Interim report 2013

RATOS

Q3 January – September

- Profit before tax SEK 1,072m (1,056)
- Earnings per share before dilution SEK 2.81 (3.04)
- Gradual improvement in holdings
- Acquisition of HENT and additional investment in Jøtul completed in third quarter
- Acquisition of Aibel and Nebula and merger of SF Bio and Finnkino completed in second quarter
- Stofa sold in first quarter – exit gain SEK 895m
- Issue of preference shares carried out in June
- Total return on Ratos shares +1%

Ratos in summary

SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
Profit/share of profits	244	114	249	176	-29
Exit gains		978	895	978	978
Impairment				-275	-375
Profit from holdings	**244**	**1,092**	**1,144**	**879**	**574**
Central income and expenses	8	-20	-72	177	193
Profit before tax	**252**	**1,072**	**1,072**	**1,056**	**767**

Important events

Events in the third quarter

- In July, the acquisition of the Norwegian construction company HENT was completed. The seller was Heimdal Gruppen and a number of financial investors. Enterprise value for 100% of the company amounted to approximately NOK 450m (approximately SEK 510m), of which Ratos provided equity of NOK 307m (SEK 347m) for 73% of the shares
- In July, Ratos increased its ownership in Jøtul from 61% to 93% by acquiring Accent Equity's shares. The purchase price amounted to NOK 12m (SEK 13m)
- Capital contributions were provided to DIAB amounting to SEK 38m, of which SEK 17m in the third quarter and SEK 21m in October, and to AH Industries amounting to SEK 7m. As previously announced, a SEK 75m capital contribution was made to Euromaint in the third quarter to finance investments in the business

Events in the first and second quarter

- In June, a directed new issue was made of 830,000 preference shares at SEK 1,750 per preference share with a total value of SEK 1,452.5m excluding issue costs. The issue was made to finance the acquisition of Nebula and HENT as well as part of the acquisition of Aibel. The new issue was oversubscribed and approximately 6,000 investors received an allocation. The first day of trading was 28 June
- In May, the merger of the cinema groups SF Bio and Finnkino was completed. The new group is owned approximately 58% by Ratos and 40% by Bonnier. The merger did not involve a capital contribution
- In April, the acquisition of Nebula, Finland's leading provider of cloud services to small and medium-sized companies, was completed. The purchase price (enterprise value) for 100% of the company amounted to EUR 82.5m (approximately SEK 700m), of which Ratos provided equity of EUR 34m (SEK 284m) for a holding corresponding to 72%. A possible earn-out payment is contingent on certain profitability milestones being achieved
- The acquisition of Aibel announced in December 2012 was completed in April. Enterprise value for 100% of Aibel amounted to NOK 8,600m. Ratos acquired 32% of the company and provided equity of NOK 1,429m (SEK 1,676m)
- In February, the sale was completed of the subsidiary Stofa for DKK 1,900m (approximately SEK 2,200m) (enterprise value). The sale generated a capital gain for Ratos of SEK 895m and an average annual return (IRR) of 54%
- In January, the sale of the remaining subsidiary in Contex Group, Contex A/S, was completed. The selling price (enterprise value) amounted to USD 41.5m (approximately SEK 275m). The winding up of Contex Group has started and Ratos received a payment of SEK 154m in January. An additional amount of approximately SEK 10m is expected when the winding up is completed. Ratos's average annual return (IRR) on the entire investment in Contex Group was -16%
- In January, Arcus-Gruppen completed the acquisition of the brands Aalborg, Brøndums, Gammel Dansk and Malteser. The purchase price (enterprise value) amounted to EUR 103m (approximately SEK 880m) and Ratos provided a net amount of SEK 24m. As required by the competition authorities, Brøndums was sold in June for EUR 11m (approximately SEK 95m) which generated a capital gain in Arcus-Gruppen of approximately SEK 40m
- Capital contributions were provided in the first half of the year to AH Industries amounting to SEK 33m and to Jøtul amounting to SEK 39m

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

Performance Ratos's holdings *)

	2013 Q 3		2013 Q 1-3	
	100%	**Ratos's share**	**100%**	**Ratos's share**
Sales	+5%	+2%	+5%	+1%
EBITA	+12%	+31%	+11%	+22%
EBITA, excluding items affecting comparability	-4%	+2%	-1%	+2%
EBT	-5%	+30%	-1%	+20%
EBT, excluding items affecting comparability	-20%	-9%	-17%	-14%

*) Comparison with corresponding period last year and for comparable units.

To facilitate analysis, an extensive table is provided on page 14 with key figures for Ratos's holdings. A summary of income statements, statements of financial position, etc., for Ratos's associates and subsidiaries is available in downloadable Excel files at www.ratos.se.

CEO comments on performance in the first nine months of the year:

Completed action programmes gradually having impact

The positive signals in Ratos's holdings have strengthened as the year progressed and we are seeing more and more reasons to be pleased with the portfolio of companies. We are now gradually starting to be repaid for the hard work that has been carried out among other things on the costs side in recent years. As markets slowly stabilise and in some cases start to move upwards, conditions for greater effects from completed initiatives will improve. We continue to have a high level of activity and in our recently added portfolio companies intensive work is now underway to set our owner agenda.

Additional positive market signals

Having experienced relatively weak market conditions for many Ratos companies at the beginning of the year, we saw some stabilisation towards the end of the second quarter, which continued in the third quarter. More and more markets levelled out and in some cases activity increased slightly. Despite mixed market signals and risks on the downside, our general view of the market trend is cautiously positive and we expect a continued gradual recovery that will persist in 2014.

Own measures crucial

Being a present and active owner is the core of Ratos's business model and the significance of this has become increasingly clear in recent years when development in our business environment has been weak. We spend most of our time supporting our holdings with evaluating, planning and implementing strategic initiatives, both in order to create growth and reduce costs. In 2012, unusually extensive measures were implemented in the portfolio companies and the level of activity has been high in 2013 as well. Naturally, it is therefore satisfactory when we see that this has gradually provided results in many holdings in the form of better margins and reduced costs. This means that operating leverage has increased significantly. In a number of holdings we have not yet completed our development work and we will keep up the pressure for initiatives that improve margins even more in the long run.

Improvement in holdings

So far this year the portfolio as a whole has had sales growth of +1% (adjusted for Ratos's holding size, which provides the most accurate picture due to the minority holding in Aibel) and +2% in the third quarter, while reported operating profit (EBITA) has risen by +22% for the year so far and +31% in the third quarter and adjusted EBITA (i.e. adjusted for items affecting comparability) increased by +2% for the year to date and +2% for the quarter.

If we remove the portfolio company Aibel from the analysis, the company's sales growth in 2013 is extreme due to a couple of specific projects, the improved earnings become clearer. Excluding Aibel, sales decreased by -3% (adjusted for Ratos's holding size) so far this year, while reported EBITA increased by +31% and adjusted EBITA by +5%. This means that despite a decline in sales we have increased our adjusted operating margin from 6.2% to 6.7% and the reported EBITA margin from 4.4% to 5.9% so far this year. These figures are also affected by negative currency effects – adjusted for these the improvement becomes even greater.

One of the portfolio companies where the third quarter's stronger market has already resulted in improved sales is Inwido, where the market, particularly in Sweden but also in large parts of the rest of the Nordic region, is more positive. Sales grew by +1% during the quarter which led to an improvement in adjusted EBITA of +17%. One clear effect of successful work with the cost structure which bodes well for the future.

Even the wind energy market has become slightly more upbeat and both AH Industries and DIAB are experiencing a levelling out, although at a low level. The decline in sales slowed in the third quarter and together with completed cost-cutting programmes this was sufficient for both companies to report a positive EBITA. Naturally, we are not satisfied with the very small profits in both companies and uncertainty remains high, but this development is clearly a step in the right direction.

