

## Q3 January – September

- Profit before tax SEK 1,382m (1,072)
- Earnings per share before dilution SEK 3.53 (2.81)
- Improved operating profit in majority of holdings
- Inwido IPO – exit gain approximately SEK 1,174m
- Sale of SB Seating after the end of the period – exit gain approximately SEK 200m
- Approximately SEK 3,800m in cash after completed transactions
- Total return on Ratos shares -6%

### Ratos in summary

SEKm	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
Profit/share of profits	260	244	323	249	602
Exit gains	1,174		1,174	895	895
Impairment					-308
<b>Profit from holdings</b>	<b>1,434</b>	<b>244</b>	<b>1,497</b>	<b>1,144</b>	<b>1,189</b>
Central income and expenses	-65	8	-115	-72	-106
<b>Profit before tax</b>	<b>1,369</b>	<b>252</b>	<b>1,382</b>	<b>1,072</b>	<b>1,083</b>

# Important events

## Third quarter

- On 26 September, Inwido was listed on Nasdaq Stockholm at SEK 68 per share. In conjunction with the listing, Ratos sold shares for a total value of SEK 2,579m. The exit gain, which is based on the realised value of sold shares and on the appreciation in value in connection with the revaluation of the shares retained, amounted to approximately SEK 1,174m. Ratos's net investment in Inwido amounted to SEK 1,125m and over the ten-year holding period the average annual return (IRR) amounts so far to 15% which means that Ratos has received 3.3 times its investment. Ratos's holding in Inwido after the IPO amounts to 31.3%
- In July, Ratos signed an agreement to sell all the shares in the subsidiary SB Seating to the private equity fund Triton for NOK 1,925m (enterprise value). Ratos received SEK 1,049m for its shareholding. The exit gain amounted to approximately SEK 200m. Ratos's net investment in SB Seating amounted to SEK 39m and over the seven-year holding period the average annual return (IRR) amounts to 14% which means that Ratos has received 2.3 times its investment. The sale was completed in October

- As announced earlier, capital contributions were provided to Aibel amounting to NOK 32m in July and to Euromaint amounting to SEK 30m

## First and second quarters

- 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 Oststell to venture capital company Fouriertransform. The selling price (enterprise value) amounted to SEK 33m
- Capital contributions were provided totalling SEK 137m (AH Industries SEK 6m, Biolin Scientific SEK 5m, DIAB SEK 31m, Hafa Bathroom Group SEK 15m and Jøtul SEK 80m)

More information about important events in the holdings is provided on pages 7-13.

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

### Holdings in January – September 2014 (including SB Seating, Inwido holding 97%)

	2014 Q 3			2014 Q 1-3		
	100%	Ratos's share	Ratos's share excl. Aibel <sup>*)</sup>	100%	Ratos's share	Ratos's share excl. Aibel <sup>*)</sup>
Sales	-11%	-1%	+7%	-9%	-2%	+5%
EBITA	-17%	-4%	+4%	-21%	-10%	+1%
EBITA, excluding items affecting comparability	-11%	0%	+7%	-10%	-2%	+5%
EBT	-13%	+11%	+23%	-45%	-12%	+14%
EBT, excluding items affecting comparability	-9%	+8%	+15%	-10%	+11%	+23%

### Holdings from 1 October 2014, pro forma (excluding SB Seating, Inwido holding 31%)

	2014 Q 3			2014 Q 1-3		
	100%	Ratos's share	Ratos's share excl. Aibel <sup>*)</sup>	100%	Ratos's share	Ratos's share excl. Aibel <sup>*)</sup>
Sales	-11%	-4%	+5%	-9%	-4%	+4%
EBITA	-18%	-8%	+2%	-22%	-10%	+4%
EBITA, excluding items affecting comparability	-11%	-5%	+3%	-10%	-7%	+1%
EBT	-16%	+7%	+26%	-53%	-2%	+55%
EBT, excluding items affecting comparability	-11%	+1%	+11%	-9%	+1%	+21%

<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 lower level of contract activity and cost cutbacks. In order to facilitate analysis, performance for the holdings is reported both including and excluding Aibel.

On page 13 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.

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

## An intensive transaction quarter

Following two major company divestments in the third quarter, which strengthened our cash position to almost SEK 4 billion, Ratos is now stronger financially than it has been for some time. This puts us in a very good position to act, both in our work with the holdings and in our continued efforts with value-creating transactions. The tentative increase in market activity we saw in several holdings in the first half of 2014, continued during the third quarter, but did not gain momentum. Ratos's holdings developed overall in line with our expectations and a majority of the holdings report improved operating profits in the third quarter as well, a development we expect to continue in the final months of the year.

### Increased market activity continues

The increased market activity we have seen in several of our holdings in 2014 continued during the third quarter, but did not gain momentum. There is no clear market picture and many markets are still moving sideways or are relatively weak. Ratos's holdings are mainly exposed to the Nordic markets (75% of the holdings' combined sales in 2013) so we monitor economic development in the Nordic region particularly carefully. So far we do not see any effect from the increased anxiety about the European recovery in the Ratos companies.

### Improved earnings development

Taken overall, performance in Ratos's holdings in the first three quarters of 2014 was more or less as expected and a majority of the holdings increased their operating profits. So far this year sales have decreased by 2% (adjusted for the size of Ratos's holdings). Adjusted for the associate company Aibel, which as announced earlier will have substantially lower sales and profits in 2014 due to lower contract activity on the Norwegian Shelf, sales in the portfolio increased by +5%. Total adjusted operating profit (EBITA), adjusted for items affecting comparability, decreased by 2%, which excluding Aibel is an increase of +5%. The two major company divestments we carried out in the third quarter will in future have a significant impact on comparisons in portfolio performance since Inwido's strong earnings trend in the first nine months of the year contributed to a favourable development for the portfolio as a whole.

In the third quarter alone, adjusted operating profit was unchanged (+7% excluding Aibel) and 10 of 18 holdings increased their operating profits. In general, the most recent quarter contained very few surprises and overall many holdings are performing well and in accordance with our expectations. DIAB, HENT, Inwido, KVD, MCC and Nebula are among the holdings that continue to perform very well. In Nordic Cinema Group, which had a weaker third quarter, as usual the film repertoire had a major impact on admissions and therefore earnings. However, the movie line up in the fourth quarter looks significantly better. Towards the end of the quarter, Bisnode started to see a recovery in Germany where changes to the sales force previously had a negative impact. Aibel's management is acting decisively and fast with cost adjustments and we are close to the cost structure required for a return to stable maintenance operations with good profitability, which is the company's core business. At the same time, efforts are ongoing to win new building contracts that are expected to be awarded in 2015.

