



## Q1 January – March

### Development in company portfolio

- Sales growth of +5%
- Weak earnings trend, adjusted EBITA -14% and EBITA -27%, in line with expectations

### Acquisitions and divestments

- Acquisition of Danish ventilation company airteam
- Acquisition of Finnish real estate company Serena Properties completed in January

### Financial information

- Profit/share of profits from companies SEK 14m (160), a decline mainly due to changed company portfolio
- Loss before tax SEK -25m (+91)
- Earnings per share before dilution SEK -0.18 (-0.14)
- Continued strong financial position
- Total return on Ratos share +7%

#### Ratos's results in summary

SEKm	2016 Q 1	2015 Q 1	2015
Profit/share of profits	14	160	664
Exit gains			1,101
Impairment			-565
<b>Profit from companies</b>	<b>14</b>	<b>160</b>	<b>1,200</b>
Income and expenses in the parent company and central companies	-39	-69	-308
<b>Profit before tax</b>	<b>-25</b>	<b>91</b>	<b>892</b>

# Important events

- In January, the acquisition of Serena Properties – a newly formed real estate company with a portfolio of 22 commercial retail properties in Finland – was completed. The purchase price (enterprise value) for 100% of the company amounted to EUR 191.5m, of which Ratos paid EUR 39m (SEK 359m) and owns 56%
- In February, an agreement was signed to acquire 70% of the shares in airteam, a leading supplier of ventilation solutions in Denmark. The purchase price (enterprise value) for 100% of the company amounted to DKK 575m, of which Ratos provided DKK 272m. The transaction was completed in April
- At Ratos's 2016 Annual General Meeting held on 14 April, Jonas Wiström was elected new Chairman of the Board of Ratos and Ulla Litzén new member of the Board. Resolution on dividends of SEK 3.25 per ordinary share, making a total of SEK 1,037m
- Ratos has provided at total of SEK 120m to Euromaint in conjunction with a new financing agreement

## Events after the end of the period

- Capital contribution of EUR 5m to GS-Hydro
- Additional purchase price of EUR 4m paid for TFS

More information about important events in the companies is provided on pages 5-13.

### Performance Ratos's companies <sup>1)</sup>

	2016 Q 1	
	100%	Ratos's share
Sales	+5%	+5%
EBITA	-29%	-27%
Adjusted EBITA <sup>2)</sup>	-13%	-14%

<sup>1)</sup> Comparison with corresponding period preceding year and for comparable units.  
<sup>2)</sup> Excluding items affecting comparability.

On page 13, an extensive table is provided with financial information for Ratos's companies to facilitate analysis. At [www.ratos.se](http://www.ratos.se), income statements, statements of financial position, etc., for all Ratos's companies are available in downloadable Excel files.

CEO comments on performance in the first quarter

## Growth and weak earnings trend in line with expectations



Despite some global economic and stock market turbulence during the first quarter, the market situation for Ratos's companies remains generally unchanged. Ratos's portfolio has changed considerably over the past years as we have increased the proportion of growth companies, completed several exits and continue to maintain a rapid pace in value-creating improvement initiatives. The start of 2016 showed positive sales growth of 5% as an effect of completed growth initiatives. However, the adjusted EBITA weakened 14% during the quarter in line with the expected very sluggish start of the year, mainly for GS-Hydro and Euromaint. Historically, the first quarter is the smallest for Ratos's companies in terms of earnings and our cautiously positive view for the full year is unchanged. We pursue our day-to-day activities with clear change agendas and intense transaction focus.

### Varied market situation

The general macroeconomic situation is still stable, but with vast differences between the different geographies, industries and niches. Ratos's companies are primarily exposed to the Nordic countries where trends are stable overall, even if there are considerable differences between the countries. We also see currency movements, mainly NOK against SEK, which has a negative impact on Ratos. A few of Ratos's companies have sales in China, and here we have seen a distinct slowdown even if, due to its limited size for Ratos, this has no major impact on the whole. For us, the market situation means continued focus on investing in niches with underlying structural growth and in companies that have potential to grow.

### Focus on value-creating initiatives

In the current market climate, it is even more important that all companies constantly identify and realise growth potential and implement efficiency programmes to increase in value. Many of our companies are making progress both operationally and strategically, where our objective is to combine long-term value creation with a high pace of change. Because the companies are in different phases of their development, their agendas differ. Some companies are adapting to the

currently tough market conditions and others implement significant strategic growth initiatives.

The oil service company Aibel has a strong order book, while extensive restructuring measures are being carried out to strengthen its long-term competitiveness. Data and analytics company Bisnode is upping the pace and launching an extensive change programme to exploit the growing demand in data and analysis, which entails organisation changes, product development and more effective processes. The wine and spirits provider ArcusGruppen is increasing its production efficiency through higher volumes in the new production plant outside Oslo and DIAB is investing in a new factory for composite material in China. The Norwegian construction company HENT has recently established a presence in Sweden and KVD, an online marketplace for second-hand vehicles, is implementing significant IT initiatives in order to further enhance its customer offering over time. These are all examples of ventures aimed at value creation in the future, something that we as committed owners want to support the companies in doing.

The first quarter shows a positive sales growth of 5% but a weakened operating result of -14%. The negative earnings trend is mainly due to a predicted, sluggish start of the year although the weakening of NOK against SEK also has a negative impact. Many of Ratos's companies continue to show healthy

growth in both sales and earnings. It is satisfying to note that our medium-sized companies combined show net sales growth of 11% and a 14% increase in adjusted EBITA, which is an effect of earlier implemented growth and streamlining initiatives. We see a weak earnings trend – mainly in GS-Hydro, and in Aibel to a certain extent, both of which are exposed to the offshore markets but also in Euromaint, a maintenance company for the rail transport industry, which last year concluded individual contracts in a fiercely competitive market. In these situations, it is important as owner to work with the Board and management to take the necessary measures to ensure long-term competitiveness.