Many companies that were already performing well continue to do so. This group includes Arcus-Gruppen, HENT, KVD Kvarndammen, Nebula and Nordic Cinema Group.

Contract activity in the Norwegian offshore market was slightly lower during the autumn which mainly affects Aibel, but also GS-Hydro to some extent. For Aibel this means that the focus in the coming year is on good deliveries on projects in the considerable order backlog (currently NOK 14 billion with additional options for NOK 19 billion), on winning new contracts, and on adjusting costs. At an overall level the market scenario and opportunities for both companies remain positive.

Sluggish transaction market but good access to financing

Ratos has seen a high level of transaction activity in 2013, with acquisitions that include Nebula, Aibel and HENT, as well as Finnkino's merger with SF Bio and Arcus-Gruppen's significant add-on. In general the transaction market in the Nordic region is still relatively sluggish despite increasingly favourable access to financing. As markets steadily stabilise, this scenario can change fast and conditions exist for 2014 to be a more active year in the transaction market.

Unchanged future prospects

The positive market signals we have seen in many areas during the year continued to strengthen during the third quarter although the rate of improvement is slow. As before, our assessment is that more stable market conditions, combined with the effects of action taken and lower costs affecting comparability, will create conditions for increased profits in Ratos's holdings overall for 2013 and on into 2014. Ratos's earnings performance will continue to vary between individual quarters and should be viewed over a longer period of time – our business model is about creating value over time.

Susanna Campbell, CEO

Additional CEO comments at www.ratos.se

Ratos's results

Profit before tax for the first nine months of 2013 amounted to SEK 1,072m (1,056). The higher reported result is mainly due to improved share of profits from the holdings. Earnings include profit/share of profits from the holdings of SEK 249m (176) and exit gains of SEK 895m (978).

SEKm	2013 Q 1-3	2012 Q 1-3	2012
Profit/share of profits before tax [1]			
AH Industries (69%)	-8	-16	-72
Aibel (32%) [2]	97		
Anticimex (85%) [3]		51	51
Arcus-Gruppen (83%)	-11	-122	-73
Biolin Scientific (100%)	2	5	14
Bisnode (70%)	-48	64	-31
Contex Group (100%)		16	-150
DIAB (96%)	-75	-215	-287
Euromaint (100%)	-67	-43	-49
GS-Hydro (100%)	46	62	44
Hafa Bathroom Group (100%)	-5	9	5
HENT (73%) [4]	11		
HL Display (99%)	77	51	70
Inwido (97%)	160	135	246
Jøtul (93%)	-99	-104	-160
KVD Kvarndammen (100%)	12	27	25
Lindab (11%) [5]		4	4
Mobile Climate Control (100%)	67	57	67
Nebula (72%) [6]	4		
Nordic Cinema Group (58%) [7]	25	58	82
SB Seating (85%)	60	61	97
Stofa (99%) [8]	1	76	88
Total profit/share of profits	**249**	**176**	**-29**
Exit Anticimex		897	897
Exit Lindab		81	81
Exit Stofa	895		
Total exit result	**895**	**978**	**978**
Impairment AH Industries		-275	-275
Impairment Jøtul			-100
Profit from holdings	**1,144**	**879**	**574**
Central income and expenses			
Management costs	-198	-154	-222
Capital gain/loss within central income and expenses [9]		168	168
Financial items	126	163	247
Consolidated profit before tax	**1,072**	**1,056**	**767**

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

2) Aibel is included in consolidated profit from 11 April 2013.

3) Anticimex is included in consolidated profit through June 2012. The entire holding was sold in July 2012.

4) HENT is included in consolidated profit from July 2013.

5) Lindab is included in consolidated profit through June 2012. The entire holding was sold in August 2012.

6) Nebula is included in consolidated profit from May 2013.

7) 2012 relates solely to Finnkino. Earnings for 2013 consist of Finnkino solely until 30 April and subsequently relate to the entire Nordic Cinema Group.

8) Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.

9) Relates to an earlier intra-group sale of a group company where the gain was recognised when this company left the Group in 2012.

Central income and expenses

Ratos's net central income and expenses amounted to SEK -72m (+177), of which personnel costs in Ratos AB amounted to SEK 113m (78). The variable portion of personnel costs amounted to SEK 43m (10). Other management costs amounted to SEK 85m (76). In 2012 a capital gain of SEK 168m was reported within central income and expenses which relates to an earlier intra-group sale of a group company where the gain was recognised when the company left the Group in 2012. Net financial items amounted to SEK +127m (+163).

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 -1,063m (2,628) and consolidated cash and cash equivalents at the end of the period amounted to SEK 2,776m (3,018), of which short-term interest-bearing investments accounted for SEK 500m (967). Interest-bearing liabilities including pension provisions amounted to SEK 13,349m (12,331).

Parent company

The parent company's loss before tax amounted to SEK 136m (+1,103). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 951m (1,775). Taking into account financial transactions agreed but not yet carried out, at 8 November Ratos has a net liquidity of approximately SEK 900m. In addition, there is an existing credit facility of SEK 3.2 billion, authorisation from the 2013 Annual General Meeting to issue 35 million Ratos B shares in conjunction with agreements on acquisitions and an authorisation to issue a maximum of 1,250,000 preference shares in conjunction with agreements on acquisitions, of which 420,000 are unutilised in the existing mandate.

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 Notes 31 and 38 in the 2012 Annual Report. An assessment for the coming months is provided in the *CEO comments on performance in the first nine months* section on page 3.

Related-party transactions

The parent company received dividends and repayments of shareholder contributions from subsidiaries and associates of SEK 49m (1,372). Capital contributions have been provided to AH Industries, Euromaint, Jøtul and DIAB totalling SEK 171m.

Ratos B shares

Earnings per share before dilution amounted to SEK 2.81 (3.04). The total return on Ratos B shares in the first nine months of 2013 amounted to +1%, compared with the performance of the SIX Return Index which was +20%.

Ratos preference shares

The closing price for Ratos's class C preference shares on 30 September was SEK 1,873. The dividend amounts to SEK 100 per year and is paid quarterly. A dividend, with record date 15 August was paid on 20 August, a total of SEK 21m. The record date for the next dividend is 15 November with payment date 20 November.

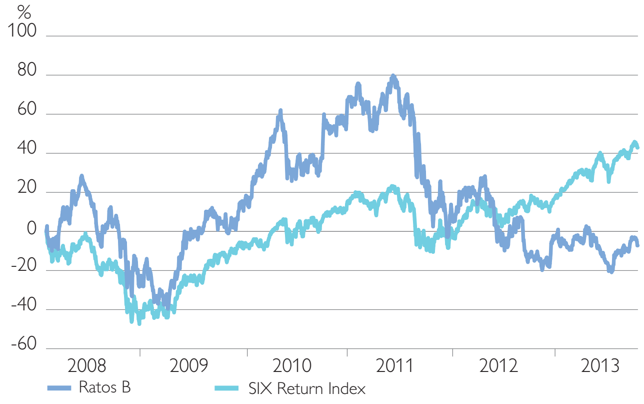
Treasury shares and number of shares

No shares were repurchased and no call options were exercised in the first nine months of 2013. 4,660 shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At the end of September, Ratos owned 5,134,877 B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 69.

A directed new issue of 830,000 preference shares was made in June with a total value of SEK 1,452.5m excluding issue costs. As a result of the issue, Ratos's share capital increased by SEK 2.6m and subsequently amounts to approximately SEK 1,024m. The first trading day was 28 June.

At 30 September 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 319,006,019 and outstanding preference shares 830,000. The average number of B treasury shares in Ratos in the first nine months of 2013 was 5,135,973 (5,140,203 in the full year 2012).

