisitions

The Meeting resolved to authorise the Board, during the period until the next Annual General Meeting, in conjunction with agreements on company acquisitions, on one or more occasions, with or without deviation 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 shares in the company. This authorisation shall comprise a maximum of 35 million class B shares.

#### Authorisation for new issues of preference shares to be used at acquisitions

The Meeting resolved to authorise the Board, during the period until the next Annual General Meeting, in conjunction with agreements on company acquisitions, on one or more occasions, with or without deviation 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 a maximum total of 1,250,000 Class C and/or Class D preference shares in the company, with a quarterly dividend of SEK 25 per preference share, however a maximum of SEK 100 per year.

# 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](http://www.ratos.se).

## AH Industries

- Sales SEK 214m (254) and EBITA SEK -1m (6)
- Lower sales in the first quarter, mainly attributable to Industrial Solutions
- More stable market prospects within both Wind Solutions and Industrial Solutions, but continued high focus on cost-cutting programmes
- Restructuring of production in Denmark is underway according to plan
- Capital contribution provided of SEK 6m in April in conjunction with a new, long-term financing agreement

*AH Industries is a leading supplier of metal components, modules, systems and services to the wind energy and cement and minerals industries. The company is specialised in the manufacture and machining of heavy metal components with high precision requirements. The company has production facilities in Denmark, China and Germany.*

Ratos's holding in AH Industries amounted to 69% and the consolidated book value in Ratos was SEK 313m at 31 March 2014.

## Aibel

- Sales SEK 2,603m (3,800) and EBITA SEK 43m (167)
- The previously announced lower activity within Field Development as well as within MMO and Modification led to a significant fall in sales
- EBITA adjusted for costs affecting comparability of SEK 64m (0) amounted to SEK 107m (167). Lower sales, temporary low utilisation of the company's resources and restructuring costs had a negative impact on EBITA
- Action programmes are underway to reduce costs and strengthen Aibel's competitiveness, which will result in additional significant restructuring costs in 2014
- Continued positive long-term market prospects. Activities within Field Development are expected to increase towards the end of 2014 and in 2015
- The order book at 31 March amounted to NOK 15 billion plus options for an additional NOK 14 billion

*Aibel is a leading Norwegian supplier of maintenance and modification services for oil and gas production platforms as well as new construction projects within oil, gas and renewable energy. The company has operations along the entire Norwegian coast as well as in Asia. Customers are primarily major oil companies which operate on the Norwegian continental shelf.*

Ratos's holding in Aibel amounted to 32% and the consolidated book value in Ratos was SEK 1,606m at 31 March 2014.



## Arcus-Gruppen

- Sales SEK 500m (512) and EBITA SEK -20m (-22)
- Good sales growth, +4% in reporting currency, despite the fact that the important Easter sales occurred in April in 2014
- Strong sales growth for wine and stable for spirits
- Decision on closure of the spirits factory in Aalborg, Denmark, production to be relocated to Gjelleråsen, Norway, in 2015
- Extensive restructuring of the distribution operations Vectura is underway with the aim of achieving profitability by the end of 2015. Vectura's sales amounted to NOK 53m (66) and adjusted EBITA was NOK -34m (-29)

*Arcus-Gruppen is the leading spirits producer in Norway and Denmark, and the largest wine supplier in Norway and Sweden through its own brands and leading agencies. The group's best-known brands include Aalborg Akvavit, Lysholm Linie Aquavit, Braastad Cognac, Gammel Dansk and Vikingfjord Vodka.*

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 524m at 31 March 2014.

## Biolin Scientific

- Sales SEK 42m (42) and EBITA SEK -2m (-1) (pro forma 2013 and 2014 for the sale of the subsidiary Osstell)
- Stable sales, good development for Analytical Instruments but weaker for Drug Discovery (Sophion)
- Lower EBITA mainly due to development costs for a new analysis tool
- The subsidiary Osstell was sold in March to Fourier-transform for approximately SEK 33m (enterprise value) in line with efforts to focus operations on the other business areas

*Biolin Scientific offers analytical instruments for research and development. The company's largest market niche is nanotechnology, primarily materials science, cell analysis and biophysics. Customers are found worldwide and mainly comprise researchers in universities, research institutes and the industrial sector.*

Ratos's holding in Biolin Scientific amounted to 100% and the consolidated book value in Ratos was SEK 317m at 31 March 2014.

## Bisnode

- Sales SEK 906m (925) and EBITA SEK 45m (74)
- Organic sales development adjusted for currency effects was -1%. Sales growth in Central Europe, stable development in Germany/Switzerland/Austria and the Nordic countries while growth in Belgium/France/Netherlands was weaker
- Lower EBITA mainly due to temporarily higher computer costs in conjunction with phasing out of the SPAR contract and lower sales.
- The subsidiaries Lundalogik and Bisnode Applicate have been divested. Acquisition of Debitor Registret and Grufman Reje as well as the outstanding majority in Vendemore and InfoDirekt

*Bisnode is a leading European provider of decision support within business, credit and market information. The customer base is companies and organisations throughout Europe which use Bisnode's services to convert data into knowledge for both day-to-day issues and major strategic decisions. Bisnode has approximately 3,000 employees in 19 countries.*

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,249m at 31 March 2014.