### Two value-creating exits in an active transaction market

When looking ahead to 2014 our assessment was that conditions existed for an intensive year on the transaction side because the transaction market was more active than it had been for a long time. For Ratos, this has so far led to two major deals: the sale of SB Seating and the Inwido IPO. Together with the companies' managements and boards, we have developed both SB Seating and Inwido into successful, profitable and market-leading companies and we are proud to have been involved from the outset. We have been owners of SB Seating for seven years and Inwido for ten. During this period we have achieved an average IRR for these two holdings of 14% and 15% respectively. Calculated in Swedish kronor this means we have created a total of SEK 3.6 billion in value for Ratos's shareholders. This during a period in which market conditions were challenging at times.

Following completion of these transactions, today Ratos has a significant cash position of almost SEK 4 billion which gives us room to manoeuvre and financial strength which will benefit both our work with our holdings and evaluations of new acquisitions and exits. And of course this also enables us to continue to give Ratos's shareholders a good dividend.

The transaction market looks as if it will remain strong going forward. Access to capital is good and so is access to bank financing. In the short term, increased concern about macroeconomic development and its impact on the stock market can make the transaction market slightly more attractive on the buying side as well. Internally, we at Ratos devote a lot of time to trying to find attractive acquisitions which is an even more challenging task in a relatively hot transaction market.

### Future prospects

With just a few months left in 2014 our view of the year is largely unchanged. Market development during the year has in general moved in the right direction, although overall macroeconomic uncertainty has increased recently with several question marks

about the recovery in Europe. For Ratos's portfolio of companies at the start of November (i.e. adjusted for the divested holdings) we expect that overall development in operating profit in the fourth quarter will be in line with the third quarter.



A handwritten signature in black ink that reads "Susanna Campbell".

Susanna Campbell

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

## Ratos's results

Profit before tax for the first nine months of 2014 amounted to SEK 1,382m (1,072). The higher reported profit is due to improved profit shares from the holdings and higher exit gains.

The result includes profit/share of profits from the holdings of SEK 323m (249) and exit gains of SEK 1,174m (895).

SEKm	2014 Q 1-3	2013 Q 1-3	2013
<b>Profit/share of profits before tax <sup>1)</sup></b>			
AH Industries (70%)	-7	-8	-78
Aibel (32%) <sup>2)</sup>	-104	97	141
Arcus-Gruppen (83%)	101	-11	75
Biolin Scientific (100%)	-1	2	-13
Bisnode (70%)	-105	-48	9
DIAB (96%)	-40	-75	-109
Euromaint (100%)	-4	-67	-76
GS-Hydro (100%)	57	46	57
Hafa Bathroom Group (100%)	-8	-5	-13
HENT (73%) <sup>3)</sup>	114	11	28
HL Display (99%)	19	77	106
Inwido (31%) <sup>4)</sup>	105	160	220
Jøtul (93%)	-83	-99	-89
KVD (100%)	22	12	29
Mobile Climate Control (100%)	45	67	68
Nebula (73%) <sup>5)</sup>	46	4	40
Nordic Cinema Group (58%) <sup>6)</sup>	59	25	120
SB Seating (85%)	107	60	86
Stofa (99%) <sup>7)</sup>		1	1
<b>Total profit/share of profits</b>	<b>323</b>	<b>249</b>	<b>602</b>
Exit Inwido	1,174		
Exit Stofa		895	895
<b>Total exit result</b>	<b>1,174</b>	<b>895</b>	<b>895</b>
Impairment DIAB			-234
Impairment Jøtul			-74
<b>Profit from holdings</b>	<b>1,497</b>	<b>1,144</b>	<b>1,189</b>
<b>Income and expenses in Ratos AB and central companies</b>			
Management costs	-182	-198	-240
Financial items	67	126	134
<b>Consolidated profit before tax</b>	<b>1,382</b>	<b>1,072</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> Inwido is included in consolidated profit through September 2014 as a subsidiary.

<sup>5)</sup> Nebula is included in consolidated profit from May 2013.

<sup>6)</sup> 2013 relates solely to Finnino until 30 April and subsequently relates to Nordic Cinema Group.

<sup>7)</sup> Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.

## Income and expenses in Ratos AB and central companies

Ratos's central income and expenses amounted to SEK -115m (-72), of which personnel costs in Ratos AB amounted to SEK 123m (112). The variable portion of personnel costs amounted to SEK 53m (43). Other management costs were SEK 59m (86). Net financial items amounted to SEK +67m (+126).

## 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 -706m (-1,063) and consolidated cash and cash equivalents at the end of the period amounted to SEK 1,877m (2,776), of which short-term interest-bearing investments accounted for SEK 0m (500). Interest-bearing liabilities including pension provisions amounted to SEK 11,300m (13,349).

## Parent company

The parent company's profit before tax amounted to SEK 1,019m (-136). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 260m (951). Taking into account financial transactions agreed but not yet implemented at the closing date, at 7 November 2014 Ratos has a net liquidity of approximately SEK 3,800m. In addition, there is a credit facility of SEK 2.2 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 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 detailed 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 nine months of the year* on page 3.

## Related-party transactions

The parent company received dividends and repayments of shareholder contributions from subsidiaries of SEK 397m (49). Capital contributions totalling SEK 202m were provided to subsidiaries in the first nine months of 2014, of which SEK 65m in the third quarter.

## Ratos B shares

Earnings per share before dilution amounted to SEK 3.53 (2.81). The total return on Ratos B shares in the first nine months of 2014 amounted to -6%, compared with the performance of the SIX Return Index which was +9%.

## Ratos preference shares

The closing price for Ratos's Class C preference shares on 30 September was SEK 1,908. The dividend is regulated by the Articles of Association and amounts to SEK 100 per year and is paid quarterly in February, May, August and November. A dividend with record date 15 August 2014 was paid on 20 August 2014 totalling SEK 21m.

## Treasury shares and number of shares

No shares were repurchased and no call options were exercised in the first nine months of 2014. 3,770 shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At 30 September, 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 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 319,009,789 and the number of outstanding preference shares 830,000. The average number of B treasury shares in Ratos in the first nine months of 2014 was 5,131,994 (5,135,696 in the full year 2013).