### Hesitant start for the transaction markets

The transaction market opened with a hesitant start to the year given the extremely weak performance on the stock exchange. As stock market concerns ebbed, activity has picked up and the transaction market is now deemed to be strong. Access to capital is still good with many investors looking for returns and industrial buyers who want to acquire to generate growth. Above all, Ratos looks for companies with favourable development potential where our unique profile, flexible ownership horizon and clear investment strategy are considered attractive. During the quarter, we signed an agreement for the acquisition of the majority of Danish company airteam, a leading supplier

of ventilation solutions. This is yet another example of a partnership situation where the company actively sought a dedicated owner with whom it could develop the company, and where Ratos's expertise in operational development and strong value foundation have been extremely important factors.

### Unchanged view of 2016

Our cautious macroeconomic view for the full-year 2016 remains unchanged and we predict that the market situation will continue to vary. The transaction market is expected to remain strong, which provides both opportunities and challenges. As expected, the first-quarter earnings trend for the Ratos portfolio was weak and our cautiously positive view for the full year is unchanged. Ratos does, however, have a portfolio composition that changes over time.

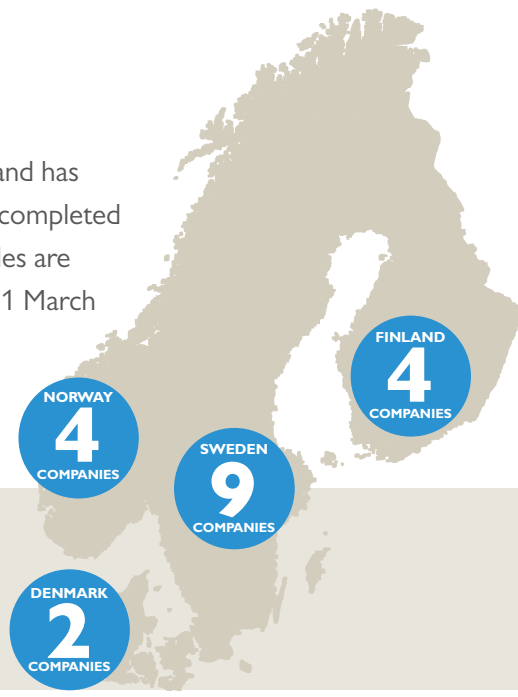


Susanna Campbell

See the video at [www.ratos.se](http://www.ratos.se) where CEO Susanna Campbell comments on performance in the first quarter.

# Companies overview

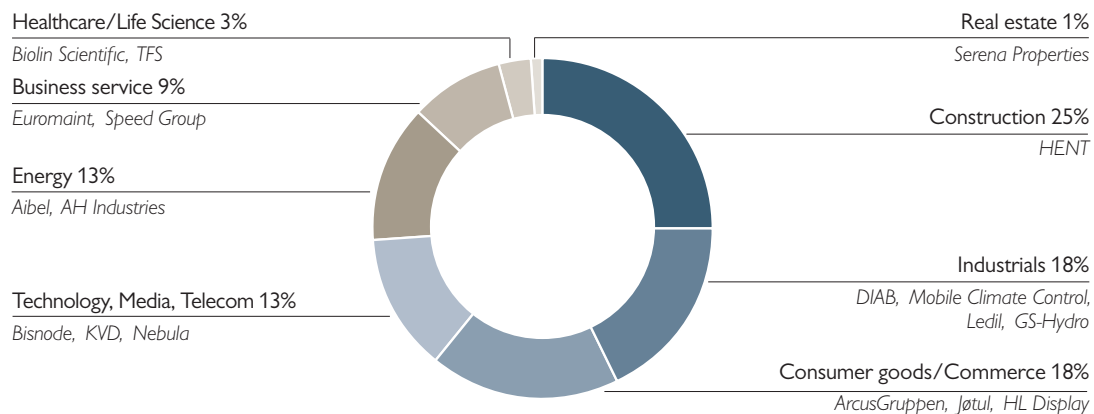
Ratos invests mainly in unlisted medium-sized Nordic companies and has 19 companies in its portfolio, including the acquisition of airteam, completed after the close of the quarter. The largest segments in terms of sales are Construction, Industrials and Consumer goods/Commerce. On 31 March 2016, ten portfolio companies are categorised as medium-sized (mid cap) and eight as small-sized (small cap). A detailed description of each company is presented below.



**19\*** companies with approximately  
**16,000** employees

\* Including the acquisition of airteam completed in April 2016. The number of employees is based on the average number of employees on 31 December 2015 for the 19 companies.

Sales breakdown by segment \*



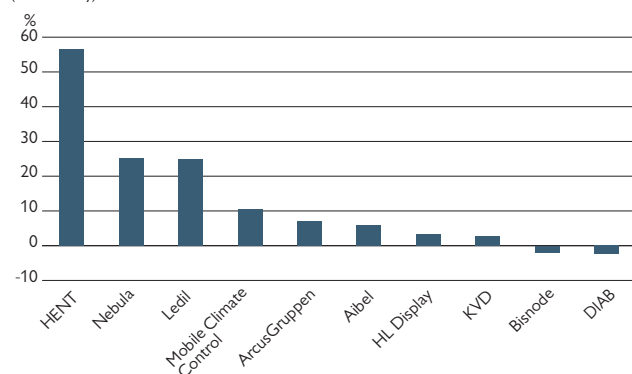
\* Adjusted for the size of Ratos's holding. Excluding airteam which is included in the Group's sales as of the interim report for the January – June 2016 period.

## Medium-sized companies

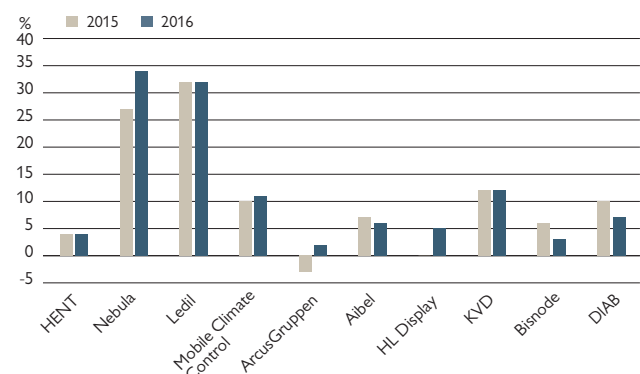
In total, the companies in this segment show an 11% growth in net sales during the quarter, and an increase in adjusted EBITA of 14%. Total sales for the medium-sized companies account for 77% of Ratos's portfolio and 96% of adjusted EBITA.