## DIAB

- Sales SEK 238m (208) and EBITA SEK 0m (-6)
- Adjusted for currency effects sales rose 14% mainly due to an increasingly strong wind energy market in China and the US. The marine segment also showed good growth
- Improved EBITA due to increased sales and completed efficiency improvements
- Capital contribution of SEK 20m was provided in the first quarter

DIAB is a global company that manufactures and develops core materials for composite structures for among other things leisure boats, blades for wind turbines and components for aircraft, trains, industrial applications and buildings. The core materials have a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

Ratos's holding in DIAB amounted to 96% and the consolidated book value in Ratos was SEK 635m at 31 March 2014.

## Euromaint

- Sales SEK 582m (622) and EBITA SEK 5m (-13)
- Lower sales primarily due to reduced volumes within the goods business
- Action programmes are under way in both Sweden and Germany to adjust operations to prevailing demand
- Adjusted for costs affecting comparability mainly related to restructuring, EBITA amounted to SEK 13m (20)

Euromaint is one of Europe's leading independent maintenance companies for the rail transport industry. The company's services and products guarantee the reliability and service life of track-mounted vehicles such as freight wagons, passenger trains, locomotives and work machines. Euromaint has operations in Sweden and Germany and a presence in the Netherlands and Latvia.

Ratos's holding in Euromaint amounted to 100% and the consolidated book value in Ratos was SEK 638m at 31 March 2014.

## GS-Hydro

- Sales SEK 285m (301) and EBITA SEK 12m (17)
- Increased order bookings during the quarter, +8%
- Signs of recovery in the marine and land-based customer segments, although some uncertainty about market development in the offshore segment in 2014
- Lower EBITA margin due to lower sales

GS-Hydro is a leading global supplier of non-welded piping solutions. Products are used in the marine and offshore industries as well as land-based segments such as the pulp and paper, metals and mining, and automotive and aerospace industries. The head office is located in Finland.

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK 29m at 31 March 2014.

## Hafa Bathroom Group

- Sales SEK 58m (64) and EBITA SEK 3m (1)
- Somewhat more stable market conditions but continued high price competition in the market
- Improved EBITA due to completed efficiency improvements
- Anders Hofstedt new CEO from 1 April 2014

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

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 148m at 31 March 2014.

## HENT

- Sales SEK 1,233m (951) and EBITA SEK 54m (41)
- Very good sales growth driven by a strong order book and favourable development in ongoing projects
- Stable order bookings. Order book at 31 March amounted to approximately NOK 7.4 billion
- Sale of site provided a capital gain of SEK 11m. EBITA adjusted for the capital gain amounted to SEK 43m (41)

*HENT is a leading Norwegian construction company with projects throughout the country, primarily new construction of public and commercial properties. The company focuses on project development, project management and procurement. The projects are to a large extent carried out by a broad network of quality assured subcontractors.*

Ratos's holding in HENT amounted to 73% and the consolidated book value in Ratos was SEK 378m at 31 March 2014.

## HL Display

- Sales SEK 364m (374) and EBITA SEK 13m (24)
- Sales decreased by 3% adjusted for currency effects. Varied market scenario where some major markets had a weak start to the year. Overall positive development in other markets
- Lower EBITA due to lower volume, sales mix and impact of currency effects
- Refinancing in March released SEK 346m to Ratos, which was made possible by the company's favourable development and cash flow in recent years. After the refinancing, Ratos's net investment in HL Display amounts to approximately SEK 410m

*HL Display is a global supplier of products and systems for merchandising and in-store communication with operations in 47 countries. Manufacture takes place in Poland, Sweden, China and the UK.*

Ratos's holding in HL Display amounted to 99% and the consolidated book value in Ratos was SEK 787m at 31 March 2014.

## Inwido

- Sales SEK 907m (857) and EBITA SEK -75m (-19)
- Increased sales growth, +6%. Strong order bookings, +22%, although clear impact from fewer public holidays in March. Good market development in Sweden and Denmark. Higher market shares in Finland. Weak development in Norway
- EBITA adjusted for costs affecting comparability of SEK 80m (3) amounted to SEK 4m (-17). The costs relate to closure of a factory in Norway and the takeover of equipment from a competitor in Finland
- Acquisition of Danish companies JNA and Spar which mainly have internet-based operations. The acquisitions were completed in April
- Launch of intelligent windows, doors and sliding doors under the Hajom and SnickarPer brands

*Inwido develops, manufactures and sells a full range of windows and exterior doors to consumers, construction companies and prefabricated home manufacturers. Operations are conducted in all the Nordic countries as well as in the UK, Poland and Ireland, and since 2013 in Austria. The company's brands include Elitfönster, SnickarPer, Tiivi, KPK, Lyssand and Allan Brothers.*

Ratos's holding in Inwido amounted to 97% and the consolidated book value in Ratos was SEK 2,399m at 31 March 2014.