## Total return

1 January 2009 – 30 September 2014



Source: SIX and Ratos

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

At 30 September 2014, Ratos's equity (attributable to owners of the parent) amounted to SEK 14,221m (SEK 12,874m at

30 June 2014), corresponding to SEK 40 per outstanding share (SEK 36 at 30 June 2014).

SEKm	30 Sep 2014	% of equity
AH Industries	337	2
Aibel	1,729	12
Arcus-Gruppen	612	4
Biolin Scientific	331	2
Bisnode	1,229	9
DIAB	609	4
Euromaint	668	5
GS-Hydro	90	1
Hafa Bathroom Group	153	1
HENT	431	3
HL Display	824	6
Inwido	1,232	9
Jøtul	175	1
KVD	292	2
Mobile Climate Control	923	6
Nebula	362	3
Nordic Cinema Group	650	5
SB Seating	744	5
<b>Total</b>	<b>11,391</b>	<b>80</b>
Other net assets in Ratos AB and central companies	2,830	20
<b>Equity</b> (attributable to owners of the parent)	<b>14,221</b>	<b>100</b>
<b>Equity per ordinary share, SEK <sup>2)</sup></b>	<b>40</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 2.2 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

### Nomination Committee

In accordance with a resolution at Ratos's Annual General Meeting held on 27 March 2014, the company's major owners have between themselves appointed a Nomination Committee with the Chairman of the Board, Arne Karlsson, as the convener. Jan Andersson (Swedbank Robur fonder) has been appointed as the Chairman of the Nomination Committee. Other members of the Committee are: Ulf Fahlgren (Akademiinvest), Jan Söderberg (Ragnar Söderberg Foundation and his own and related parties' holdings), Maria Söderberg (Torsten Söderberg Foundation) and Per-Olof Söderberg (his own and related parties' holdings). Ratos's Annual General Meeting will be held on 16 April 2015 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](http://www.ratos.se).

## AH Industries

- Sales SEK 698m (751) and EBITA SEK 9m (13)
- Delayed orders led to lower sales and earnings
- Continued high focus on cost-cutting programmes

*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 70% and the consolidated book value in Ratos was SEK 337m at 30 September 2014.

## Aibel

- Sales SEK 7,087m (11,017) and EBITA SEK 160m (542)
- Continued weak market development led to significantly lower sales within Field Development as well as within MMO and Modification. The market is expected to remain challenging in 2015 but not to deteriorate further
- Operations within MMO and Modification have been adjusted to the assessed contract level for 2015. So far this year, Aibel has reduced its workforce by 1,000 (to just over 4,000). In Field Development, allocation of new contracts is expected to take place in the first half of 2015
- Restructuring costs so far this year amount to SEK 148m (4), of which SEK 25m (0) in the third quarter. Additional costs are expected in the fourth quarter
- EBITA adjusted for costs affecting comparability amounted to SEK 308m (546). The lower sales and temporary low utilisation of the company's resources had a negative impact on EBITA and are expected to have a significant negative effect in the fourth quarter
- Capital contribution of NOK 100m provided in July, of which Ratos's share amounted to NOK 32m
- The order book at 30 September amounted to NOK 13 billion plus options for an additional NOK 14 billion. Contract to complete the Goliat platform won in November

*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 1,729m at 30 September 2014.

## Arcus-Gruppen

- Sales SEK 1,742m (1,727) and EBITA SEK 142m (144)
- Sales growth in reporting currency +4%, driven by strong sales development for wine
- EBITA adjusted for items affecting comparability amounted to SEK 113m (116). Earnings were negatively affected in an amount of NOK 30m by significant currency effects and raised alcohol tax
- Relocation of production from Aalborg to Gjelleråsen will take place in the first half of 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 190m (210) and adjusted EBITA was NOK -48m (-55)

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

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 612m at 30 September 2014.

## Biolin Scientific

- Sales SEK 148m (135) and EBITA SEK 15m (8) (2013 and 2014 are pro forma for the sale of the subsidiary Osstell)
- Sales growth +9% driven by very strong development for Analytical Instruments
- Strong profitability in the third quarter, EBITA margin 20.3% (14.4)
- The subsidiary Osstell was sold in March to Fouriertransform for approximately SEK 33m (enterprise value) in line with efforts to focus operations on other business areas

*Biolin Scientific develops, manufactures and markets analytical instruments for research, development and quality control. 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 331m at 30 September 2014.

## Bisnode

- Sales SEK 2,656m (2,723) and EBITA SEK 142m (183)
- Organic sales development adjusted for currency effects was -2%. Good growth in Norway, Denmark and Central Europe. Lower sales in Sweden and in France due to ongoing restructuring, as well as in Germany where a changed focus on multi-year contracts provided lower revenues in the short term. Better development in Germany towards the end of the third quarter
- Lower EBITA due to lower sales in Sweden, France and Germany. Earnings in other markets were better than or level with the previous year
- The subsidiaries Lundalogik and Bisnode Applicate have been divested. Acquisition of Debitorregistret and Grufman Reje as well as the outstanding minority in Vendemore and Match IT. The operations in the Netherlands were sold in July. It was also decided that France and Belgium will not be part of the core business in future

*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 2,600 employees in 18 countries.*

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,229m at 30 September 2014.



## DIAB

- Sales SEK 819m (637) and EBITA SEK 7m (-28)
- Adjusted for currency effects, sales rose by 26% mainly due to a stronger wind energy market in China and the US. The marine and TIA segments also showed good growth
- EBITA adjusted for costs affecting comparability, attributable among other things to organisational changes, amounted to SEK 20m (-21)
- Capital contribution of SEK 31m provided in the first half of the year
- Establishment of a new facility for PVC foam production in China in 2016

*DIAB is a global company that manufactures and develops core materials for sandwich composite structures including blades for wind turbines, hulls and decks for leisure boats, 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 609m at 30 September 2014.

## Euromaint

- Sales SEK 1,673m (1,793) and EBITA SEK 29m (4)
- Lower sales mainly due to reduced volumes within the goods business
- Stronger EBITA margin due to action programmes. Adjusted for costs affecting comparability, mainly attributable to restructuring, EBITA amounted to SEK 49m (44)
- New contract for maintenance of passenger trains signed with the customer Stadler in Germany. Several major procurements will be completed in 2015
- Capital contribution of SEK 30m provided in third quarter

*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 668m at 30 September 2014.