Net sales trend

(Local currency)



Adjusted EBITA margin



- Sales increased 6% year-on-year, driven by high activity in Field Development, mainly related to new construction contracts for the Johan Sverdrup field. Continued weak market trend and low MMO and Modification activity levels
- Continued good delivery in terms of the project portfolio, but weakened operating margin as an effect of strong comparative figures in the first quarter of 2015 when a number of projects in the final phase of completion enhanced earnings
- Due to continued market uncertainty, the lost maintenance contract for the Ekofisk oil field and to reinforce competitiveness, new efficiency programmes have been initiated that will involve further layoffs. Earnings were charged with costs affecting comparability related to further modifications to the current level of activity
- The order book at 31 March 2016 amounted to approximately NOK 18.5 billion (approximately NOK 19 billion in the year-earlier period)

NOKm	Q 1 2016	Q 1 2015
Sales	1,883	1,776
EBITA	65	117
Adjusted EBITA	114	131
Adjusted EBITA margin	6.0%	7.4%
Time of acquisition, year		2013
Book value (SEKm)		1,559

Holding

32%

Aibel is a leading Norwegian supplier of maintenance and modification services (MMO and Modification) for oil and gas production platforms as well as new construction projects (Field Development) 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.

# ArcusGruppen

- Good sales growth of 7%, primarily driven by increased demand within wines in Sweden and the acquisition of Social Wines in Finland. Stable trend within spirits, particularly in the aquavit segment
- Improved operating profit due to higher volumes and lower production costs following the relocation of production from Aalborg to Gjelleråsen. Continued earnings improvement within distribution operations (operating loss NOK -12m (-17))
- Minority shares in two of the company's current wine agencies were acquired during the quarter. In total, this represents an investment of approximately NOK 60m for ArcusGruppen

NOKm	Q 1 2016	Q 1 2015
Sales	533	498
EBITA	10	-14
Adjusted EBITA	10	-13
Adjusted EBITA margin	1.9%	-2.6%
Time of acquisition, year		2005
Book value (SEKm)		684

Holding

83%

ArcusGruppen is a leading supplier of wine and spirits in the Nordic region through its own brands and leading agencies. The company's best known proprietary spirits brands include Aalborg Akvavit, Lysholm Linie Aquavit, Braastad Cognac and Gammel Dansk. In wines, ArcusGruppen has both its own brands and agency operations through, for example, Vingruppen.

- Organic revenue development adjusted for currency effects amounted to -2%, due to strategic measures in the form of product rationalisation and subsequently lower volumes in Sweden. Otherwise, stable underlying sales trend
- Weak earnings trend due to increasing costs in conjunction with the ongoing change initiatives and higher data costs
- During the quarter, the extensive change initiatives to strengthen core operations and modernise the customer offering accelerated. Non-recurring costs amount to SEK 44m (12) and are mainly due to such factors as the restructuring process, which involves layoffs. To meet the growing demand for Data & Analytics, further strategic initiatives are planned to strengthen the organisation, develop the offering and create profitable growth

SEKm	Q 1 2016	Q 1 2015	Holding <b>70%</b>
Sales	856	873	
EBITA	-16	38	
Adjusted EBITA	28	49	
Adjusted EBITA margin	3.3%	5.7%	
Time of acquisition, year	2004		
Book value (SEKm)	1,248		

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

## DIAB



- Sales on par with last year adjusted for currency effects, with continued strong trend in the TIA segment and stable trend in the Wind segment. Continued downturn in demand in China was noted during the quarter, also within the Marine segment
- Adjusted for currency effects, the operating profit (adjusted EBITA) is unchanged. Profit was charged with costs for establishing a new factory in China
- Growth initiatives in China in the form of the establishment of a new IPN foam production facility in China is proceeding according to plan and the factory is expected to start operations at the end of the first half of 2016

SEKm	Q 1 2016	Q 1 2015	Holding <b>96%</b>
Sales	360	369	
EBITA	21	37	
Adjusted EBITA	26	37	
Adjusted EBITA margin	7.1%	10.0%	
Time of acquisition, year	2001/2009		
Book value (SEKm)	658		

*DIAB is a global company that develops, manufactures and sells 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.*

## HENT



- Excellent sales growth of 56% driven by a strong order book and good progress in ongoing projects
- Healthy profitability driven by effective implementation of projects in progress
- During the quarter, HENT set up an office in Stockholm to start long-term marketing activities in Sweden
- Order intake of approximately NOK 1.4 billion with several new projects, primarily in the public sector. The order book at 31 March 2016 amounted to approximately NOK 8.2 billion (approximately NOK 8.7 billion at 31 March 2015)

NOKm	Q 1 2016	Q 1 2015	Holding <b>73%</b>
Sales	1,871	1,196	
EBITA	70	48	
Adjusted EBITA	71	48	
Adjusted EBITA margin	3.8%	4.0%	
Time of acquisition, year	2013		
Book value (SEKm)	220		

*HENT is a leading Norwegian construction company with projects throughout the country, primarily newbuild public and commercial real estate. 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.*



# HL Display



- Positive sales trend due to modifications of the sales strategy and higher demand in the grocery retailer sector, primarily in the UK, France and the Nordic countries
- Strong profitability driven by increasing volumes, high capacity in production and previously implemented restructuring measures
- Continued focus on new sales initiatives and streamlining of production
- Nina Jönsson assumed the position of CEO on 1 March 2016

SEKm	Q 1 2016	Q 1 2015
Sales	349	337
EBITA	18	-11
Adjusted EBITA	18	1
Adjusted EBITA margin	5.2%	0.3%
Time of acquisition, year	2001/2010	
Book value (SEKm)	802	

Holding

99%

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.