Total return
1 January 2008 – 30 September 2013



Ratos's equity [1)]

At 30 September 2013 Ratos's equity (attributable to owners of the parent) amounted to SEK 13,780m (SEK 13,734m at 30 June 2013), corresponding to SEK 38 per outstanding share (SEK 38 at 30 June 2013).

SEKm	30 Sep 2013	% of equity
AH Industries	343	3
Aibel	1,574	11
Arcus-Gruppen	486	4
Biolin Scientific	347	3
Bisnode	1,186	9
DIAB	850	6
Euromaint	622	5
GS-Hydro	16	0
Hafa Bathroom Group	150	1
HENT	338	2
HL Display	1,097	8
Inwido	2,381	17
Jøtul	237	2
KVD Kvarndammen	262	2
Mobile Climate Control	859	6
Nebula	294	2
Nordic Cinema Group	613	4
SB Seating	1,120	8
Total	**12,775**	**93**
Other net assets in central companies	1,005	7
Equity (attributable to owners of the parent)	**13,780**	**100**
Equity per ordinary share, SEK [2)]	**38**	

1) Holdings are shown at consolidated figures, which correspond to the Group's share of the holdings' equity, any residual values on consolidated surplus and deficit values minus any intra-group profits. Shareholder loans and capitalised interest on such loans are also included.

2) 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.

Other

Extraordinary General Meeting

Ratos held an Extraordinary General Meeting on 25 April in order, according to "the Leo rules", to obtain approval to transfer all the shares in the subsidiary BTJ Group AB to Per Samuelson, Chairman of the Board of BTJ Group. The purchase price for all the shares amounted to SEK 1. Taking the company's net debt into account, the purchase price corresponds to an enterprise value of approximately SEK 43m. The Meeting resolved to approve the transfer which was completed in May. The sale did not have any earnings impact on Ratos.

Nomination Committee

In accordance with a resolution at Ratos's Annual General Meeting held on 17 April 2013, the company's major owners have between themselves appointed a Nomination Committee with the Chairman of the Board, Arne Karlsson, as the convener. Ulrika Danielson (AP2) has been appointed as the Chairman of the Nomination Committee. Other members of the Committee are: Ulf Fahlgren (Akademiinvest), Jan Söderberg (his own and related parties' holdings), Maria Söderberg (Torsten Söderberg Foundation) and Per-Olof Söderberg (Ragnar Söderberg Foundation and his own and related parties' holdings). Ratos's Annual General Meeting will be held on 27 March 2014 at Stockholm Waterfront Congress Centre, Stockholm.

Holdings

More information about the holdings and a summary of income statements and statements of financial position for Ratos's holdings is available in downloadable Excel files at www.ratos.se.

AH Industries

- Sales SEK 751m (889) and EBITA SEK 13m (4)
- Some improvement within parts of Wind Solutions. Industrial Solutions affected by a weaker business climate in the cement and minerals industry in the third quarter
- Capital contribution of SEK 40m provided, of which SEK 7m in the third quarter
- Knud Andersen new CEO from 15 May 2013
- Focus on cost-cutting programmes due to continued uncertain market prospects for the wind energy industry in the short term. Consolidation of the production structure in Denmark planned for the fourth quarter

AH Industries is a world-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 343m at 30 September 2013.

Aibel

- Sales SEK 11,017m (9,145) and EBITA SEK 537m (634)
- Strong growth driven by extensive additional work in the final phase of older contracts with lower margins within Field Development. Delivery of the three-year Gudrun project to Statoil in the third quarter. Sales and earnings can vary substantially between individual quarters depending on where the projects are in the project cycle
- Continued good development within MMO
- Temporarily lower activity for new contracts is expected to affect sales in the fourth quarter and for the full year 2014, and earnings in the fourth quarter and at the beginning of 2014. During the second half of 2014 and 2015 contract activity is expected to increase again. Continued positive market prospects in the long term
- Order book at 30 September amounts to approximately NOK 14 billion plus options for an additional NOK 19 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 1,574m at 30 September 2013.

Arcus-Gruppen

- Sales SEK 1,727m (1,587) and EBITA SEK 144m (-69)
- Organic growth +4%. Good sales and earnings growth within spirits due, among other things, to the acquisition of Aalborg with several brands
- Acquisition of the brands Aalborg, Brøndums, Gammel Dansk and Malteser was completed in January 2013. Brøndums was sold, as required by the competition authorities, in June for EUR 11m (approximately SEK 95m) which generated a capital gain of approximately SEK 40m
- EBITA adjusted for the capital gain from the sale of Brøndums and other items affecting comparability amounted to SEK 116m (95)
- Extensive restructuring of the distribution operations is underway and as part of this the business area was separated from the rest of operations as of 1 October in order to provide focus

Arcus-Gruppen is Norway's leading spirits producer and one of the largest wine suppliers in the Nordic region through Vingruppen, Vinordia and Arcus Wine Brands. The group's best-known brands include Aalborg Akvavit, Braastad Cognac, Gammel Dansk, Lysholm Linie Aquavit and Vikingfjord Vodka.

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 486m at 30 September 2013.

Biolin Scientific

- Sales SEK 161m (161) and EBITA SEK 9m (8)
- 4% sales growth adjusted for currency effects
- EBITA adjusted for costs affecting comparability amounted to SEK 12m (8)
- Good development for Discovery Instruments (Sophion). Stable development for Diagnostic Instruments (Osstell) and Analytical Instruments
- Johan von Heijne new CEO from 1 February 2013

Biolin Scientific develops, manufactures and markets analytical instruments for research, development, quality control and clinical diagnostics. The company's largest market niche is nanotechnology, primarily materials science, 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 347m at 30 September 2013.

Bisnode

- Sales SEK 2,723m (2,798) and EBITA SEK 183m (205) (pro forma 2012, adjusted for Product Information business area)
- Organic sales development adjusted for currency effects was -1%. The decline in sales is due to an overall weak market as well as the effects of an internal change programme at the beginning of the year
- EBITA adjusted for items affecting comparability (primarily restructuring costs attributable to the creation of a cohesive Bisnode) amounted to SEK 279m (246), corresponding to an operating margin of 10.2% (8.8)
- Growth in Credit Solutions, stable performance in Business Information and continued weak trend in Marketing Solutions
- Efforts to create a more cohesive Bisnode are underway. The marketing companies have been placed under the Bisnode brand throughout the group

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 more than 3,000 employees in 19 countries.

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,186m at 30 September 2013.

DIAB

- Sales SEK 637m (785) and EBITA SEK -28m (-163)
- Adjusted for currency effects sales fell 16% mainly due to a very weak wind energy market in China and the US. Sales to the transport, industry and aviation segment continued to develop well
- Some sales growth in the wind energy segment in China in the third quarter strengthens conditions for an improved development in the fourth quarter and 2014
- Completed cost-cutting meant that EBITA adjusted for items affecting comparability amounted to SEK -21m (-51), 4m (-26) in the third quarter
- Capital contribution provided of SEK 38m, of which SEK 17m in the third quarter and SEK 21m in October

DIAB is a world-leading company that manufactures and develops core materials for composite structures including blades for wind turbines, hulls and decks for leisure boats, and components for aircraft, trains, industrial applications and buildings. The material has 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 850m at 30 September 2013.

Euromaint

- Sales SEK 1,793m (1,870) and EBITA SEK 4m (38)
- Lower sales due to a weak market and loss of volume from a customer in Germany
- Adjusted for costs affecting comparability related to a lost contract dispute and action programmes, EBITA amounted to SEK 44m (57)
- Improved earnings development in Sweden. Germany remains weak. Action programmes to strengthen competitiveness and profitability are under way in both Sweden and Germany
- SEK 75m capital contribution provided in July to finance investments in the business

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 carriages, passenger trains, locomotives and work machines. Euromaint has operations in Sweden, Germany, Belgium, the Netherlands and Latvia.