## GS-Hydro

- Sales SEK 963m (917) and EBITA SEK 72m (68)
- Stable sales and good order bookings, +10%, in reporting currency
- Recovery in both the marine and land-based customer segments, although market development in the offshore segment remains uncertain

*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 90m at 30 September 2014.

## Hafa Bathroom Group

- Sales SEK 152m (175) and EBITA SEK -6m (-5)
- Slightly more stable market conditions in the third quarter, positive development for Hafa but weaker for Westerbergs. Price competition in the market remains high
- Improved adjusted EBITA despite lower sales due to completed efficiency improvements. Adjusted for costs affecting comparability mainly attributable to organisational changes, EBITA amounted to SEK 0m (-5)

*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 153m at 30 September 2014.

## HENT

- Sales SEK 3,596m (3,003) and EBITA SEK 133m (102)
- Very good sales growth driven by a strong order book and favourable development in ongoing projects
- EBITA margin adjusted for items affecting comparability amounted to 3.4% (3.9)
- Good order bookings worth NOK 4.0 billion. The order book at 30 September 2014 amounted to approximately NOK 8.3 billion

*HENT is a leading Norwegian construction company with projects throughout the country, primarily newbuild 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 431m at 30 September 2014.

## HL Display

- Sales SEK 1,138m (1,175) and EBITA SEK 56m (94)
- Sales decreased by 6% adjusted for currency effects. Weaker performance in the retail and brand suppliers segments and ongoing changes in the sales organisation had a negative impact on some major markets
- Lower EBITA mainly due to lower volumes and sales mix as well as restructuring costs of SEK 11m
- Refinancing in March released SEK 346m to Ratos which was made possible by the company's favourable development and cash flow in recent years

*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 824m at 30 September 2014.

## Inwido

- Sales SEK 3,495m (3,107) and EBITA SEK 201m (219)
- Good sales growth, +6% adjusted for currency effects and acquisitions, driven by higher market volume primarily in Sweden and Denmark as well as increased market shares in Finland. Weak development in Norway and outside the Nordic region
- Order bookings up 12%, and the order book at the end of the third quarter was 16% larger than in the corresponding period last year, adjusted for acquisitions
- Good earnings development due to volume growth and efficiency improvements from completed action programmes. EBITA adjusted for items affecting comparability of SEK 125m (5), mainly related to a changed production structure and the costs of the IPO, amounted to SEK 325m (224)
- On 26 September, Inwido was listed on Nasdaq Stockholm at SEK 68 per share

*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 31% and the consolidated book value in Ratos was SEK 1,232m at 30 September 2014.

## Jøtul

- Sales SEK 605m (592) and EBITA SEK -43m (-45)
- Sales adjusted for currency effects decreased by 1%. Weak development in Norwegian and French markets, positive development in the US
- Higher proportion of sold third-party products and lower proportion of sold stoves led to lower margins
- Capital contribution of SEK 80m provided in the first half of the year

*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 175m at 30 September 2014.

## KVD

- Sales SEK 232m (219) and EBITA SEK 30m (23)
- Higher sales in Sweden due to higher volumes of Company Cars and a strong increase in Private Cars
- Good profitability in Sweden. Costs of establishment in Norway charged against earnings with SEK -9m (-11)
- EBITA adjusted for costs affecting comparability, mainly related to closure of the Insolvency Business, amounted to SEK 36m (23)
- New facilities established in Malmö and Umeå

*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 292m at 30 September 2014.

## Mobile Climate Control (MCC)

- Sales SEK 774m (773) and EBITA SEK 84m (95)
- Increased market activity for the bus segment in North America and Europe contributed to a sales increase of 6%, adjusted for currency effects, in the third quarter
- Lower EBITA margin, 10.9% (12.3), mainly due to positive non-recurring items in the previous year and a changed segment mix with lower sales to the defence vehicle segment

*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 923m at 30 September 2014.

## Nebula

- Sales SEK 188m (167) and EBITA SEK 62m (45)
- Sales growth +7% in local currency. 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
- Pekka Eloholma is acting CEO with effect from October 2014, after the former CEO Ville Skogberg assumed the role of head of strategy

*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 73% and the consolidated book value in Ratos was SEK 362m at 30 September 2014.

## Nordic Cinema Group

- Sales SEK 1,760m (1,706) and EBITA SEK 168m (155) (2013 pro forma for the merger between SF Bio and Finnkino)
- EBITA adjusted for items affecting comparability amounted to SEK 188m (162)
- Number of admissions decreased by 3% compared with the corresponding period last year driven by a weaker film offering in the second and third quarters of 2014
- Strong growth in concession sales per visitor (+7%) and higher advertising revenue
- The movie line up in the fourth quarter is expected to be strong

*Nordic Cinema Group is the Nordic region's largest cinema group with 65 wholly owned movie theatres with 436 screens and approximately 64,000 seats in six countries – Sweden, Finland, Norway, Estonia, Latvia and Lithuania. Nordic Cinema Group is also co-owner of an additional 43 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 650m at 30 September 2014.

## Holdings pro forma from 1 October 2014 (excl. SB Seating, Inwido holding 31%)

SEKm	Net sales					EBITA				
	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
AH Industries	220	238	698	751	1,018	-2	3	9	13	-39
Aibel <sup>1)</sup>	1,986	3,508	7,087	11,017	14,029	32	159	160	542	686
Arcus-Gruppen	593	590	1,742	1,727	2,516	72	88	142	144	274
Biolin Scientific <sup>2)</sup>	52	49	148	135	197	10	7	15	8	21
Bisnode	860	867	2,656	2,723	3,724	56	61	142	183	328
DIAB	294	213	819	637	864	7	1	7	-28	-50
Euromaint <sup>3)</sup>	533	543	1,673	1,793	2,416	22	8	29	4	25
GS-Hydro	348	293	963	917	1,237	22	17	72	68	83
Hafa Bathroom Group	47	53	152	175	238	-1	-3	-6	-5	-13
HENT <sup>4)</sup>	1,095	987	3,596	3,003	4,213	41	15	133	102	120
HL Display	382	387	1,138	1,175	1,596	18	29	56	94	128
Inwido <sup>5)</sup>	1,287	1,109	3,495	3,107	4,300	150	133	201	219	294
Jøtul	244	246	605	592	930	10	10	-43	-45	-15
KVD	73	67	232	219	297	10	9	30	23	44
Mobile Climate Control	281	252	774	773	978	37	36	84	95	97
Nebula <sup>6)</sup>	66	58	188	167	228	24	22	62	45	87
Nordic Cinema Group <sup>7)</sup>	548	567	1,760	1,706	2,529	37	70	168	155	305
<b>Total 100%</b>	<b>8,908</b>	<b>10,027</b>	<b>27,727</b>	<b>30,617</b>	<b>41,310</b>	<b>545</b>	<b>666</b>	<b>1,260</b>	<b>1,616</b>	<b>2,377</b>
<b>Change</b>		<b>-11%</b>		<b>-9%</b>			<b>-18%</b>		<b>-22%</b>	
<b>Total adjusted for holding</b>	<b>5,663</b>	<b>5,883</b>	<b>17,324</b>	<b>17,956</b>	<b>24,528</b>	<b>358</b>	<b>391</b>	<b>823</b>	<b>911</b>	<b>1,391</b>
<b>Change</b>		<b>-4%</b>		<b>-4%</b>			<b>-8%</b>		<b>-10%</b>	
Total adjusted for holding excl. Aibel <sup>7)</sup>	5,035	4,774	15,084	14,475	20,095	348	341	773	739	1,174
Change		5%		4%			2%		4%	