## Jøtul

- Sales SEK 196m (183) and EBITA SEK -15m (-21)
- Sales adjusted for currency effects increased by 4%, due among other things to fewer public holidays compared with the same quarter in the previous year. Positive development in most major markets with the exception of Norway
- Eskil Zapffe took over as the new CEO at the beginning of 2014
- Capital contribution of SEK 52m provided in the first quarter and SEK 28m in April

*The Norwegian company Jøtul is one of Europe's largest manufacturer of stoves and fireplaces with its main production facilities in Norway and Denmark, with smaller units in France 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.*

Ratos's holding in Jøtul amounted to 93% and the consolidated book value in Ratos was SEK 202m at 31 March 2014.

## KVD

- Sales SEK 75m (74) and EBITA SEK 9m (6)
- Increased sales in Sweden mainly due to higher volumes for privately owned cars
- Good inflow of cars at the end of the quarter in both Sweden and Norway
- Good profitability in Sweden. Costs of establishment in Norway charged against earnings with SEK -3m (-4)
- Launch of new website in Sweden and Norway

*KVD is Sweden's largest independent online marketplace offering broker services for second-hand vehicles. The company, which was founded in 1991, runs kvd.se where cars, heavy vehicles and machines 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.*

Ratos's holding in KVD amounted to 100% and the consolidated book value in Ratos was SEK 280m at 31 March 2014.

## Mobile Climate Control (MCC)

- Sales SEK 212m (244) and EBITA SEK 16m (17)
- Sales decreased by 10% adjusted for currency effects. Lower sales in the defence vehicle segment where the first quarter of 2013 included a major project order. Sales in other segments rose by 3%, despite a negative impact from the severe winter in North America
- Improved EBITA margin 7.4% (7.1) despite lower volumes due to completed profitability improvement measures and sales mix
- Slightly more positive market segments from the bus segment in North America and Europe

*Mobile Climate Control (MCC) offers complete climate comfort systems for three main customer segments: buses, off road and defence vehicles. Approximately 80% of the company's sales take place in North America and 20% in Europe. Major production plants are located in Canada (Toronto), USA (Goshen) and Poland (Olawa).*

Ratos's holding in Mobile Climate Control amounted to 100% and the consolidated book value in Ratos was SEK 865m at 31 March 2014.

## Nebula

- Sales SEK 59m (53) and EBITA SEK 18m (17)
- Very good growth in cloud services and stable development for operating and connection services
- Continued focus on sales and markets to further improve opportunities for growth

*Nebula is a market leader within cloud-based IT capacity services, IT managed services and connection services to small and medium-sized companies in the Finnish market. The company has four data centres, of which two are located in Finland, one in London and one in Singapore, as well as its own leased fibre network between the largest cities in Finland. Nebula has a total of about 34,000 customers. 90% of sales are subscription based.*

Ratos's holding in Nebula amounted to 72% and the consolidated book value in Ratos was SEK 333m at 31 March 2014.

## Nordic Cinema Group

- Sales SEK 720m (632) and EBITA SEK 131m (107) (2013 pro forma for the merger between SF Bio and Finnkino)
- Sales increased by approximately 10% (adjusted for changed revenue recognition)
- The number of cinemagoers was 7% higher than in the same period in 2013 driven by several major films
- Adjusted EBITA amounted to SEK 131m (80). Reported EBITA for 2013 included a capital gain from a property sale
- Strong growth in concession sales per visitor, +9%
- The film offering in the second and third quarters is expected to be weaker while the fourth quarter is expected to be strong

*Nordic Cinema Group is the Nordic region's largest cinema group with 66 wholly owned movie theatres with 444 screens and approximately 65,000 seats in six countries – Sweden, Finland, Norway, Estonia, Latvia and Lithuania. Nordic Cinema Group is also co-owner of an additional 37 movie theatres. Several strong local brands are part of the group: SF Bio, SF Kino, Finnkino and Forum Cinemas. Nordic Cinema Group was established in 2013 through a merger of SF Bio and Finnkino.*

Ratos's holding in Nordic Cinema Group amounted to 58% and the consolidated book value in Ratos was SEK 695m at 31 March 2014.

## SB Seating

- Sales SEK 288m (291) and EBITA SEK 58m (61)
- Increased sales, +6% in reporting currency, where among other things more working days compared with the same quarter last year contributed to the increase
- EBITA margin 20% (21) after completed improvements in the sales organisation

*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, the Netherlands, France, Switzerland and Singapore.*

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 673m at 31 March 2014.