Ratos's holding in Euromaint amounted to 100% and the consolidated book value in Ratos was SEK 622m at 30 September 2013.

GS-Hydro

- Sales SEK 917m (1,014) and EBITA SEK 68m (98)
- Stable sales development within offshore and landbased segments, but continued weak trend for marine
- Growth initiatives related to development of the aftermarket offering and business systems charged against earnings
- Lower EBITA margin mainly due to slightly lower sales and growth initiatives

GS-Hydro is a leading 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 16m at 30 September 2013.

Hafa Bathroom Group

- Sales SEK 175m (204) and EBITA SEK -5m (11)
- Weak consumer market had negative impact on sales
- Lower earnings due to lower volumes and unfavourable sales mix
- Action taken to improve profitability

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 150m at 30 September 2013.

HENT

- Sales SEK 3,003m (2,478) and EBITA SEK 102m (86)
- Very good sales growth driven by a strong order book and good development in projects in progress
- Strong order bookings during the year. In the third quarter HENT received an order of approximately NOK 500m for construction of office premises and a ferry terminal in Ålesund. The order book at 30 September 2013 amounted to approximately SEK 8.7 billion
- Adjusted for acquisition costs EBITA amounted to SEK 117m (86)

HENT is Norway's fifth largest 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 sub-contractors.

Ratos's holding in HENT amounted to 73% and the consolidated book value in Ratos was SEK 338m at 30 September 2013.

HL Display

- Sales SEK 1,175m (1,248) and EBITA SEK 94m (80)
- Good sales growth in Northern Europe. Weaker in Southern Europe and Eastern Europe where market uncertainty led to postponed investments in the retail trade and among brand suppliers. Adjusted for currency effects sales decreased by 2%
- Significant improvement in margins due to good control of costs and efficient production. The EBITA margin increased to 8.0% (6.4)

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 1,097m at 30 September 2013.

Inwido

- Sales SEK 3,107m (3,233) and EBITA SEK 219m (217) (2012 pro forma for the sale of Home Improvement)
- Organic sales development -4% (adjusted for currency effects)
- Improved market development, particularly in Sweden, in the third quarter. Sales rose by 1% and order bookings by 5%
- Completed cost-cutting measures had an effect and adjusted EBITA in the third quarter amounted to SEK 136m (117)

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, Ireland, Poland and Russia. 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 2,381m at 30 September 2013.

Jøtul

- Sales SEK 592m (590) and EBITA SEK -45m (-77)
- Sales adjusted for currency effects increased by 3%, and by 9% in the third quarter
- Positive earnings development in the third quarter, adjusted EBITA SEK 11m (-7), due to higher sales and reduced costs. Continued efficiency improvements carried out
- The production and delivery problems that disturbed the business in 2011 and 2012 have now been remedied
- Recruitment of a new CEO is underway
- SEK 39m capital contribution provided in the second quarter

The Norwegian company Jøtul is one of 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.

Ratos's holding in Jøtul amounted to 93% and the consolidated book value in Ratos was SEK 237m at 30 September 2013.

KVD Kvarndammen

- Sales SEK 219m (208) and EBITA SEK 23m (32)
- Higher sales despite weak market for company cars and construction machinery
- Sharply rising volumes of cars owned by private individuals which now account for approximately 10% of the total volume
- Establishment costs in Norway explain the difference in earnings compared with the previous year (SEK 9m)

KVD Kvarndammen 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 Kvarndammen amounted to 100% and the consolidated book value in Ratos was SEK 262m at 30 September 2013.

Mobile Climate Control (MCC)

- Sales SEK 773m (982) and EBITA SEK 95m (89)
- Adjusted for currency effects sales decreased by 16% (23% in the third quarter). Sales were negatively affected mainly by continued low volumes in the defence vehicle segment
- Strengthened EBITA margin, 12.3% (9.4), despite lower sales due to completed profitability improvement measures. In the third quarter a favourable product mix also contributed to the higher margin, 14.4% (9.9)

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 859m at 30 September 2013.

Nebula

- Sales SEK 167m (154) and EBITA SEK 45m (53)
- Very good growth in cloud services and stable development for operating and network services
- Costs of growth initiatives and acquisition costs had a negative impact on operating profit. EBITA adjusted for acquisition costs amounted to SEK 56m (53)

Nebula is a market-leading provider of cloud services, IT infrastructure and network 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 294m at 30 September 2013.

Nordic Cinema Group

- Sales SEK 1,684m (1,779) and EBITA SEK 155m (182) (2013 and 2012 pro forma for the merger between SF Bio and Finnkino)
- Adjusted EBITA, adjusted for transaction costs and other items affecting comparability amounted to SEK 162m (182)
- The number of cinemagoers was 8% lower compared with a record-strong 2012
- Good growth in peripheral sales per visitor, +8%

Nordic Cinema Group is the Nordic region's largest cinema group with 102 movie theatres with 583 screens and approximately 80,000 seats in six countries – Sweden, Finland, Norway, Estonia, Latvia and Lithuania. 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 613m at 30 September 2013.

SB Seating

- Sales SEK 789m (851) and EBITA SEK 153m (164)
- Weaker market for major orders in the third quarter had a negative impact on sales. Continued favourable development in Norway and Germany, among other countries
- Lower EBITA margin in the third quarter, 17% (24) due to lower sales. Strengthened margin so far this year, 19.9% (19.3)
- Acquisition of importer in Switzerland, Europe's sixth largest office furniture market, for NOK 8m

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

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 1,120m at 30 September 2013.

Ratos's holdings at 30 September 2013

	Net sales					EBITA				
SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
AH Industries	238	258	751	889	1,062	3	-6	13	4	-45
Aibel [1]	3,508	2,962	11,017	9,145	12,709	159	227	537	634	892
Arcus-Gruppen	590	559	1,727	1,587	2,278	88	32	144	-69	5
Biolin Scientific	56	53	161	161	235	8	4	9	8	23
Bisnode [2]	867	876	2,723	2,798	3,869	61	68	183	205	339
DIAB	213	245	637	785	1,003	1	-144	-28	-163	-217
Euromaint [3]	543	554	1,793	1,870	2,484	8	19	4	38	60
GS-Hydro	293	356	917	1,014	1,352	17	33	68	98	123
Hafa Bathroom Group	53	62	175	204	268	-3	0	-5	11	7
HENT [4]	987	734	3,003	2,478	3,360	15	28	102	86	113
HL Display	387	410	1,175	1,248	1,657	29	25	94	80	104
Inwido [5]	1,109	1,102	3,107	3,233	4,476	133	131	219	217	328
Jøtul	246	226	592	590	913	10	-7	-45	-77	-52
KVD Kvarndammen	67	60	219	208	287	9	9	23	32	41
Mobile Climate Control	252	336	773	982	1,250	36	32	95	89	108
Nebula [6]	58	51	167	154	211	22	21	45	53	70
Nordic Cinema Group [7]	563	618	1,684	1,779	2,577	70	89	155	182	324
SB Seating	225	271	789	851	1,176	37	66	153	164	237
Total 100%	**10,256**	**9,732**	**31,410**	**29,976**	**41,168**	**704**	**626**	**1,765**	**1,593**	**2,461**
Change	5%		5%			12%		11%		
Total adjusted for ownership	**6,799**	**6,685**	**20,654**	**20,543**	**28,084**	**510**	**389**	**1,182**	**973**	**1,540**
Change	2%		1%			31%		22%		