SEKm	Adjusted EBITA <sup>A)</sup>					Depreciation 2014	Investments 2014	Cash flow 2014	Interest-bearing net debt 30 Sep 14	Consolidated value 30 Sep 14	Ratos's holding 30 Sep 14
	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013						
AH Industries	-1	5	8	15	14	32	10	63	277	337	70%
Aibel <sup>1)</sup>	57	159	308	546	691	137	71	-1,017	4,991	1,729	32%
Arcus-Gruppen	74	77	113	116	246	39	17	-52	1,347	612	83%
Biolin Scientific <sup>2)</sup>	10	7	15	11	25	5	-	-	133	331	100%
Bisnode	74	107	180	279	440	93	123	-27	1,946	1,229	70%
DIAB	13	4	20	-21	-11	50	25	-74	790	609	96%
Euromaint <sup>3)</sup>	22	10	49	44	67	30	49	-56	570	668	100%
GS-Hydro	24	17	75	68	83	15	27	37	402	90	100%
Hafa Bathroom Group	-1	-3	0	-5	-13	2	0	-4	45	153	100%
HENT <sup>4)</sup>	41	29	122	117	134	4	4	9	-440	431	73%
HL Display	26	31	67	99	140	30	24	-22	697	824	99%
Inwido <sup>5)</sup>	171	136	325	224	345	104	119	-109	1,327	1,232	31%
Jøtul	10	12	-42	-40	-8	42	24	-142	658	175	93%
KVD Kvarndammen	11	9	36	23	44	2	3	14	194	292	100%
Mobile Climate Control	37	36	84	95	103	10	5	33	468	923	100%
Nebula <sup>6)</sup>	25	22	64	56	75	13	16	40	288	362	73%
Nordic Cinema Group <sup>7)</sup>	57	73	188	162	312	125	14	-97	1,826	650	58%
<b>Total 100%</b>	<b>649</b>	<b>730</b>	<b>1,611</b>	<b>1,790</b>	<b>2,685</b>						
<b>Change</b>		<b>-11%</b>		<b>-10%</b>							
<b>Total adjusted for holding</b>	<b>416</b>	<b>436</b>	<b>974</b>	<b>1,042</b>	<b>1,611</b>						
<b>Change</b>		<b>-5%</b>		<b>-7%</b>							
Total adjusted for holding excl. Aibel <sup>7)</sup>	398	386	876	869	1,392						
Change		3%		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 is therefore reported both including and excluding Aibel.

<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.

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, some holdings are reported pro forma, as stated in the notes below.

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

<sup>2)</sup> Biolin Scientific's earnings for 2014 are pro forma taking into account discontinued operations Ostell and for 2013 relating to Ostell and Farfield.

<sup>3)</sup> Euromaint's earnings for 2013 and 2014 are pro forma taking into account discontinued operations in Germany and Belgium.

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

<sup>5)</sup> Inwido has adjusted EBITA (operating expenses) for historical, non-cash accounting errors in 2013 and 2012 in Norway by SEK -5.1m and SEK -11.6m respectively (NOK -4.6m and NOK -10.0m respectively).

<sup>6)</sup> Nebula's earnings for 2013 are pro forma taking into account Ratos's acquisition and new financing.

<sup>7)</sup> Nordic Cinema Group's earnings for 2013 are pro forma taking into account Ratos's acquisition and new financing. 2013 was also stated pro forma related to a changed definition of net sales/other income.

# Financial statements

## Consolidated income statement

SEKm	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
Net sales	7,145	6,774	21,449	18,132	26,084
Other operating income	40	42	103	208	362
Change in inventories of products in progress, finished goods and work in progress	-34	-38	-19	-23	-66
Raw materials and consumables	-3,244	-2,890	-9,866	-7,331	-11,151
Employee benefit costs	-2,009	-1,897	-6,314	-5,816	-8,033
Depreciation and impairment of property, plant and equipment and intangible assets	-232	-219	-686	-634	-1,225
Other costs	-1,224	-1,297	-3,711	-3,702	-4,859
Capital gain from the sale of group companies	1,174	-1	1,185	863	864
Share of profits of associates	-66	30	-88	116	183
<b>Operating profit</b>	<b>1,550</b>	<b>504</b>	<b>2,053</b>	<b>1,813</b>	<b>2,159</b>
Financial income	29	18	70	74	90
Financial expenses	-210	-270	-741	-815	-1,166
<b>Net financial items</b>	<b>-181</b>	<b>-252</b>	<b>-671</b>	<b>-741</b>	<b>-1,076</b>
<b>Profit before tax</b>	<b>1,369</b>	<b>252</b>	<b>1,382</b>	<b>1,072</b>	<b>1,083</b>
Tax	-104	-66	-198	-116	-252
Share in tax of associates	14	-3	30	-24	-29
<b>Profit for the period</b>	<b>1,279</b>	<b>183</b>	<b>1,214</b>	<b>932</b>	<b>802</b>
<i>Profit for the period attributable to:</i>					
Owners of the parent	1,272	148	1,189	937	742
Non-controlling interests	7	35	25	-5	60
Earnings per share, SEK					
– before dilution	3.92	0.40	3.53	2.81	2.13
– after dilution	3.92	0.40	3.53	2.81	2.13