## Ratos's holdings at 31 March 2014

SEKm	Net sales			EBITA			Adjusted EBITA <sup>A)</sup>		
	2014 Q 1	2013 Q 1	2013	2014 Q 1	2013 Q 1	2013	2014 Q 1	2013 Q 1	2013
AH Industries	214	254	1,018	-1	6	-39	-1	6	14
Aibel <sup>1)</sup>	2,603	3,800	14,029	43	167	686	107	167	691
Arcus-Gruppen	500	512	2,516	-20	-22	274	-17	-7	246
Biolin Scientific <sup>2)</sup>	42	42	197	-2	-1	21	-2	2	24
Bisnode	906	925	3,724	45	74	328	52	79	440
DIAB	238	208	864	0	-6	-50	0	-6	-11
Euromaint <sup>3)</sup>	582	622	2,416	5	-13	25	13	20	67
GS-Hydro	285	301	1,237	12	17	83	12	17	83
Hafa Bathroom Group	58	64	238	3	1	-13	3	1	-13
HENT <sup>4)</sup>	1,233	951	4,213	54	41	120	43	41	134
HL Display	364	374	1,596	13	24	128	16	28	140
Inwido	907	857	4,300	-75	-19	299	4	-17	350
Jøtul	196	183	930	-15	-21	-15	-15	-19	-8
KVD	75	74	297	9	6	44	9	6	44
Mobile Climate Control	212	244	978	16	17	97	16	17	103
Nebula <sup>5)</sup>	59	53	228	18	17	87	19	17	75
Nordic Cinema Group <sup>6)</sup>	720	632	2,425	131	107	305	131	80	312
SB Seating	288	291	1,112	58	61	222	58	61	230
<b>Total 100%</b>	<b>9,483</b>	<b>10,388</b>	<b>42,318</b>	<b>292</b>	<b>454</b>	<b>2,604</b>	<b>447</b>	<b>495</b>	<b>2,919</b>
<b>Change</b>		<b>-9%</b>			<b>-36%</b>			<b>-10%</b>	
<b>Total adjusted for ownership</b>	<b>6,527</b>	<b>6,711</b>	<b>28,215</b>	<b>173</b>	<b>253</b>	<b>1,777</b>	<b>282</b>	<b>299</b>	<b>2,036</b>
<b>Change</b>		<b>-3%</b>			<b>-31%</b>			<b>-6%</b>	

Total adjusted for ownership  
excl. Aibel <sup>7)</sup>

	5,704	5,510	23,782	160	200	1,560	248	247	1,817
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Change

4%

-20%

1%

<sup>7)</sup> In 2014, Aibel has a significant effect on comparisons with the previous year due to the already announced temporarily lower level of contract activity and Statoil's cost cutbacks. In order to facilitate analysis, performance for the holdings in the first quarter is reported both including and excluding Aibel.

SEKm	Depreciation 2014 Q 1	Investments <sup>B)</sup> 2014 Q 1	Cash flow <sup>C)</sup> 2014 Q 1	Interest-bearing net debt 31 March 2014	Consolidated value 31 March 2014	Ratos's ownership 31 March 2014
AH Industries	11	10	-18	375	313	69%
Aibel <sup>1)</sup>	42	12	-88	4,297	1,606	32%
Arcus-Gruppen	13	1	-141	1,347	524	83%
Biolin Scientific <sup>2)</sup>	2	-	-	136	317	100%
Bisnode	31	43	-33	1,890	1,249	70%
DIAB	15	7	-48	748	635	96%
Euromaint <sup>3)</sup>	10	14	-32	566	638	100%
GS-Hydro	5	6	32	395	29	100%
Hafa Bathroom Group	1	0	-8	63	148	100%
HENT <sup>4)</sup>	1	4	123	-545	378	73%
HL Display	11	8	-44	695	787	99%
Inwido	44	56	-250	1,257	2,399	97%
Jøtul	14	8	-61	571	202	93%
KVD	1	1	6	199	280	100%
Mobile Climate Control	4	0	-16	483	865	100%
Nebula <sup>5)</sup>	4	13	13	306	333	72%
Nordic Cinema Group <sup>6)</sup>	41	17	-35	1,693	695	58%
SB Seating	9	11	5	956	673	85%

All figures in the above table relate to 100% of each holding, except consolidated value. In order to facilitate comparisons between years and provide a comparable financial structure, holdings are reported pro forma, when applicable, as stated in the notes below.

<sup>A)</sup> EBITA excluding items affecting comparability.

<sup>B)</sup> Investments excluding business combinations.

<sup>C)</sup> Cash flow from operating activities and investing activities before acquisition and disposal of companies.

<sup>1)</sup> Aibel's income statement for 2013 is pro forma taking into account Ratos's acquisition, new financing and amortisation of intangible assets according to final purchase price allocation and provisions.

<sup>2)</sup> Biolin Scientific's income statement for 2014 is pro forma taking into account discontinued operations Osstell and for 2013 relating to Osstell and Farfield.

<sup>3)</sup> Euromaint's income statement for 2013 is pro forma taking into account discontinued operations in Germany and Belgium.

<sup>4)</sup> HENT's income statement for 2013 is pro forma taking into account Ratos's acquisition and new financing.