# KVD



- Strong sales trend driven by favourable growth within Private Cars (+32%) and stable performance in Company Cars and in Machines & Heavy Vehicles
- Adjusted EBITA on par with last year due to continued investments in IT and development of services
- Investment in the valuation service in Norway and decision taken to discontinue the unprofitable Norwegian auction operations. The close-down costs are charged to the reported first quarter earnings
- Torbjörn Wik assumed the position of CEO in January 2016

SEKm	Q 1 2016	Q 1 2015
Sales	78	76
EBITA	5	8
Adjusted EBITA	9	9
Adjusted EBITA margin	11.9%	12.5%
Time of acquisition, year	2010	
Book value (SEKm)	317	

Holding

100%

KVD is Sweden's largest independent online marketplace offering broker services for second-hand vehicles. The company operates the auction sites [kvd.se](http://kvd.se), [kvdnorge.no](http://kvdnorge.no), [kvdpro.com](http://kvdpro.com) and [kvdauctions.com](http://kvdauctions.com), 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 valuation portals for cars.

# Ledil



- Strong sales growth of 25%, primarily driven by higher demand in all large markets
- Increased operating profit due to higher volumes
- Several strategic growth initiatives have started, primarily in sales and product development and through the establishment of new sales organisations in North America

EURm	Q 1 2016	Q 1 2015
Sales	9.3	7.5
EBITA	3.0	2.4
Adjusted EBITA	3.0	2.4
Adjusted EBITA margin	31.9%	32.4%
Time of acquisition, year	2014	
Book value (SEKm)	481	

Holding

66%

Ledil is a Finnish leading global player within secondary optics for LED lighting. The products are sold by the company's own sales force as well as via agents and distributors in Europe, North America and Asia. Production is carried out by subcontractors in Finland and China.



# Mobile Climate Control (MCC)



Mobile Climate Control

- Good sales growth of +11% (+15% adjusted for currency effects) with continued good market activity and strengthened position in the bus segment in North America
- Improved profitability driven by increasing sales and implemented measures
- Continued focus on growth initiative through greater market presence, product innovation and establishment of new production plant

SEKm	Q 1 2016	Q 1 2015
Sales	321	290
EBITA	35	29
Adjusted EBITA	35	30
Adjusted EBITA margin	10.9%	10.4%
Time of acquisition, year	2007/2008	
Book value (SEKm)	1,045	

Holding  
**100%**

Mobile Climate Control 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 approximately 20% in Europe. Major production plants are located in Canada (Toronto), USA (Goshen) and Poland (Olawa).

# Nebula



- Strong sales growth of +25% driven by higher demand in all service areas and the acquisition of Telecty
- Improved profitability as an effect of increasing sales and previously implemented sales and product development initiatives
- New initiatives for sales, customer loyalty and customer service to strengthen competitiveness

EURm	Q 1 2016	Q 1 2015
Sales	8.9	7.1
EBITA	3.0	1.9
Adjusted EBITA	3.0	1.9
Adjusted EBITA margin	34.2%	27.4%
Time of acquisition, year	2013	
Book value (SEKm)	246	

Holding  
**73%**

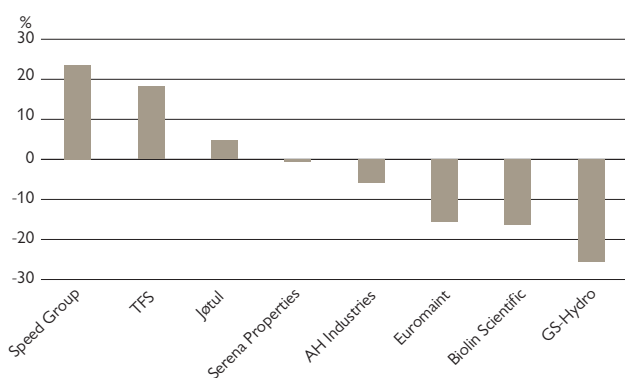
Nebula is a market leading provider of cloud-based services, IT-managed services and network services to small and medium-sized enterprises in the Finnish market. The company has two data centres in Finland as well as its own leased fibre network between the largest cities in Finland. Nebula has a total of about 40,000 customers. 90% of sales are subscription based.

## Small-sized companies

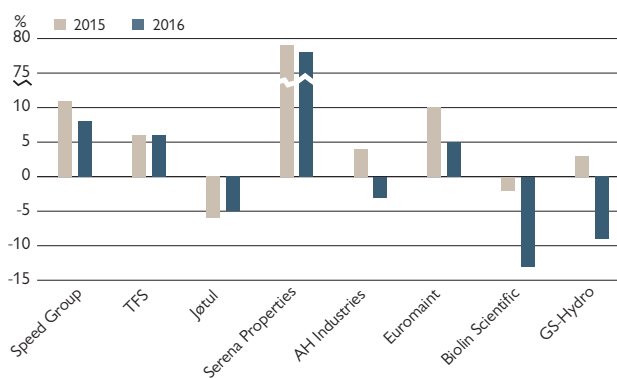
In total, the companies in this segment show a negative trend of -11% in net sales and a decrease in adjusted EBITA of -87%. Total sales for the small-sized companies account for 23% of Ratos's portfolio and 4% of adjusted EBITA.

### Net sales trend

(Local currency)



### Adjusted EBITA margin



## AH Industries



- Lower sales, due in part to internal production disruptions within Manufacturing Solutions
- Continued focus on improvement measures. Implemented sales initiatives resulted in a positive trend in order intake during the quarter

DKKm	Q 1 2016	Q 1 2015	
Sales	179	190	Holding <b>70%</b>
Adjusted EBITA	-5	7	
Time of acquisition, year	2007		
Book value (SEKm)	118		

AH Industries is a leading supplier of metal components, modules, systems and services to the wind energy, cement and minerals industries.