	Adjusted EBITA [A)]					Depre-ciation	Invest-ments [B)]	Cash flow [C)]	Interest-bearing net debt	Consoli-dated value	Ratos's owner-ship
SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012	2013	2013	2013	30 Sep 13	30 Sep 13	30 Sep 13
AH Industries	5	-3	15	7	-7	40	11	-15	375	343	69%
Aibel [1]	159	227	542	634	892	131	–	–	4,325	1,574	32%
Arcus-Gruppen	77	72	116	95	205	38	22	-255	1,423	486	83%
Biolin Scientific	8	4	12	8	23	7	22	3	154	347	100%
Bisnode [2]	107	82	279	246	416	88	55	170	1,981	1,186	70%
DIAB	4	-26	-21	-51	-75	54	17	-50	767	850	96%
Euromaint [3]	10	24	44	57	90	32	–	0	580	622	100%
GS-Hydro	17	33	68	98	123	16	14	29	429	16	100%
Hafa Bathroom Group	-3	0	-5	11	7	2	3	-1	63	150	100%
HENT [4]	29	28	117	86	113	4	–	–	-373	338	73%
HL Display	31	33	99	95	125	29	27	2	384	1,097	99%
Inwido [5]	136	117	224	229	347	80	55	72	1,169	2,381	97%
Jøtul	12	-7	-40	-77	-52	44	31	-161	665	237	93%
KVD Kvarndammen	9	9	23	34	44	2	3	5	216	262	100%
Mobile Climate Control	36	33	95	92	111	12	7	66	491	859	100%
Nebula [6]	22	21	56	53	70	13	–	–	309	294	72%
Nordic Cinema Group [7]	73	89	162	182	329	118	–	–	1,759	613	58%
SB Seating	38	66	157	164	237	25	48	38	592	1,120	85%
Total 100%	**769**	**803**	**1,943**	**1,964**	**2,999**						
Change	-4%		-1%								
Total adjusted for ownership	**558**	**548**	**1,321**	**1,298**	**2,001**						
Change	2%		2%								

A) EBITA, excluding items affecting comparability.
B) Investments excluding business combinations.
C) Cash flow refers to cash flow from operating activities and investing activities before acquisition and disposal of companies.

1) Aibel's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.
2) Bisnode's earnings for 2012 are pro forma taking into account discontinued operation Product Information.
3) Euromaint's earnings for 2013 and 2012 are pro forma taking into account discontinued operations in Germany and Belgium.
4) HENT's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.
5) Inwido's earnings for 2012 are pro forma taking into account sale of Home Improvement.
6) Nebula's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.
7) Nordic Cinema Group's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.

Financial statements

Consolidated income statement

SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
Net sales	6,774	6,180	18,132	20,304	27,100
Other operating income	42	56	208	140	171
Change in inventories	-38	-18	-23	13	-32
Raw materials and consumables	-2,890	-2,559	-7,331	-8,220	-10,918
Employee benefit costs	-1,897	-1,878	-5,816	-6,473	-8,644
Depreciation and impairment of property, plant and equipment and intangible assets	-219	-316	-634	-1,267	-1,942
Other costs	-1,297	-1,183	-3,702	-4,137	-5,391
Capital gain/loss from the sale of group companies	-1	899	863	1,183	1,179
Capital gain/loss from the sale of associates		81		81	81
Share of profits of associates	30	1	116	13	18
Operating profit	**504**	**1,263**	**1,813**	**1,637**	**1,622**
Financial income	18	52	74	135	154
Financial expenses	-270	-243	-815	-716	-1,009
Net financial items	**-252**	**-191**	**-741**	**-581**	**-855**
Profit before tax	**252**	**1,072**	**1,072**	**1,056**	**767**
Tax	-69	-65	-140	-88	-224
Profit for the period	**183**	**1,007**	**932**	**968**	**543**
Profit/loss for the period attributable to:					
Owners of the parent	148	998	937	969	606
Non-controlling interests	35	9	-5	-1	-63
Earnings per share, SEK					
– before dilution	0.40	2.95	2.81	3.04	1.90
– after dilution	0.40	2.95	2.81	3.04	1.90

Consolidated statement of comprehensive income

SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
Profit for the period	**183**	**1,007**	**932**	**968**	**543**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension obligations, net					-33
Tax attributable to items that will not be reclassified to profit or loss					12
					-21
Items that may be reclassified subsequently to profit or loss:					
Translation differences for the period	-225	-261	-178	-314	-157
Change in hedging reserve for the period	4	-9	28	-3	40
Tax attributable to items that may be reclassified subsequently to profit or loss	-1	2	-7	1	-11
Other comprehensive income for the period	**-222**	**-268**	**-157**	**-316**	**-128**
Total comprehensive income for the period	**-39**	**739**	**775**	**652**	**394**
Total comprehensive income for the period attributable to:					
Owners of the parent	-5	776	827	707	483
Non-controlling interests	-34	-37	-52	-55	-89

Summary consolidated statement of financial position

SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
ASSETS			
Non-current assets			
Goodwill	18,922	16,545	15,502
Other intangible assets	1,608	1,304	1,292
Property, plant and equipment	3,599	4,051	3,461
Financial assets	2,874	275	225
Deferred tax assets	565	654	557
Total non-current assets	**27,568**	**22,829**	**21,037**
Current assets			
Inventories	2,470	2,632	2,387
Current receivables	5,539	5,438	4,906
Cash and cash equivalents	2,776	3,018	3,203
Assets held for sale			2,054
Total current assets	**10,785**	**11,088**	**12,550**
Total assets	**38,353**	**33,917**	**33,587**
EQUITY AND LIABILITIES			
Equity including non-controlling interests	**16,098**	**13,391**	**13,141**
Non-current liabilities			
Interest-bearing liabilities	9,832	9,545	7,937
Non-interest bearing liabilities	699	748	760
Pension provisions	441	356	370
Other provisions	133	208	179
Deferred tax liabilities	512	437	396
Total non-current liabilities	**11,617**	**11,294**	**9,642**
Current liabilities			
Interest-bearing liabilities	3,076	2,430	2,489
Non-interest bearing liabilities	7,230	6,673	6,413
Provisions	332	129	138
Liabilities attributable to assets held for sale			1,764
Total current liabilities	**10,638**	**9,232**	**10,804**
Total equity and liabilities	**38,353**	**33,917**	**33,587**

Summary statement of changes in consolidated equity

SEKm	30 Sep 2013 Owners of the parent	Non-controlling interest	Total equity	30 Sep 2012 Owners of the parent	Non-controlling interest	Total equity	31 Dec 2012 Owners of the parent	Non-controlling interest	Total equity
Opening equity	**12,353**	**788**	**13,141**	**13,658**	**997**	**14,655**	**13,658**	**997**	**14,655**
Changed accounting principle				-36	-9	-45	-36	-9	-45
Adjusted equity	**12,353**	**788**	**13,141**	**13,622**	**988**	**14,610**	**13,622**	**988**	**14,610**
Total comprehensive income for the period	827	-52	775	707	-55	652	483	-89	394
Dividend	-1,019	-38	-1,057	-1,754	-74	-1,828	-1,754	-75	-1,829
New issue	1,431	4	1,435		14	14		17	17
Sale of treasury shares in associates				6		6	6		6
Option premiums	7		7				5		5
Acquisition of shares in subsidiaries from non-controlling interests	50	54	104	-7	-10	-17	-9	-7	-16
Sale of shares in subsidiaries to non-controlling interests	131	456	587						
Non-controlling interests at acquisition		1,125	1,125		1	1		1	1
Non-controlling interests in disposals		-19	-19		-47	-47		-47	-47
Closing equity	**13,780**	**2,318**	**16,098**	**12,574**	**817**	**13,391**	**12,353**	**788**	**13,141**