## Consolidated statement of comprehensive income

SEKm	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
<b>Profit for the period</b>	<b>1,279</b>	<b>183</b>	<b>1,214</b>	<b>932</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	-66	0	-66	0	42
Tax attributable to items that will not be reclassified to profit or loss	15		15		-11
	<b>-51</b>	<b>0</b>	<b>-51</b>	<b>0</b>	<b>31</b>
Items that may be reclassified subsequently to profit or loss:					
Translation differences for the period	167	-225	494	-178	28
Change in hedging reserve for the period	-3	4	2	28	26
Tax attributable to items that may be reclassified subsequently to profit or loss	0	-1	-1	-7	-7
<b>Other comprehensive income for the period</b>	<b>164</b>	<b>-222</b>	<b>495</b>	<b>-157</b>	<b>47</b>
<b>Total comprehensive income for the period</b>	<b>1,392</b>	<b>-39</b>	<b>1,658</b>	<b>775</b>	<b>880</b>
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	1,364	-5	1,519	827	828
Non-controlling interests	28	-34	139	-52	52

## Summary consolidated statement of financial position

SEKm	30 Sep 2014	30 Sep 2013	31 Dec 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	14,634	18,922	18,800
Other intangible assets	1,613	1,608	1,645
Property, plant and equipment	2,785	3,599	3,581
Financial assets	4,442	2,874	2,970
Deferred tax assets	586	565	550
<b>Total non-current assets</b>	<b>24,060</b>	<b>27,568</b>	<b>27,546</b>
<b>Current assets</b>			
Inventories	2,183	2,470	2,374
Current receivables	7,532	5,539	5,909
Cash and cash equivalents	1,877	2,776	3,337
Assets held for sale	2,109		
<b>Total current assets</b>	<b>13,701</b>	<b>10,785</b>	<b>11,620</b>
<b>Total assets</b>	<b>37,761</b>	<b>38,353</b>	<b>39,166</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity including non-controlling interests</b>	<b>16,660</b>	<b>16,068</b>	<b>16,133</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	8,379	9,832	10,160
Non-interest bearing liabilities	655	699	707
Pension provisions	517	441	416
Other provisions	211	133	154
Deferred tax liabilities	458	512	478
<b>Total non-current liabilities</b>	<b>10,220</b>	<b>11,617</b>	<b>11,915</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	2,404	3,076	2,306
Non-interest bearing liabilities	6,934	7,260	8,451
Provisions	372	332	361
Liabilities attributable to Assets held for sale	1,171		
<b>Total current liabilities</b>	<b>10,881</b>	<b>10,668</b>	<b>11,118</b>
<b>Total equity and liabilities</b>	<b>37,761</b>	<b>38,353</b>	<b>39,166</b>

## Summary statement of changes in consolidated equity

SEKm	30 Sep 2014			30 Sep 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>13,756</b>	<b>2,377</b>	<b>16,133</b>	<b>12,353</b>	<b>788</b>	<b>13,141</b>	<b>12,353</b>	<b>788</b>	<b>13,141</b>
Adjustment <sup>1)</sup>				-22	-8	-30	-22	-8	-30
<b>Adjusted equity</b>	<b>13,756</b>	<b>2,377</b>	<b>16,133</b>	<b>12,331</b>	<b>780</b>	<b>13,111</b>	<b>12,331</b>	<b>780</b>	<b>13,111</b>
Total comprehensive income for the period	1,519	139	1,658	827	-52	775	828	52	880
Dividend	-1,040	-35	-1,075	-1,019	-38	-1,057	-1,019	-42	-1,061
New issue		39	39	1,431	4	1,435	1,431	16	1,447
Option premiums	4		4	7		7	7		7
Put options, future acquisition from non-controlling interests		-4	-4						
Acquisition of shares in subsidiaries from non-controlling interests	-18	-30	-48	50	54	104	50	46	96
Sale of shares in subsidiaries to non-controlling interests				131	456	587	128	419	547
Non-controlling interests at acquisition					1,125	1,125		1,125	1,125
Non-controlling interests in disposals		-47	-47		-19	-19		-19	-19
<b>Closing equity</b>	<b>14,221</b>	<b>2,439</b>	<b>16,660</b>	<b>13,758</b>	<b>2,310</b>	<b>16,068</b>	<b>13,756</b>	<b>2,377</b>	<b>16,133</b>

<sup>1)</sup> Adjustment of opening equity attributable to Bisnode (-24) and Inwido (-6).



## Consolidated statement of cash flows

SEKm	2014 Q 1-3	2013 Q 1-3	2013
<b>Operating activities</b>			
Profit before tax	1,382	1,072	1,083
Adjustment for non-cash items	-589	-270	401
	793	802	1,484
Income tax paid	-308	-228	-255
<b>Cash flow from operating activities before change in working capital</b>	<b>485</b>	<b>574</b>	<b>1,229</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in inventories	-279	4	100
Increase (-)/Decrease (+) in operating receivables	-22	149	86
Increase (+)/Decrease (-) in operating liabilities	-208	-657	-283
<b>Cash flow from operating activities</b>	<b>-24</b>	<b>70</b>	<b>1,132</b>
<b>Investing activities</b>			
Acquisition, group companies	-245	-592	-626
Disposal, group companies	43	1,380	1,392
Acquisition, shares in associates	-3	-1,676	-1,676
Dividend paid from associates	33		
Acquisition, other intangible/tangible assets	-533	-419	-710
Disposal, other intangible/tangible assets	28	207	376
Investment, financial assets	-43	-93	-32
Disposal, financial assets	38	60	63
<b>Cash flow from investing activities</b>	<b>-682</b>	<b>-1,133</b>	<b>-1,213</b>
<b>Financing activities</b>			
New issue		1,431	1,431
Non-controlling interests' share of issue/capital contribution	39	6	15
Redemption of options	-70	-90	-91
Option premiums	10	12	18
Acquisition of shares in subsidiaries from non-controlling interests	-40	-36	-48
Dividend paid	-1,019	-978	-999
Dividend paid/redemption, non-controlling interests	-35	-38	-42
Borrowings	4,603	1,916	3,155
Amortisation of loans	-4,227	-1,605	-3,229
<b>Cash flow from financing activities</b>	<b>-739</b>	<b>618</b>	<b>210</b>
<b>Cash flow for the period</b>	<b>-1,445</b>	<b>-445</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	60	-54	-67
Cash and cash equivalents attributable to Assets held for sale	-75	72	72
Cash and cash equivalents at the end of the period	1,877	2,776	3,337