## Biolin Scientific



- Negative sales trend of -16% year-on-year, which has affected the profit negatively. During the quarter, the new product Q-Sense Initiator was launched within Analytical Instruments, which is expected to contribute favourably in the long term
- Christina Rubenhagen assumed the position of CEO in March

SEKm	Q 1 2016	Q 1 2015	
Sales	44	52	Holding <b>100%</b>
Adjusted EBITA	-6	-1	
Time of acquisition, year	2010		
Book value (SEKm)	351		

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.

## Euromaint



- As expected, the trend during the quarter was weak due to lower volumes in concluded contracts and strong comparative figures in the first quarter of 2015. Efficiency programmes are progressing according to plan
- Ratos provided a total of SEK 120m when Euromaint signed a new financing agreement in February. The new Group structure following the divestment of the German operations will now have a new optimum capital structure and improved cash flow

SEKm	Q 1 2016	Q 1 2015	Holding <b>100%</b>
Sales	404	478	
Adjusted EBITA	20	46	
Time of acquisition, year	2007		
Book value (SEKm)	185		

*Euromaint is Sweden's leading independent maintenance company for the rail transport industry.*

## GS-Hydro



- Negative sales trend driven by weak offshore market and lower demand in the land-based customer segment. Negative earnings due to low volumes, over capacity and increasing costs in a single large project
- Global restructuring programme initiated with focus on efficiency and further cost savings. Capital contribution of EUR 5m after the end of the period

EURm	Q 1 2016	Q 1 2015	Holding <b>100%</b>
Sales	25.4	34.1	
Adjusted EBITA	-2.4	1.1	
Time of acquisition, year	2001		
Book value (SEKm)	146		

*GS-Hydro is a leading global supplier of non-welded piping solutions.*

## Jøtul



- Sales increased by 5% (-2% adjusted for currency effects) driven by increasing demand in Norway. Improved profitability due to previously implemented restructuring and efficiency improvement measures

NOKm	Q 1 2016	Q 1 2015	Holding <b>93%</b>
Sales	203	194	
Adjusted EBITA	-9	-12	
Time of acquisition, year	2006		
Book value (SEKm)	89		

*The Norwegian company Jøtul is a global supplier of stoves and fireplaces with its main production facilities in Norway and Denmark.*

## Serena Properties

**SERENA**  
PROPERTIES

- Stable trend in terms of rental income and profitability
- The acquisition was completed in January. Active management of the real estate portfolio initiated with focus on developing the respective retail areas and establishing the company's governance

SEKm	Q 1 2016	Q 1 2015
Sales	42	42
Adjusted EBITA	33	33
Time of acquisition, year	2016	
Book value (SEKm)	362	

Holding

**56%**

*Serena Properties is a newly formed real estate company with a portfolio of 22 commercial retail properties in 14 mid-sized towns in Finland.*

## Speed Group

**SPEED**  
GROUP

- Strong sales growth of 24% driven by higher demand in both logistics and staffing services. Lower operating margin due to investment in new IT platform and increasing personnel costs

SEKm	Q 1 2016	Q 1 2015
Sales	141	114
Adjusted EBITA	11	13
Time of acquisition, year	2015	
Book value (SEKm)	295	

Holding

**70%**

*Speed Group is a fast-growing Swedish supplier of services that extend from staffing and recruitment to full-scale warehouse management, and production and education.*

## TFS

**TFS**  
It's all about trust

- Service sales amounted to EUR 15.1m (12.4), corresponding to growth of 22%. Continued strong order book with several new agreements for global clinical trials
- Initiatives to boost sales, strengthen the organisation and increase internal efficiency initiated to strengthen competitiveness
- Additional purchase price of EUR 4m paid after the end of the period

EURm	Q 1 2016	Q 1 2015
Sales	18.3	15.5
Adjusted EBITA	1.0	1.0
Time of acquisition, year	2015	
Book value (SEKm)	138	

Holding

**60%**

*TFS performs clinical trials in the human phase on behalf of the pharmaceutical, biotechnology and medical device industries.*

## Ratos's companies at 31 March 2016

SEKm	Net sales			EBITA			Adjusted EBITA <sup>A)</sup>		
	2016 Q 1	2015 Q 1	2015	2016 Q 1	2015 Q 1	2015	2016 Q 1	2015 Q 1	2015
AH Industries	223	239	929	-7	9	15	-7	9	8
Aibel	1,844	1,907	7,728	63	125	279	111	140	480
ArcusGruppen	521	535	2,586	9	-15	218	10	-14	239
Biolin Scientific	44	52	227	-9	-2	8	-6	-1	10
Bisnode	856	873	3,535	-16	38	280	28	49	332
DIAB	360	369	1,450	21	37	154	26	37	146
Euromaint	404	478	1,735	20	46	74	20	46	87
GS-Hydro	236	320	1,175	-24	8	12	-22	10	26
HENT	1,832	1,284	5,716	69	52	189	69	52	190
HL Display	349	337	1,488	18	-11	8	18	1	66
Jøtul	199	209	930	-10	-15	0	-9	-13	6
KVD	78	76	317	5	8	29	9	9	38
Ledil	87	70	297	28	23	95	28	23	95
Mobile Climate Control	321	290	1,264	35	29	152	35	30	154
Nebula	83	66	299	28	18	87	28	18	90
Serena Properties <sup>1)</sup>	42	42	167	33	33	133	33	33	133
Speed Group	141	114	536	11	11	25	11	13	42
TFS	170	145	689	10	9	45	10	9	45
<b>Total 100%</b>	<b>7,791</b>	<b>7,407</b>	<b>31,068</b>	<b>284</b>	<b>402</b>	<b>1,802</b>	<b>392</b>	<b>451</b>	<b>2,188</b>
<b>Change</b>	<b>5%</b>			<b>-29%</b>			<b>-13%</b>		
<b>Total adjusted for holding</b>	<b>5,407</b>	<b>5,143</b>	<b>21,620</b>	<b>189</b>	<b>257</b>	<b>1,288</b>	<b>250</b>	<b>291</b>	<b>1,513</b>
<b>Change</b>	<b>5%</b>			<b>-27%</b>			<b>-14%</b>		