Consolidated statement of cash flows

SEKm	2013 Q 1-3	2012 Q 1-3	2012
Operating activities			
Profit before tax	1,072	1,056	767
Adjustment for non-cash items	-270	-19	927
	802	1,037	1,694
Income tax paid	-228	-207	-260
Cash flow from operating activities before change in working capital	**574**	**830**	**1,434**
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in inventories	4	-38	120
Increase (-)/Decrease (+) in operating receivables	149	274	416
Increase (+)/Decrease (-) in operating liabilities	-657	-1,087	-861
Cash flow from operating activities	**70**	**-21**	**1,109**
Investing activities			
Acquisition, group companies	-592	-15	-53
Disposal, group companies	1,380	2,919	2,915
Acquisition, shares in associates	-1,676		-2
Disposal, shares in associates		384	386
Acquisition, other intangible/tangible assets	-419	-645	-898
Disposal, other intangible/tangible assets	207	6	65
Investment, financial assets	-93	-23	-37
Disposal, financial assets	60	23	35
Cash flow from investing activities	**-1,133**	**2,649**	**2,411**
Financing activities			
New issue	1,431		
Non-controlling interests' share of issue/capital contribution	6		
Redemption of options	-90	-3	-13
Option premiums	12	4	17
Acquisition of shares in subsidiaries from non-controlling interests	-36	-15	-21
Dividend paid	-978	-1,754	-1,754
Dividend paid/redemption, non-controlling interests	-38	-74	-75
Borrowings	1,916	760	1,596
Amortisation of loans	-1,605	-1,535	-3,025
Cash flow from financing activities	**618**	**-2,617**	**-3,275**
Cash flow for the period	**-445**	**11**	**245**
Cash and cash equivalents at beginning of the year	3,203	3,042	3,042
Exchange differences in cash and cash equivalents	-54	-35	-10
Cash and cash equivalents attributable to assets held for share	72		-74
Cash and cash equivalents at the end of the period	2,776	3,018	3,203

Consolidated key figures [1)]

SEKm	2013 Q 1-3	2012 Q 1-3	2012
Return on equity, %			5
Equity ratio, %	42	39	39
Key figures per ordinary share			
Total return, %	1	-23	-17
Dividend yield, %			4,8
Market price, SEK	59.85	57.95	62.50
Dividend, SEK			3
Equity attributable to owners of the parent, SEK [1)]	38	40	39
Earnings per share before dilution, SEK	2.81	3.04	1.90
Average number of ordinary shares outstanding			
– before dilution	319,004,923	319,000,468	319,000,693
– after dilution	319,004,923	319,000,468	319,008,267
Total number of registered shares	324,970,896	324,140,896	324,140,896
Number of shares outstanding	319,836,019	319,001,359	319,001,359
– of which A shares	84,637,060	84,637,060	84,637,060
– of which B shares	234,368,959	234,364,299	234,364,299
– of which C shares (preference shares)	830,000		

[1)] 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.

Parent company income statement

SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
Other operating income		1	11	2	2
Other external costs	-12	-15	-57	-59	-82
Personnel costs	-29	-18	-112	-78	-119
Depreciation of property, plant and equipment	-1	-2	-3	-4	-5
Operating profit/loss	**-42**	**-34**	**-161**	**-139**	**-204**
Capital gain from sale of investments in group companies		830		830	830
Dividends from group companies			49	382	382
Impairment of shares in group companies		-15		-316	-796
Capital gain from sale of interests in associates		266		266	266
Dividends from associates				14	14
Impairment of interests in associates		-5		-5	-5
Result from other securities and receivables accounted for as non-current assets	32	5	98	91	137
Other interest income and similar profit/loss items	4	-1	15	19	33
Interest expenses and similar profit/loss items	-50	-13	-137	-39	-51
Profit/loss after financial items	**-56**	**1,033**	**-136**	**1,103**	**606**
Tax					
Profit/loss for the period	**-56**	**1,033**	**-136**	**1,103**	**606**

Parent company statement of comprehensive income

SEKm	2013 Q 3	2012 Q 3	2013 Q 1-3	2012 Q 1-3	2012
Profit/loss for the period	**-56**	**1,033**	**-136**	**1,103**	**606**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value reserve for the period	0	0	14	1	-13
Other comprehensive income for the period	**0**	**0**	**14**	**1**	**-13**
Comprehensive income for the period	**-56**	**1,033**	**-122**	**1,104**	**593**

Summary parent company balance sheet

SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
ASSETS			
Non-current assets			
Property, plant and equipment	75	79	78
Financial assets	12,694	10,575	10,235
Total non-current assets	**12,769**	**10,654**	**10,313**
Current assets			
Current receivables	79	30	20
Short-term investments	500	967	499
Cash and cash equivalents	451	808	1,324
Total current assets	**1,030**	**1,805**	**1,843**
Total assets	**13,799**	**12,459**	**12,156**
EQUITY AND LIABILITIES			
Equity	**11,682**	**11,891**	**11,385**
Non-current provisions			
Pension provisions	1	1	1
Other provisions	7	16	7
Non-current liabilities			
Interest-bearing liabilities, group companies	509	438	442
Non-interest bearing liabilities	52	27	29
Current provisions	**9**	**18**	**28**
Current liabilities			
Interest-bearing liabilities, group companies	1,347		174
Non-interest bearing liabilities	192	68	90
Total equity and liabilities	**13,799**	**12,459**	**12,156**
Pledged assets and contingent liabilities	none	none	none

Summary statement of changes in parent company's equity

SEKm	30 Sep 2013	30 Sep 2012	31 Dec 2012
Opening equity	**11,385**	**12,541**	**12,541**
Total comprehensive income for the period	**-122**	**1,104**	**593**
Dividend	-1,019	-1,754	-1,754
New issue	1,431		
Option premiums	7		5
Closing equity	**11,682**	**11,891**	**11,385**

Parent company cash flow statement

SEKm	2013 Q 1-3	2012 Q 1-3	2012
Operating activities			
Profit before tax	-136	1,103	606
Adjustment for non-cash items	29	-1,121	-700
	-107	-18	-94
Income tax paid	–	–	–
Cash flow from operating activities before change in working capital	**-107**	**-18**	**-94**
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-36	-50	-23
Increase (+)/Decrease (-) in operating liabilities	-42	-41	-21
Cash flow from operating activities	**-185**	**-109**	**-138**
Investing activities			
Investment, shares in subsidiaries	-2,614	-375	-381
Disposal and redemption, shares in subsidiaries	124	2,591	2,740
Disposal, shares in associates and other holdings		384	385
Acquisition, property, plant and equipment		-1	-1
Investment, financial assets	-96	-70	-145
Disposal, financial assets	20	95	103
Cash flow from investing activities	**-2,566**	**2,624**	**2,701**
Financing activities			
New issue	1,431		
Option premiums	4		5
Redemption incentive programme	-20	-3	-5
Dividend paid	-978	-1,754	-1,754
Loans raised in group companies	1,442	120	117
Cash flow from financing activities	**1,879**	**-1,637**	**-1,637**
Cash flow for the period	**-872**	**878**	**926**
Cash and cash equivalents at the beginning of the year	1,823	897	897
Cash and cash equivalents at the end of the period	951	1,775	1,823

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 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, with the exception of the introduction of amended IAS 19, Employee Benefits.

Preference shares

Ratos issued preference shares in 2013. Ratos classifies these as equity in accordance with IAS 32, since Ratos does not have an undertaking to redeem outstanding preference shares. Ratos's Board of Directors is able to make decisions on redemption of preference shares. Dividends to preference shareholders require a general meeting resolution.