<sup>5)</sup> Nebula's income statement for 2013 is pro forma taking into account Ratos's acquisition and new financing.

<sup>6)</sup> Nordic Cinema Group's income statement for 2013 is pro forma taking into account Ratos's acquisition and new financing.

# Financial statements

## Consolidated income statement

SEKm	2014 Q 1	2013 Q 1	2013
Net sales	6,890	5,461	26,084
Other operating income	27	85	362
Change in inventories	-3	51	-66
Raw materials and consumables	-3,180	-2,247	-11,151
Employee benefit costs	-2,127	-1,958	-8,033
Depreciation and impairment of property, plant and equipment and intangible assets	-233	-204	-1,225
Other costs	-1,218	-1,089	-4,859
Capital gain from the sale of group companies	11	906	864
Share of profits of associates	-20	4	183
<b>Operating profit</b>	<b>147</b>	<b>1,009</b>	<b>2,159</b>
Financial income	54	31	90
Financial expenses	-226	-241	-1,166
<b>Net financial items</b>	<b>-172</b>	<b>-210</b>	<b>-1,076</b>
<b>Profit/loss before tax</b>	<b>-25</b>	<b>799</b>	<b>1,083</b>
Tax	-5	-1	-281
<b>Profit/loss for the period</b>	<b>-30</b>	<b>798</b>	<b>802</b>
<i>Profit/loss for the period attributable to:</i>			
Owners of the parent	-58	807	742
Non-controlling interests	28	-9	60
Earnings per share, SEK			
– before dilution	-0.25	2.53	2.13
– after dilution	-0.25	2.53	2.13

## Consolidated statement of comprehensive income

SEKm	2014 Q 1	2013 Q 1	2013
<b>Profit/loss for the period</b>	<b>-30</b>	<b>798</b>	<b>802</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension obligations, net	0	0	42
Tax attributable to items that will not be reclassified to profit or loss			-11
	0	0	31
Items that may be reclassified subsequently to profit or loss:			
Translation differences for the period	82	-280	28
Change in hedging reserve for the period	1	15	26
Tax attributable to items that may be reclassified subsequently to profit or loss	0	-4	-7
<b>Other comprehensive income for the period</b>	<b>83</b>	<b>-269</b>	<b>47</b>
<b>Total comprehensive income for the period</b>	<b>53</b>	<b>529</b>	<b>880</b>
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent	-4	574	828
Non-controlling interests	57	-45	52

## Summary consolidated statement of financial position

SEKm	31 March 2014	31 March 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	18,854	15,416	18,800
Other intangible assets	1,640	1,673	1,645
Property, plant and equipment	3,551	3,379	3,581
Financial assets	3,029	208	2,970
Deferred tax assets	566	559	550
<b>Total non-current assets</b>	<b>27,640</b>	<b>21,235</b>	<b>27,546</b>
<b>Current assets</b>			
Inventories	2,557	2,463	2,374
Current receivables	5,619	4,678	5,909
Cash and cash equivalents	3,486	3,956	3,337
<b>Total current assets</b>	<b>11,662</b>	<b>11,097</b>	<b>11,620</b>
<b>Total assets</b>	<b>39,302</b>	<b>32,332</b>	<b>39,166</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity including non-controlling interests</b>	<b>15,107</b>	<b>13,624</b>	<b>16,163</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	10,446	8,183	10,160
Non-interest bearing liabilities	712	719	707
Pension provisions	426	363	416
Other provisions	199	152	154
Deferred tax liabilities	491	489	478
<b>Total non-current liabilities</b>	<b>12,274</b>	<b>9,906</b>	<b>11,915</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	2,784	2,787	2,306
Non-interest bearing liabilities	8,715	5,890	8,421
Provisions	422	125	361
<b>Total current liabilities</b>	<b>11,921</b>	<b>8,802</b>	<b>11,088</b>
<b>Total equity and liabilities</b>	<b>39,302</b>	<b>32,332</b>	<b>39,166</b>



## Summary statement of changes in consolidated equity

SEKm	31 March 2014			31 March 2013			31 Dec 2013		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
<b>Opening equity</b>	<b>13,778</b>	<b>2,385</b>	<b>16,163</b>	<b>12,353</b>	<b>788</b>	<b>13,141</b>	<b>12,353</b>	<b>788</b>	<b>13,141</b>
Total comprehensive income for the period	-4	57	53	574	-45	529	828	52	880
Dividend	-1,040	-13	-1,053		-22	-22	-1,019	-42	-1,061
New issue							1,431	16	1,447
Option premiums							7		7
Acquisition of shares in subsidiaries from non-controlling interests	-35	-21	-56	-17	-4	-21	50	46	96
Sale of shares in subsidiaries to non-controlling interests							128	419	547
Non-controlling interests at acquisition								1,125	1,125
Non-controlling interests in disposals					-3	-3		-19	-19
<b>Closing equity</b>	<b>12,699</b>	<b>2,408</b>	<b>15,107</b>	<b>12,910</b>	<b>714</b>	<b>13,624</b>	<b>13,778</b>	<b>2,385</b>	<b>16,163</b>