SEKm	Depreciation 2016 Q 1	Investments <sup>B)</sup> 2016 Q 1	Cash flow <sup>C)</sup> 2016 Q 1	Interest-bearing net debt 31 March 2016	Consolidated value 31 March 2016	Ratos's holding 31 March 2016
AH Industries	9	2	-24	314	118	70
Aibel	27	21	-19	4,015	1,559	32
ArcusGruppen	11	4	-129	1,228	684	83
Biolin Scientific	4	4	9	126	351	100
Bisnode	29	35	19	1,906	1,248	70
DIAB	17	48	-74	864	658	96
Euromaint	8	1	-7	457	185	100
GS-Hydro	6	4	-44	397	146	100
HENT	2	2	281	-762	220	73
HL Display	8	5	-25	640	802	99
Jøtul	12	9	-24	491	89	93
KVD	4	1	8	158	317	100
Ledil	0	0	15	164	481	66
Mobile Climate Control	3	3	-24	429	1,045	100
Nebula	5	5	28	468	246	73
Serena Properties <sup>1)</sup>		1,807	-1,771	1,123	362	56
Speed Group	2	2	85	-43	295	70
TFS	1	2	5	-31	138	60

<sup>A)</sup> EBITA, adjusted for items affecting comparability.

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

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

<sup>1)</sup> Earnings for 2016 and 2015 are pro forma taking into account Ratos's acquisition, new financing and a new group structure. Pro forma consists of actual outcomes under previous group structure adjusted for estimations related to new financing and group structure.

All figures in the above table relate to 100% of each company, except consolidated value, which is based on Ratos's holding. To facilitate comparisons between years and provide a comparable structure, where appropriate some companies are reported pro forma. Pro formas for 2016 are presented in the note to the right. Complete income statement, statement of financial position and statement of cash flows for all companies is available at [www.ratos.se](http://www.ratos.se).

# Financial information

## Ratos's results

Loss before tax for the first quarter of 2016 amounted to SEK -25m (91). The lower reported earnings are primarily due to a modified company portfolio following the divestment of, among others, Nordic Cinema Group in 2015. The result includes profit/share of profits from the companies in the amount of SEK 14m (160).

## Income and expenses in the parent company and central companies

Ratos's central income and expenses amounted to SEK -39m (-69), consisting of management costs of SEK -51m (-66) and net financial items of SEK 12m (-3).

SEKm	2016 Q 1	2015 Q 1	2015
<b>Profit/share of profits before tax <sup>1)</sup></b>			
AH Industries (70%)	-11	-6	-15
Aibel (32%)	-38	-8	-75
ArcusGruppen (83%)	-15	-26	106
Biolin Scientific (100%)	-11	-4	3
Bisnode (70%)	-71	0	201
DIAB (96%)	10	28	105
Euromaint (100%)	1	0	-224
GS-Hydro (100%)	-27	4	11
Hafa Bathroom Group (100%) <sup>2)</sup>		2	3
HENT (73%)	64	48	194
HL Display (99%)	14	-22	-28
Inwido (10%) <sup>3)</sup>		7	42
Jøtul (93%)	-6	-32	-42
KVD (100%)	4	6	21
Ledil (66%)	28	8	65
Mobile Climate Control (100%)	32	5	108
Nebula (73%)	20	14	71
Nordic Cinema Group (58%) <sup>4)</sup>		136	108
Serena Properties (56%) <sup>5)</sup>	3		
Speed Group (70%) <sup>6)</sup>	10		10
TFS (60%) <sup>7)</sup>	6		-2
<b>Total profit/share of profits</b>	<b>14</b>	<b>160</b>	<b>664</b>
Exit Nordic Cinema Group			905
Exit Inwido			290
Exit Hafa Bathroom Group			-93
<b>Total exit result</b>			<b>1,101</b>
Impairment AH Industries			-85
Impairment Euromaint			-480
<b>Profit from companies</b>	<b>14</b>	<b>160</b>	<b>1,200</b>
<b>Income and expenses in the parent company and central companies</b>			
Management costs	-51	-66	-252
Financial items	12	-3	-56
<b>Consolidated profit before tax</b>	<b>-25</b>	<b>91</b>	<b>892</b>

<sup>1)</sup> Subsidiaries included with 100%. Investments recognised according to the equity method are included with holding percentage of pre-tax profit/loss.

<sup>2)</sup> Hafa Bathroom Group is included until October 2015.

<sup>3)</sup> Inwido is included in consolidated profit as an associate with a holding of 31% until April 2015 and 10% respectively until October 2015 when the entire holding was divested.

<sup>4)</sup> Nordic Cinema Group is included through June 2015. The entire holding was sold in July 2015.

<sup>5)</sup> Serena Properties is included in consolidated profit as a joint venture with a holding of 56% from 27 January 2016.

<sup>6)</sup> Speed Group is included from September 2015.

<sup>7)</sup> TFS is included from October 2015.

## Financial position

Cash flow from operating activities and investing activities was SEK -384m (-161) and consolidated cash and cash equivalents at the end of the period amounted to SEK 6,068m (5,132). Interest-bearing liabilities including pension provisions amounted to SEK 8,776m (11,288).

## Parent company

The parent company's loss before tax amounted to SEK -37m (-65). The parent company's cash and cash equivalents amounted to SEK 4,123m (3,122). Taking into account financial transactions agreed but not yet implemented (including dividends paid in April in the amount of SEK 1 billion), Ratos had a net liquidity of approximately SEK 2.6 billion at 10 May 2016. In addition, there is a credit facility of SEK 2.2 billion, authorisation from the 2016 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.

## Ratos Class B shares

Earnings per share before dilution amounted to SEK -0.18 (-0.14). The closing price for Ratos's Class B shares on 31 March was SEK 52.05. Total return on Class B shares in the first quarter of 2016 amounted to +7%, compared with the performance for the SIX Return Index which was -3%.