New accounting principles for 2013

The revised IFRS standards which come into force in 2013 are not assessed overall as having any material effect on the performance, financial position or disclosures of the Group or parent company.

IAS 19 – Employee Benefits

New IAS 19 represents changes relating to recognition of defined benefit pension plans. The amendments mean that the present value of the defined benefit obligations are in their entirety booked in the statement of financial position since the possibility to defer actuarial gains and losses over time as part of the so-called corridor rule may no longer be applied. Going forward these are to be reported in other comprehensive income. The net pension liability will in the future be calculated on the basis of the discount rate for pension provisions. Previously the anticipated return on plan assets and the discount rate were used to calculate the interest expense related to pension obligations.

The net amount affects equity as a change in accounting principles as per 1 January 2012. Subsequently actuarial gains and losses are recognised in other comprehensive income. The total effect on the Ratos Group's equity amounts to SEK -66m after tax, which is divided among adjustment of opening balance of SEK -45m after tax and SEK -21m after tax in other comprehensive income in 2012. The difference from the previously stated amount, SEK -114m, is mainly due to effects of sold companies and a transfer to defined contribution pension plans.

IAS 1 – Presentation of Financial Statements

The consolidated statement of comprehensive income has been divided into items that in future may, or will not, be reclassified to profit or loss. The statement also includes, following introduction of amended IAS 19, a separate line for remeasurement of defined benefit pensions.

IFRS 13 – Fair Value Measurement

This standard defines fair value when another IFRS requires fair value measurements. It also provides guidance on valuation techniques and a requirement for more detailed disclosures. The introduction of this standard is not expected to have a significant effect on Ratos's fair value calculations where these are used in the financial statements or where disclosures on fair value are to be made. For disclosures on financial instruments which must be provided quarterly from 2013, see Note 4.

IAS 34 – Interim Financial Reporting

The amendment entails a requirement for disclosures according to changed standards as set out above as well as disclosures on financial instruments according to IFRS 7 which were previously provided annually, see Note 4.

IFRS 7 – Financial Instruments: Disclosures

The amendment relates to disclosure requirements relating to offsetting of financial assets and liabilities as well as potential netting effects in the event of binding master agreements.

Note 2 Business combinations

Acquisitions

HENT

In May, an agreement was signed to acquire 73% of the shares in the Norwegian construction company HENT from Heimdal Gruppen and a number of financial investors. The transaction was carried out via a subsidiary wholly owned by Ratos. HENT is a leading Norwegian construction company which mainly focuses on new construction of public and commercial properties. The company conducts projects throughout Norway. The main reasons for the acquisition of HENT are the company's strong position in the Norwegian construction market as well as a focused business model with a flexible cost structure.

The acquisition was completed in July, when Ratos also acquired control. The total consideration transferred from Ratos amounted to SEK 347m, divided into consideration transferred of SEK 302m and shareholder loan of SEK 45m. Ratos has prepared a preliminary purchase price allocation for HENT since the final figures for the transaction have not yet been determined. The entire difference between consideration transferred and carrying amounts of assets and liabilities has been allocated to goodwill of approximately SEK 965m. Part of the difference may be allocated to order backlog. Amortisation of such an intangible asset will in such case be charged against earnings from the acquisition date. The goodwill recognised for HENT represents a smooth-functioning organisation with a strong culture and the ability to continuously develop and improve the efficiency of operations, the company's customer offering and expertise, a business model that generates strong cash flows and a leading position in the Norwegian construction market. Since the acquisition HENT is included in consolidated sales with SEK 1,013m and in profit before tax (EBT) with SEK 11m. For the period January to September pro forma sales amounted to SEK 3,003m and EBT to SEK 92m. The acquisition company's interest expenses are stated pro forma to correspond to the entire period. From the Ratos Group's perspective, the acquisition-related costs amounted to approximately SEK 25m in the reporting period and are recognised as other operating expenses in consolidated profit for the period.

Nordic Cinema Group

In March, Ratos signed an agreement with Bonnier on a merger of SF Bio and Finnkino. SF Bio is the largest cinema player in Sweden. The merger took place through a newly formed company, Nordic Cinema Group, acquiring all the shares in SF Bio and Finnkino. In conjunction with completion of the acquisition at the beginning of May, Ratos transferred its shares in the holding in Finnkino. Subsequently, Nordic Cinema Group is owned to approximately 58% by Ratos and 40% by Bonnier. Ratos acquired control when the acquisition was completed.

The main reason for the merger of Finnkino and SF Bio is to increase competitiveness by enabling value creation which the companies cannot be expected to achieve as separate units. SF Bio, like Finnkino, is the leader in its market. For Ratos, the operations conducted by Finnkino in Finland, Estonia, Latvia and Lithuania are expanded with SF Bio's operations in Sweden and Norway.

Ratos has prepared a preliminary purchase price allocation for SF Bio since the final figures for the transaction have not been determined. The entire difference between consideration transferred and carrying amounts of assets and liabilities has been allocated to goodwill of approximately SEK 1,900m. The goodwill recognised for SF Bio mainly reflects the company's growth, profitability, market position and stability. Since the acquisition SF Bio is included in consolidated sales with SEK 568m and in operating profit (EBITA) with SEK 42m. For the period January to September pro forma sales amounted to SEK 1,146m and EBITA to SEK 73m. The acquisition company's interest expenses have been stated pro forma to correspond to the entire period. Acquisition-related costs amounted to approximately SEK 30m in the reporting period and are recognised as other operating expenses in consolidated profit for the period.

Preliminary purchase price allocation

SEKm	SF/NCG [3]	HENT
Intangible assets	–	2
Property, plant and equipment	379	24
Financial assets	171	14
Deferred tax assets	8	
Current assets	239	656
Cash and cash equivalents	326	463
Non-controlling interests	-256	-113
Non-current liabilities and provisions [2]	-1,917	-608
Deferred tax liability	-29	-23
Current liabilities	-483	-1,078
Net identifiable assets and liabilities	-1,562	-663
Consolidated goodwill	1,900	965
Consideration transferred [1]	338	302

[1]

Consideration transferred		302
Additional shareholder loan		45
Transfer Finnkino	338	
	338	347

[2] HENT includes seller promissory note of SEK 113m.

[3] Relates to SF Bio including the newly formed company Nordic Cinema Group.

The purchase price allocation is preliminary, which means that fair value is not finally identified for all items. Non-controlling interests are measured at a proportional share of identified net assets.

Nebula

In March, Ratos, together with Rite Ventures and the company's management, signed an agreement to acquire Nebula Oy, a market-leading provider of cloud services, IT infrastructure and network services to small and medium-sized companies in the Finnish market, which is also the main reason for the acquisition. The acquisition was completed in April when Ratos also acquired control.

The transaction was carried out via a subsidiary wholly owned by Ratos. Consideration transferred amounted to EUR 34m (SEK 284m) for a holding corresponding to 72%. A contingent consideration may be paid in 2013 and 2014 if certain profitability milestones are achieved. At the acquisition date this was recognised as a liability in Nebula. The combined result for the two years may be a minimum of EUR 0 and a maximum of EUR 20m. In addition, there is an option which entitles the sellers, if Ratos's average annual Return (IRR) at exit exceeds 20%, to receive a small part of this surplus return.

The purchase price allocation is determined. Goodwill amounts to SEK 689m, which is motivated by a strong market position and continued growth, strong cash flows, a scalable business model and relatively cyclically insensitive services.

From the acquisition date Nebula is included in consolidated sales with SEK 95m and in profit before tax (EBT) with SEK 4m. For the period January to September pro forma sales amounted to SEK 167m and EBT to SEK 22m. The acquisition company's interest expenses have been stated pro forma to correspond to the entire period. Acquisition-related costs amounted to approximately SEK 12m in the reporting period and are recognised as other operating expenses in consolidated profit for the period.