## Consolidated statement of cash flows

SEKm	2014 Q 1	2013 Q 1	2013
<b>Operating activities</b>			
Profit before tax	-25	799	1,083
Adjustment for non-cash items	309	-597	401
	284	202	1,484
Income tax paid	-178	-95	-255
<b>Cash flow from operating activities before change in working capital</b>	<b>106</b>	<b>107</b>	<b>1,229</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in inventories	-186	1	100
Increase (-)/Decrease (+) in operating receivables	360	148	86
Increase (+)/Decrease (-) in operating liabilities	-678	-688	-283
<b>Cash flow from operating activities</b>	<b>-398</b>	<b>-432</b>	<b>1,132</b>
<b>Investing activities</b>			
Acquisition, group companies	-60	-801	-626
Disposal, group companies	111	1,337	1,392
Acquisition, shares in associates	-3		-1,676
Acquisition, other intangible/tangible assets	-204	-126	-710
Disposal, other intangible/tangible assets	20	51	376
Investment, financial assets	-13	-22	-32
Disposal, financial assets	16	57	63
<b>Cash flow from investing activities</b>	<b>-133</b>	<b>496</b>	<b>-1,213</b>
<b>Financing activities</b>			
New issue			1,431
Non-controlling interests' share of issue/capital contribution			15
Redemption of options	-3	-88	-91
Option premiums	4		18
Acquisition of shares in subsidiaries from non-controlling interests	-33	-19	-48
Dividend paid	-21		-999
Dividend paid/redemption, non-controlling interests	-4	-22	-42
Borrowings	1,407	1,169	3,155
Amortisation of loans	-688	-394	-3,229
<b>Cash flow from financing activities</b>	<b>662</b>	<b>646</b>	<b>210</b>
<b>Cash flow for the period</b>	<b>131</b>	<b>710</b>	<b>129</b>
Cash and cash equivalents at beginning of the year	3,337	3,203	3,203
Exchange differences in cash and cash equivalents	18	-29	-67
Cash and cash equivalents attributable to assets held for sale		72	72
Cash and cash equivalents at the end of the period	3,486	3,956	3,337

## Consolidated key figures

SEKm	2014 Q 1	2013 Q 1	2013
Return on equity, %			6
Equity ratio, %	38	42	41
<b>Key figures per share <sup>1)</sup></b>			
Total return, %	8	10	-2
Dividend yield, %			5,2
Market price, SEK	60.00	68.85	58.15
Dividend, SEK			3
Equity attributable to owners of the parent, SEK <sup>2)</sup>	35	40	38
Earnings per share before dilution, SEK <sup>3)</sup>	-0.25	2.53	2.13
Average number of shares outstanding			
– before dilution	319,007,078	319,002,668	319,005,200
– after dilution	319,007,078	319,002,668	319,005,200
Total number of registered shares			
Number of shares outstanding	319,839,789	319,006,019	319,836,019
– of which A shares	84,637,060	84,637,060	84,637,060
– of which B shares	234,372,729	234,368,959	234,368,959
– of which C shares	830,000		830,000

<sup>1)</sup> Relates to B shares unless specified otherwise.

<sup>2)</sup> Equity attributable to owners of the parent with a deduction for total preference capital divided by the number of outstanding ordinary shares at the end of the period. Preference capital per preference share amounted to SEK 1,837.50, which corresponds to the redemption amount after the 2017 Annual General Meeting.

<sup>3)</sup> Per ordinary share.

## Parent company income statement

SEKm	2014 Q 1	2013 Q 1	2013
Other operating income			12
Other external costs	-16	-20	-76
Personnel costs	-28	-48	-130
Depreciation of property, plant and equipment	-1	-1	-5
<b>Operating profit/loss</b>	<b>-45</b>	<b>-69</b>	<b>-199</b>
Dividends from group companies	40	49	49
Impairment of shares in group companies			-477
Result from other securities and receivables accounted for as non-current assets	26	35	133
Other interest income and similar profit/loss items	6	7	18
Interests expenses and similar profit/loss items	-14	-77	-157
<b>Profit/loss after financial items</b>	<b>13</b>	<b>-55</b>	<b>-633</b>
Tax			
<b>Profit/loss for the period</b>	<b>13</b>	<b>-55</b>	<b>-633</b>

## Parent company statement of comprehensive income

SEKm	2014 Q 1	2013 Q 1	2013
<b>Profit/loss for the period</b>	<b>13</b>	<b>-55</b>	<b>-633</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value reserve for the period	0	-70	14
<b>Other comprehensive income for the period</b>	<b>0</b>	<b>-70</b>	<b>14</b>
<b>Comprehensive income for the period</b>	<b>13</b>	<b>-125</b>	<b>-619</b>