## Ratos preference shares

The closing price for Ratos's Class C preference share on 31 March was SEK 1,883. 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. Redemption can take place following a decision by the Board for an amount of SEK 2,012.50 (corresponding to 115% of the subscription price) until the 2017 Annual General Meeting, and subsequent redemption will take place for an amount of SEK 1,837.50 (corresponding to 105% of the subscription price). A dividend with the record date of 15 February 2016 was paid on 18 February 2016, totalling SEK 18m.

## Treasury shares and number of shares

During the first quarter of 2016, 22,617 Class C preference shares were repurchased at an average price of SEK 1,886 per share. As of 31 March 2016, a total of 112,471 Class C preference shares have been repurchased. No Class B shares were repurchased and no call options were exercised. 1,344 Class B shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At the end of March, Ratos owned 5,126,262 Class B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 68.

At 31 March, the total number of shares in Ratos (Class 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 Class A and B shares was 319,014,634 and the number of outstanding preference shares 717,529. The average number of Class B treasury shares in Ratos in the first quarter of 2016 was 5,127,098 (5,128,279 in the full year 2015).



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

At 31 March 2016, Ratos's equity (attributable to owners of the parent) amounted to SEK 12,869m (SEK 12,882m at

31 December 2015), corresponding to SEK 36 per share outstanding (SEK 36 at 31 December 2015).

SEKm	31 March 2016	% of equity
AH Industries	118	1
Aibel	1,559	12
ArcusGruppen	684	5
Biolin Scientific	351	3
Bisnode	1,248	10
DIAB	658	5
Euromaint	185	1
GS-Hydro	146	1
HENT	220	2
HL Display	802	6
Jøtul	89	1
KVD	317	2
Ledil	481	4
Mobile Climate Control	1,045	8
Nebula	246	2
Serena Properties	362	3
Speed Group	295	2
TFS	138	1
<b>Total</b>	<b>8,947</b>	<b>70</b>
Other net assets in the parent company and central companies	3,922	30
<b>Equity</b> (attributable to owners of the parent)	<b>12,869</b>	<b>100</b>
<b>Equity per ordinary share, SEK <sup>2)</sup></b>	<b>36</b>	

<sup>1)</sup> Companies are shown at consolidated figures, which correspond to the Group's share of the companies' equity, any residual values on consolidated surplus and deficit values, minus intra-group profits. Shareholder loans are also included.

<sup>2)</sup> Equity attributable to owners of the parent with deductions for outstanding 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 credit facility of SEK 2.2 billion, including a bank overdraft facility. The purpose of the credit 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 information

### Resolutions at the Annual General Meeting

#### Election of the Board of Directors and auditor

The Annual General Meeting (AGM) resolved in accordance with the Nomination Committee's proposal and to re-elect Board members Annette Sadolin, Karsten Slotte, Charlotte Strömberg, Jan Söderberg and Per-Olof Söderberg. Ulla Litzén and Jonas Wiström were elected as new members of the Board. Jonas Wiström was elected Chairman of the Board. A more detailed presentation of the Board members is available at [www.ratos.se](http://www.ratos.se).

The AGM elected PricewaterhouseCoopers AB as auditor for the period until the next AGM.

#### Dividend on Class A and Class B shares

The AGM resolved on an ordinary dividend of SEK 3.25 (3.25) per Class A and Class B share. The record date for the right to receive dividends was scheduled as 18 April and dividends were paid from Euroclear Sweden on 21 April 2016.

#### Dividend Class C preference shares

The AGM resolved that a dividend on outstanding Class C preference shares until the 2017 AGM, in accordance with the Articles of Association, shall be paid quarterly in an amount of SEK 25 per Class C preference share, subject to a maximum amount of SEK 100. The following dates are proposed as record dates for the quarterly dividends: 13 May 2016, 15 August 2016, 15 November 2016 and 15 February 2017. Payments from Euroclear Sweden AB are expected to be made on 18 May 2016, 18 August 2016, 18 November 2016 and 20 February 2017.

#### Purchase of treasury shares

The AGM gave the Board a mandate to decide, during the period until the next AGM, on repurchase of a maximum number of shares so that the company's holding of treasury shares does not at any time exceed 7% of the total number of shares in the company.

#### Incentive programmes

The AGM resolved to issue a maximum of 800,000 call options on Ratos Class B treasury shares to be transferred for a market premium to key people within Ratos. The AGM further resolved to transfer a maximum of 800,000 treasury shares when the above-mentioned options are exercised.

The AGM also resolved on a cash-settled option programme related to Ratos's investments in the holdings. The programme will be carried out by issuing synthetic options which key people within Ratos will be entitled to acquire at market price.

The AGM also resolved on a transfer of a maximum of 16,000 Ratos B treasury shares to administrative employees at Ratos.

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

The AGM resolved to authorise the Board, during the period until the next AGM, in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the pre-emptive rights of shareholders, for a cash payment, through set-off or non-cash, to make a decision on a new issue of Ratos shares. This authorisation comprises a maximum of 35 million Class B shares.

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

The AGM further resolved to authorise the Board, during the period until the next AGM, in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the pre-emptive rights of shareholders, for a cash payment, through set-off or non-cash, to make a decision on a new issue of Class C and/or Class D preference shares. The authorisation shall comprise a maximum total of 1,250,000 Class C and/or Class D preference shares.

The AGM further resolved on amendments to the Articles of Association to enable a new issue of Class D preference shares as well as dividends on Class C and/or Class D shares which may be issued prior to the 2017 AGM to be paid quarterly of SEK 25 per Class C and/or Class D preference share, subject to a maximum of SEK 100.