## Consolidated key figures

	2014 Q 1-3	2013 Q 1-3	2013
Return on equity, %			6
Equity ratio, %	44	42	41
<b>Key figures per share <sup>1)</sup></b>			
Total return, %	-6	1	-2
Dividend yield, %			5.2
Market price, SEK	52.25	59.85	58.15
Dividend, SEK			3
Equity attributable to owners of the parent, SEK <sup>2)</sup>	40	38	38
Earnings per share before dilution, SEK <sup>3)</sup>	3.53	2.81	2.13
Average number of ordinary shares outstanding:			
– before dilution	319,008,902	319,004,923	319,005,200
– after dilution	319,008,902	319,004,923	319,005,200
Total number of registered shares	324,970,896	324,970,896	324,970,896
Number of shares outstanding	319,839,789	319,836,019	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	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 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
Other operating income	0		1	11	12
Other external costs	-19	-12	-55	-57	-76
Personnel costs	-65	-29	-123	-112	-130
Depreciation of property, plant and equipment	-1	-1	-3	-3	-5
<b>Operating profit/loss</b>	<b>-85</b>	<b>-42</b>	<b>-180</b>	<b>-161</b>	<b>-199</b>
Gain from sale of participating interests in group companies	1,104		1,104		
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	28	32	80	98	133
Other interest income and similar profit/loss items	8	4	20	15	18
Interests expenses and similar profit/loss items	-10	-50	-45	-137	-157
<b>Profit/loss after financial items</b>	<b>1,045</b>	<b>-56</b>	<b>1,019</b>	<b>-136</b>	<b>-633</b>
Tax					
<b>Profit/loss for the period</b>	<b>1,045</b>	<b>-56</b>	<b>1,019</b>	<b>-136</b>	<b>-633</b>

## Parent company statement of comprehensive income

SEKm	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
<b>Profit/loss for the period</b>	<b>1,045</b>	<b>-56</b>	<b>1,019</b>	<b>-136</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		14	14
<b>Other comprehensive income for the period</b>		<b>0</b>		<b>14</b>	<b>14</b>
<b>Comprehensive income for the period</b>	<b>1,045</b>	<b>-56</b>	<b>1,019</b>	<b>-122</b>	<b>-619</b>

## Summary parent company balance sheet

SEKm	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
<b>Non-current assets</b>			
Property, plant and equipment	71	75	73
Financial assets	10,155	12,694	11,948
<b>Total non-current assets</b>	<b>10,226</b>	<b>12,769</b>	<b>12,021</b>
<b>Current assets</b>			
Current receivables	2,665	79	54
Short-term investments		500	
Cash and cash equivalents	260	451	1,273
<b>Total current assets</b>	<b>2,925</b>	<b>1,030</b>	<b>1,327</b>
<b>Total assets</b>	<b>13,151</b>	<b>13,799</b>	<b>13,348</b>
EQUITY AND LIABILITIES			
<b>Equity</b>	<b>11,168</b>	<b>11,682</b>	<b>11,185</b>
<b>Non-current provisions</b>			
Pension provisions	1	1	1
Other provisions	17	7	7
<b>Non-current liabilities</b>			
Interest-bearing liabilities, group companies	517	509	552
Non-interest bearing liabilities	60	52	30
<b>Current provisions</b>	<b>177</b>	<b>9</b>	<b>10</b>
<b>Current liabilities</b>			
Interest-bearing liabilities, group companies	1,037	1,347	1,477
Non-interest bearing liabilities	174	192	86
<b>Total equity and liabilities</b>	<b>13,151</b>	<b>13,799</b>	<b>13,348</b>
Pledged assets and contingent liabilities	378	none	none

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

SEKm	30 Sep 2014	30 Sep 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	1,019	-122	-619
Dividend	-1,040	-1,019	-1,019
New issue		1,431	1,431
Option premiums	4	7	7
<b>Closing equity</b>	<b>11,168</b>	<b>11,682</b>	<b>11,185</b>

## Parent company cash flow statement

SEKm	2014 Q 1-3	2013 Q 1-3	2013
<b>Operating activities</b>			
Profit/loss before tax	1,019	-136	-633
Adjustment for non-cash items	-1,126	29	415
	-107	-107	-218
Income tax paid	-	-	-
<b>Cash flow from operating activities before change in working capital</b>	<b>-107</b>	<b>-107</b>	<b>-218</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-37	-36	-18
Increase (+)/Decrease (-) in operating liabilities	-8	-42	26
<b>Cash flow from operating activities</b>	<b>-152</b>	<b>-185</b>	<b>-210</b>
<b>Investing activities</b>			
Investment, shares in subsidiaries	-189	-2,614	-2,649
Disposal and redemption, shares in subsidiaries	449	124	529
Investment, financial assets	-111	-96	-141
Disposal, financial assets	5	20	26
<b>Cash flow from investing activities</b>	<b>154</b>	<b>-2,566</b>	<b>-2,235</b>
<b>Financing activities</b>			
New issue		1,431	1,431
Option premiums	4	4	11
Redemption incentive programme		-20	-21
Dividend paid	-1,019	-978	-999
Loans raised in group companies		1,442	1,473
<b>Cash flow from financing activities</b>	<b>-1,015</b>	<b>1,879</b>	<b>1,895</b>
<b>Cash flow for the year</b>	<b>-1,013</b>	<b>-872</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	260	951	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 30 September 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 second quarter of 2014, Inwido acquired the Danish operations JNA Vinduer & Døre and SPAR Vinduer. JNA Vinduer & Døre was founded in 1990 for production and sales of windows in Denmark. In 2006, the group was expanded with SPAR Vinduer which was established as a less expensive alternative for Danish internet customers. The total consideration transferred for these acquisitions amounted to SEK 204m. The acquired companies are included in consolidated sales for the holding period with SEK 122m and in profit before tax with SEK 22m. For the period January to September 2014 sales totalled SEK 154m and profit before tax was SEK 8m. Acquisition-related costs amounted to SEK 2.5m.

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 101m. The acquired companies are included in consolidated sales for the holding period with SEK 14m and in profit before tax with SEK 4m. For the period January to September 2014 sales totalled SEK 17m and profit before tax was SEK 2m. Acquisition-related costs amounted to SEK 2m.