Adoption of preliminary price allocation (PPA)

Nebula

SEKm	Preliminary PPA	New measure-ment	Definitive PPA
Intangible assets	93	-89	4
Property, plant and equipment	50		50
Current assets	16	-2	14
Cash and cash equivalents	26	1	27
Non-controlling interests	-108		-108
Non-current liabilities and provisions	-311	-11	-322
Deferred tax liability	-26	26	0
Current liabilities	-83	13	-70
Net identifiable assets and liabilities	-343	-62	-405
Consolidated goodwill	627	62	689
Consideration transferred	284		284

Acquisition of associated companies

The acquisition of Aibel announced in December 2012 was completed in April. Enterprise value for 100% of Aibel amounted to NOK 8,600m. Ratos and the Sixth AP Fund acquired Aibel via a jointly owned company where Ratos owns 64%. The jointly owned company owns 49% of Aibel. Ratos's holding in Aibel therefore amounts to 32%. Ratos provided equity of NOK 1,429m (SEK 1,676m) to the jointly owned company. Ratos reports its participation as an associate. In the preliminary purchase price allocation the difference between consideration transferred and carrying amounts of assets and liabilities is allocated to goodwill. Some of the difference will be allocated to order backlog and customer relations. Amortisation of these intangible assets will be charged against earnings from the acquisition date.

Acquisitions in subsidiary

In July 2012, Arcus-Gruppen signed an agreement to acquire the brands Aalborg, Brøndums, Gammel Dansk and Malteser from Pernod Ricard. The purchase price (enterprise value) amounted to EUR 103m (approximately SEK 880m). The acquisition was completed in January 2013. In the preliminary purchase price allocation trademarks amount to SEK 447m and goodwill to SEK 361m. Brøndums was sold in June 2013. The purchase price (enterprise value) amounted to EUR 11m (approximately SEK 95m) and generated a capital gain in Arcus-Gruppen of approximately SEK 40m.

Preliminary purchase price allocation

SEKm	Arcus-Gruppen
Intangible assets	447
Property, plant and equipment	121
Current assets	42
Cash and cash equivalents	130
Deferred tax liability	-122
Current liabilities	-53
Net identifiable assets and liabilities	565
Consolidated goodwill	361
Consideration transferred	926

Disposals

In October 2012, Ratos signed an agreement on the sale of all the shares in the subsidiary Stofa to the Danish energy and telecom group SE (Syd Energi). The sale was completed in February 2013. Consideration transferred amounted to SEK 1,204m and the capital gain for Ratos (exit gain) amounted to SEK 895m.

Disposals in subsidiaries

Ratos's subsidiary Contex Group sold its subsidiary Contex A/S to the private equity fund Procuritas. The sale was completed in January 2013. Consideration transferred amounted to SEK 219m and the capital gain for Contex Group amounted to SEK 0m.

Note 3 Operating segments

SEKm	Sales 2013 Q 3	Sales 2012 Q 3	Sales 2013 Q 1-3	Sales 2012 Q 1-3	Sales 2012	EBT [1] 2013 Q 3	EBT [1] 2012 Q 3	EBT [1] 2013 Q 1-3	EBT [1] 2012 Q 1-3	EBT [1] 2012
Holdings										
AH Industries	237	258	750	889	1,062	-4	-10	-8	-16	-72
Aibel [2]						21		97		
Anticimex [3]				1,009	1,009				51	51
Arcus-Gruppen	590	559	1,727	1,587	2,278	25	18	-11	-122	-73
Biolin Scientific	57	53	161	161	235	7	4	2	5	14
Bisnode	868	884	2,723	2,884	3,935	-6	26	-48	64	-31
Contex Group		59		234	286		5		16	-150
DIAB	213	245	637	785	1,003	-16	-167	-75	-215	-287
Euromaint	544	556	1,797	1,874	2,489	-20	-6	-67	-43	-49
GS-Hydro	292	356	917	1,014	1,352	12	23	46	62	44
Hafa Bathroom Group	53	62	175	204	268	-2	-1	-5	9	5
HENT [4]	1,013		1,013			11		11		
HL Display	387	410	1,175	1,248	1,657	23	14	77	51	70
Inwido	1,109	1,102	3,107	3,365	4,607	116	115	160	135	246
Jøtul	246	226	592	590	913	-8	-12	-99	-104	-160
KVD Kvarndammen	66	60	218	208	287	5	8	12	27	25
Lindab [5]									4	4
Mobile Climate Control	252	336	773	982	1,250	27	20	67	57	67
Nebula [6]	58		95			17		4		
Nordic Cinema Group [7]	563	201	1,154	623	862	26	24	25	58	82
SB Seating	225	271	789	851	1,176	10	35	60	61	97
Stofa [8]		369	131	1,155	1,572		18	1	76	88
Total	**6,773**	**6,007**	**17,934**	**19,663**	**26,241**	**244**	**114**	**249**	**176**	**-29**
Exit Anticimex							897		897	897
Exit Lindab							81		81	81
Exit Stofa								895		
Exit result							**978**	**895**	**978**	**978**
Impairment AH Industries									-275	-275
Impairment Jøtul										-100
Holdings total	**6,773**	**6,007**	**17,934**	**19,663**	**26,241**	**244**	**1,092**	**1,144**	**879**	**574**
Central income and expenses [9]	1	173	198	641	859	8	-20	-72	177	193
Group total	**6,774**	**6,180**	**18,132**	**20,304**	**27,100**	**252**	**1,072**	**1,072**	**1,056**	**767**

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

[2] Aibel is included in consolidated profit from 11 April 2013.

[3] Anticimex is included in consolidated profit through June 2012. The entire holding was sold in July 2012.

[4] HENT is included in consolidated profit from July 2013.

[5] Lindab is included in consolidated profit through June 2012. The entire holding was sold in August 2012.

[6] Nebula is included in consolidated profit from May 2013.

[7] 2012 relates solely to Finnkino. Earnings for 2013 consist of Finnkino solely through April and subsequently relate to the entire Nordic Cinema Group.

[8] Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.

[9] Central income and expenses 2012 include a SEK 168m capital gain which relates to an earlier intra-group sale of a group company where the gain was recognised when this company left the Group in 2012.

Note 4 Financial instruments

Valuation techniques are unchanged during the period.

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.

In the statement of financial position at 30 September the net value of derivatives amounts to SEK 52m, SEK 6m recognised as an asset and SEK 58m as a liability. In addition, a SEK 131m liability is recognised for synthetic options. Earnings for the period have been charged with SEK 31m for derivatives and SEK 10m for synthetic option programmes.

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

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

Auditor's report from the review of interim financial information in summary (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed this interim report for Ratos AB for the period 1 January until 30 September 2013. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditors of the Entity. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 8 November 2013
PricewaterhouseCoopers AB

Peter Clemedtson
Authorised Public Accountant
Senior Auditor

Jeanette Skoglund
Authorised Public Accountant

Telephone conference

8 November 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

Financial calendar 2014

20 Feb	Year-end report 2013
27 March	AGM 2014
8 May	Interim report January-March
15 Aug	Interim report January-June
7 Nov	Interim report January-September

Stockholm, 8 November 2013
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, Bisnode, DIAB, Euromaint, GS-Hydro, Hafa Bathroom Group, HENT, HL Display, Inwido, Jøtul, KVD Kvarndammen, Mobile Climate Control, Nebula, Nordic Cinema Group and SB Seating. Ratos is listed on Nasdaq OMX Stockholm and market capitalisation amounts to approximately SEK 19 billion.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall take precedence.