## Summary parent company balance sheet

SEKm	31 March 2014	31 March 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	73	77	73
Financial assets	11,250	10,137	11,948
<b>Total non-current assets</b>	<b>11,323</b>	<b>10,214</b>	<b>12,021</b>
<b>Current assets</b>			
Current receivables	112	149	54
Short-term investments		1,114	
Cash and cash equivalents	1,468	1,820	1,273
<b>Total current assets</b>	<b>1,580</b>	<b>3,083</b>	<b>1,327</b>
<b>Total assets</b>	<b>12,903</b>	<b>13,297</b>	<b>13,348</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>10,158</b>	<b>11,260</b>	<b>11,185</b>
<b>Non-current provisions</b>			
Pension provisions	1	1	1
Other provisions	7	7	7
<b>Non-current liabilities</b>			
Interest-bearing liabilities, group companies	550	479	552
Non-interest bearing liabilities	35	32	30
<b>Current provisions</b>	<b>10</b>	<b>9</b>	<b>10</b>
<b>Current liabilities</b>			
Interest-bearing liabilities, group companies	1,037	1,372	1,477
Non-interest bearing liabilities	1,105	137	86
<b>Total equity and liabilities</b>	<b>12,903</b>	<b>13,297</b>	<b>13,348</b>
Pledged assets and contingent liabilities	none	none	none

## Summary statement of changes in parent company's equity

SEKm	31 March 2014	31 March 2013	31 Dec 2013
<b>Opening equity</b>	<b>11,185</b>	<b>11,385</b>	<b>11,385</b>
Comprehensive income for the period	13	-125	-619
Dividend	-1,040		-1,019
New issue			1,431
Option premiums			7
<b>Closing equity</b>	<b>10,158</b>	<b>11,260</b>	<b>11,185</b>

## Parent company cash flow statement

SEKm	2014 Q 1	2013 Q 1	2013
<b>Operating activities</b>			
Profit/loss before tax	13	-55	-633
Adjustment for non-cash items	-11	-40	415
	2	-95	-218
Income tax paid	-	-	-
<b>Cash flow from operating activities before change in working capital</b>	<b>2</b>	<b>-95</b>	<b>-218</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-3	-119	-18
Increase (+)/Decrease (-) in operating liabilities	-31	26	26
<b>Cash flow from operating activities</b>	<b>-32</b>	<b>-188</b>	<b>-210</b>
<b>Investing activities</b>			
Investment, shares in subsidiaries	-98	-172	-2,649
Disposal and redemption, shares in subsidiaries	418	117	529
Investment, financial assets	-72	-77	-141
Disposal, financial assets		16	26
<b>Cash flow from investing activities</b>	<b>248</b>	<b>-116</b>	<b>-2,235</b>
<b>Financing activities</b>			
New issue			1,431
Option premiums			11
Redemption incentive programme		-20	-21
Dividend paid	-21		-999
Loans raised in group companies		1,435	1,473
<b>Cash flow from financing activities</b>	<b>-21</b>	<b>1,415</b>	<b>1,895</b>
<b>Cash flow for the period</b>	<b>195</b>	<b>1,111</b>	<b>-550</b>
Cash and cash equivalents at the beginning of the year	1,273	1,823	1,823
Cash and cash equivalents at the end of the period	1,468	2,934	1,273

## Note 1 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 are also applied.

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

IFRS requires uniform accounting principles within a group. The IFRS standards and issued interpretations applied in this interim report are those endorsed by the EU until and including 31 March 2014. The new and revised IFRS standards which came into force in 2014 have not had any material effect on the Ratos Group's financial statements. This means that the same accounting principles and basis of calculation are applied for the Group and the parent company as those used in preparation of the 2013 Annual Report.

## Note 2 Business combinations

### Acquisitions

#### Acquisitions in subsidiaries

In the first quarter of 2014, Bisnode acquired Debitor Registret and Grufman Reje. Debitor Registret is one of the largest players in Denmark within credit information and credit valuation of private individuals. Grufman Reje is a Swedish consulting company specialising in business analyses. The combined consideration transferred for these acquisitions amounted to SEK 99m. The acquired companies are included in consolidated sales for the holding period with SEK 5m and in profit before tax with SEK 2m. For the period January-March sales totalled SEK 6m and profit before tax was SEK 1m. Acquisition-related costs amounted to SEK 2m.

SEKm	Bisnode
Intangible assets	27
Property, plant and equipment	0
Financial assets	0
Deferred tax assets	4
Current assets	14
Cash and cash equivalents	0
Non-current liabilities and provisions	-3
Deferred tax liability	-5
Current liabilities	-12
Net identifiable assets and liabilities	25
Consolidated goodwill	74
Consideration transferred <sup>1)</sup>	99
<sup>1)</sup> Cash	60
Contingent consideration	39

The purchase price allocation is preliminary, which means that fair value is not finally identified for all items.

#### Adoption of preliminary purchase price allocations (PPAs)

A PPA is preliminary until adopted which must take place within 12 months from the acquisition. The PPA for HENT has been adopted in accordance with the preliminary PPA presented in Ratos's Annual Report for 2013.