SEKm	Bisnode	Inwido
Intangible assets	27	58
Property, plant and equipment	1	20
Financial assets		1
Deferred tax assets	7	
Current assets	3	34
Cash and cash equivalents	0	19
Non-current liabilities and provisions	-1	
Deferred tax liability	-5	-15
Current liabilities	-14	-38
Net identifiable assets and liabilities	18	79
Consolidated goodwill	83	125
Consideration transferred <sup>1)</sup>	101	204
<sup>1)</sup> Cash	60	204
Contingent consideration	41	

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 SF/Nordic Cinema Group has been adopted. In addition to the remeasurement announced on 31 December 2013, a reclassification has taken place between current assets and financial assets with SEK 46m.

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

On 26 September, Inwido was listed on Nasdaq Stockholm at a price of SEK 68 per share. In conjunction with the listing, Ratos sold shares for a total value of SEK 2,579m. The exit gain, which is based on the realised value of sold shares and on the appreciation in value in connection with the revaluation of the shares retained, amounted to approximately SEK 1,174m.

Since as a result of this transaction Inwido has changed from being a subsidiary to being an associate of Ratos, the entire holding in conjunction with the changeover, in accordance with IFRS, has been remeasured at fair value which is based on the listing price. The recognised exit gain is therefore based both on the realised value of sold shares and on the appreciation in value from revaluation of the shares retained.

#### Disposal of subsidiary

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

#### Disposal of subsidiary after the end of the reporting period

In July, Ratos signed an agreement to sell all shares in the subsidiary SB Seating. The sale was completed in October. The exit gain amounted to approximately SEK 200m.

SB Seating is recognised as Assets and liabilities held for sale in the consolidated statement of financial position at 30 September 2014.

## Note 3 Operating segments

SEKm	Sales					EBT <sup>1)</sup>				
	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013	2014 Q 3	2013 Q 3	2014 Q 1-3	2013 Q 1-3	2013
<b>Holdings</b>										
AH Industries	221	237	698	750	1 018	-7	-4	-7	-8	-78
Aibel <sup>2)</sup>						-61	21	-104	97	141
Arcus-Gruppen	593	590	1,742	1,727	2,516	71	25	101	-11	75
Biolin Scientific	52	57	156	161	233	6	7	-1	2	-13
Bisnode	860	868	2,656	2,723	3,724	-17	-6	-105	-48	9
DIAB	294	213	819	637	864	-11	-16	-40	-75	-109
Euromaint	533	544	1,673	1,797	2,419	14	-20	-4	-67	-76
GS-Hydro	348	292	963	917	1,237	17	12	57	46	57
Hafa Bathroom Group	47	53	152	175	238	-1	-2	-8	-5	-13
HENT <sup>3)</sup>	1,095	1,013	3,596	1,013	2,243	32	11	114	11	28
HL Display	382	387	1,139	1,175	1,596	6	23	19	77	106
Inwido <sup>4)</sup>	1,287	1,109	3,495	3,107	4,300	138	116	105	160	220
Jøtul	244	246	605	592	930	-7	-8	-83	-99	-89
KVD	73	66	232	218	296	7	5	22	12	29
Mobile Climate Control	281	252	774	773	978	18	27	45	67	68
Nebula <sup>5)</sup>	65	58	188	95	155	20	17	46	4	40
Nordic Cinema Group <sup>6)</sup>	528	563	1,760	1,154	1,895	1	26	59	25	120
SB Seating	242	225	799	789	1,112	34	10	107	60	86
Stofa <sup>7)</sup>				131	131				1	1
<b>Total</b>	<b>7,145</b>	<b>6,773</b>	<b>21,447</b>	<b>17,934</b>	<b>25,885</b>	<b>260</b>	<b>244</b>	<b>323</b>	<b>249</b>	<b>602</b>
Exit Inwido						1,174		1,174		
Exit Stofa									895	895
<b>Exit result</b>						<b>1,174</b>		<b>1,174</b>	<b>895</b>	<b>895</b>
Impairment DIAB										-234
Impairment Jøtul										-74
<b>Holdings total</b>	<b>7,145</b>	<b>6,773</b>	<b>21,447</b>	<b>17,934</b>	<b>25,885</b>	<b>1,434</b>	<b>244</b>	<b>1,497</b>	<b>1,144</b>	<b>1,189</b>
Central income and expenses	0	1	2	198	199	-65	8	-115	-72	-106
<b>Group total</b>	<b>7,145</b>	<b>6,774</b>	<b>21,449</b>	<b>18,132</b>	<b>26,084</b>	<b>1,369</b>	<b>252</b>	<b>1,382</b>	<b>1,072</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> Inwido is included in consolidated profit through September 2014 as a subsidiary.

<sup>5)</sup> Nebula is included in consolidated profit from May 2013.

<sup>6)</sup> 2013 earnings relate solely to Finnkinno until 30 April and subsequently relate to Nordic Cinema Group.

<sup>7)</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 30 September 2014 the net value of derivatives amounts to SEK 56m (52), of which SEK 13m (6) is recognised as an asset and SEK 70m (58) as a liability. In addition, a SEK 127m (131) liability is recognised for synthetic options. Earnings for the period have been charged with SEK 11m (31) for derivatives and SEK 54m (10) 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	209		209
Reclassified as Assets held for sale	-1,561		-1,561
Company disposals	-3,268	9	-3,259
Exchange differences for the period	439	6	445
<b>Closing balance, 30 September 2014</b>	<b>15,825</b>	<b>-1,191</b>	<b>14,634</b>

## Note 6 Other

The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 378m.

### Auditor's report from the review of 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 (publ) for the period 1 January until 30 September 2014. 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

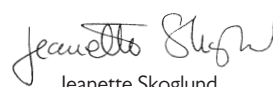
than an audit conducted in accordance with ISA and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion 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, 7 November 2014  
PricewaterhouseCoopers AB

  
Peter Clemedson  
Senior Auditor

  
Jeanette Skoglund  
Authorised Public Accountant



### Telephone conference

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

### Financial calendar

#### 2015

19 Feb	Year-end report 2014
16 April	AGM
7 May	Interim report January – March
14 Aug	Interim report January – June
6 Nov	Interim report January – September

Stockholm, 7 November 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 and Nordic Cinema Group. Ratos is listed on Nasdaq Stockholm and market capitalisation amounts to approximately SEK 18 billion.