#### Disposals

##### Disposal in subsidiary

Ratos's subsidiary Biolin Scientific sold all its shares in its subsidiary Osstell. The sale was completed in March 2014.

## Note 3 Operating segments

SEKm	Sales			EBT <sup>1)</sup>		
	2014 Q 1	2013 Q 1	2013	2014 Q 1	2013 Q 1	2013
<b>Holdings</b>						
AH Industries	214	254	1,018	-6	1	-78
Aibel <sup>2)</sup>				-34		141
Arcus-Gruppen	500	512	2,516	-41	-79	75
Biolin Scientific	51	50	233	-11	-1	-13
Bisnode	906	925	3,724	-23	23	9
DIAB	238	208	864	-16	-23	-109
Euromaint	582	623	2,419	-4	-42	-76
GS-Hydro	285	301	1,237	7	8	57
Hafa Bathroom Group	58	64	238	2	0	-13
HENT <sup>3)</sup>	1,233		2,243	47		28
HL Display	364	374	1,596	4	16	106
Inwido	907	857	4,300	-84	-36	220
Jøtul	196	183	930	-21	-36	-89
KVD	75	74	296	6	3	29
Mobile Climate Control	212	244	978	9	6	68
Nebula <sup>4)</sup>	59		155	12		40
Nordic Cinema Group <sup>5)</sup>	720	225	1,895	92	84	120
SB Seating	288	291	1,112	54	36	86
Stofa <sup>6)</sup>		131	131		1	1
<b>Total</b>	<b>6,888</b>	<b>5,318</b>	<b>25,885</b>	<b>-7</b>	<b>-39</b>	<b>602</b>
Exit Stofa					898	895
<b>Exit result</b>					<b>898</b>	<b>895</b>
Impairment DIAB						-234
Impairment Jøtul						-74
<b>Holdings total</b>	<b>6,888</b>	<b>5,318</b>	<b>25,885</b>	<b>-7</b>	<b>859</b>	<b>1,189</b>
Central income and expenses	2	144	199	-18	-60	-106
<b>Group total</b>	<b>6,890</b>	<b>5,461</b>	<b>26,084</b>	<b>-25</b>	<b>799</b>	<b>1,083</b>

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

<sup>2)</sup> Aibel is included in consolidated profit from 11 April 2013.

<sup>3)</sup> HENT is included in consolidated profit from July 2013.

<sup>4)</sup> Nebula is included in consolidated profit from May 2013.

<sup>5)</sup> 2013 relates solely to Finnkino until 30 April and subsequently relate to Nordic Cinema Group.

<sup>6)</sup> Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.



## Note 4 Financial instruments

Ratos applies fair value measurements to a limited extent and mainly for derivatives and synthetic options. These items are measured according to levels two and three respectively in the fair value hierarchy.

Valuation techniques are unchanged during the period.

In the statement of financial position at 31 March 2014 the net value of derivatives amounts to SEK 70m, of which SEK 2m recognised as an asset and SEK 72m as a liability. In addition, a SEK 136m liability is recognised for synthetic options. Earnings for the period have been charged with SEK 2m for derivatives and SEK 0m for synthetic options.

Ratos's assessment is that the carrying amounts of trade receivables, trade payables and consolidated cash and cash equivalents comprise the fair values on the balance sheet date.

Ratos measures its interest-bearing liabilities at amortised cost according to the effective interest method. Ratos's assessment is that this value corresponds to fair value on the balance sheet date.

## Note 5 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
<b>Opening balance, 1 January 2014</b>	20,006	-1,206	18,800
Business combinations	74		74
Company disposals	-111		-111
Exchange differences for the period	99	-8	91
<b>Closing balance, 31 March 2014</b>	<b>20,068</b>	<b>-1,214</b>	<b>18,854</b>

### Telephone conference

8 May 10.00 CET  
+46 8-505 201 10  
Code: Ratos

### CEO's comments

Listen to CEO Susanna Campbell's comments on the interim report at [www.ratos.se](http://www.ratos.se)

### Financial calendar

#### 2014

14 Aug Interim report January – June  
7 Nov Interim report January – September

#### 2015

19 Feb Year-end report 2014

Stockholm, 8 May 2014  
Ratos AB (publ)



Susanna Campbell  
CEO

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



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Ratos is a private equity conglomerate. The company's mission is to maximise shareholder value over time through the professional, active and responsible exercise of its ownership role in primarily medium to large unlisted Nordic companies. Ratos's holdings include AH Industries, Aibel, Arcus-Gruppen, Biolin Scientific, Bismode, DIAB, Euromaint, GS-Hydro, Hafa Bathroom Group, HENT, HL Display, Inwido, Jøtul, KVD, Mobile Climate Control, Nebula, Nordic Cinema Group and SB Seating. Ratos is listed on Nasdaq OMX Stockholm and market capitalisation amounts to approximately SEK 22 billion.