# Financial statements

## Consolidated income statement

SEKm	2016 Q 1	2015 Q 1	2015
Net sales	5,905	6,203	24,480
Other operating income	13	29	120
Change in inventories of products in progress, finished goods and work in progress	23	11	0
Work performed by the company for its own use and capitalised	20	3	88
Raw materials and consumables	-3,118	-3,077	-12,395
Employee benefit costs	-1,718	-1,764	-6,824
Depreciation and impairment of property, plant and equipment and intangible assets	-129	-170	-1,345
Other costs	-865	-982	-3,890
Capital gain from sale of group companies	-13	-2	901
Capital gain from sale of investments recognised according to the equity method			290
Share of pre-tax profit/loss from investments recognised according to the equity method <sup>1)</sup>	-37	13	-14
<b>Operating profit</b>	<b>81</b>	<b>266</b>	<b>1,411</b>
Financial income	23	12	88
Financial expenses	-129	-187	-606
<b>Net financial items</b>	<b>-105</b>	<b>-175</b>	<b>-518</b>
<b>Profit/loss before tax</b>	<b>-25</b>	<b>91</b>	<b>892</b>
Tax	-26	-62	-252
Share of tax from investments recognised according to the equity method <sup>1)</sup>	10	-2	36
<b>Profit/loss for the period</b>	<b>-40</b>	<b>27</b>	<b>676</b>
<i>Profit/loss for the period attributable to:</i>			
Owners of the parent	-40	-25	496
Non-controlling interests	0	52	180
Earnings per share, SEK			
– before dilution	-0.18	-0.14	1.29
– after dilution	-0.18	-0.14	1.29

<sup>1)</sup> Tax attributable to shares of profit/loss before tax from investments recognised according to the equity method are presented on a separate line.

## Consolidated statement of comprehensive income

SEKm	2016 Q 1	2015 Q 1	2015
<b>Profit/loss for the period</b>	<b>-40</b>	<b>27</b>	<b>676</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension obligations, net		-14	86
Tax attributable to items that will not be reclassified to profit or loss		3	-22
		-11	64
Items that may be reclassified subsequently to profit or loss:			
Translation differences for the period	116	-33	-546
Change in hedging reserve for the period	5	-11	1
Tax attributable to items that may be reclassified subsequently to profit or loss	-1	2	0
	120	-42	-545
<b>Other comprehensive income for the period</b>	<b>120</b>	<b>-53</b>	<b>-482</b>
<b>Total comprehensive income for the period</b>	<b>80</b>	<b>-26</b>	<b>194</b>
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent	43	-58	152
Non-controlling interest	37	32	41

## Summary consolidated statement of financial position

SEKm	31 March 2016	31 March 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	12,751	15,299	12,671
Other intangible non-current assets	1,637	1,610	1,623
Property, plant and equipment	1,797	2,727	1,789
Financial assets	2,903	4,164	2,522
Deferred tax assets	531	575	490
<b>Total non-current assets</b>	<b>19,620</b>	<b>24,376</b>	<b>19,094</b>
<b>Current assets</b>			
Inventories	1,938	2,192	1,890
Current receivables	4,406	4,571	4,875
Cash and cash equivalents	6,068	5,132	6,455
Assets held for sale	8		308
<b>Total current assets</b>	<b>12,419</b>	<b>11,895</b>	<b>13,529</b>
<b>Total assets</b>	<b>32,039</b>	<b>36,271</b>	<b>32,623</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity including non-controlling interests</b>	<b>15,310</b>	<b>16,918</b>	<b>15,302</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	6,460	8,507	5,886
Non-interest bearing liabilities	423	343	451
Pension provisions	459	581	454
Other provisions	99	151	112
Deferred tax liabilities	420	435	392
<b>Total non-current liabilities</b>	<b>7,862</b>	<b>10,017</b>	<b>7,294</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	1,856	2,200	2,346
Non-interest bearing liabilities	6,341	6,717	6,796
Provisions	671	419	595
Liabilities attributable to Assets held for sale			291
<b>Total current liabilities</b>	<b>8,868</b>	<b>9,336</b>	<b>10,028</b>
<b>Total equity and liabilities</b>	<b>32,039</b>	<b>36,271</b>	<b>32,623</b>

## Summary statement of changes in consolidated equity

SEKm	31 March 2016			31 March 2015			31 Dec 2015		
	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity	Owners of the parent	Non-controlling interest	Total equity
<b>Opening equity</b>	<b>12,882</b>	<b>2,419</b>	<b>15,302</b>	<b>14,026</b>	<b>2,983</b>	<b>17,009</b>	<b>14,027</b>	<b>2,982</b>	<b>17,009</b>
Adjusted <sup>1)</sup>				-11	-8	-19			
<b>Adjusted equity</b>	<b>12,882</b>	<b>2,419</b>	<b>15,302</b>	<b>14,015</b>	<b>2,974</b>	<b>16,990</b>	<b>14,027</b>	<b>2,982</b>	<b>17,009</b>
Total comprehensive income for the period	43	37	80	-58	32	-26	152	41	194
Dividends		-7	-7		-27	-27	-1,120	-210	-1,330
Non-controlling interests' share of capital contribution								20	20
Purchase of treasury shares	-43		-43				-166		-166
Option premiums							3		3
Put options, future acquisitions from non-controlling interests	-2	-1	-3					-139	-139
Acquisition of shares in subsidiaries from non-controlling interests	-13	-8	-21	-16	-2	-18	-15	-2	-18
Disposal of shares in subsidiaries to non-controlling interests							2	3	5
Non-controlling interests at acquisition								274	274
Non-controlling interests in disposals								-551	-551
<b>Closing equity</b>	<b>12,869</b>	<b>2,441</b>	<b>15,310</b>	<b>13,941</b>	<b>2,977</b>	<b>16,918</b>	<b>12,882</b>	<b>2,419</b>	<b>15,302</b>

<sup>1)</sup> Adjusted opening equity attributed to Nordic Cinema Group.

## Consolidated statement of cash flows

SEKm	2016 Q 1	2015 Q 1	2015
<b>Operating activities</b>			
Profit/loss before tax	-25	91	892
Adjustment for non-cash items	259	53	203
	234	144	1,096
Income tax paid	-81	-106	-288
<b>Cash flow from operating activities before change in working capital</b>	<b>153</b>	<b>38</b>	<b>807</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in inventories	-29	-48	83
Increase (-)/Decrease (+) in operating receivables	560	339	-293
Increase (+)/Decrease (-) in operating liabilities	-549	-243	655
<b>Cash flow from operating activities</b>	<b>134</b>	<b>87</b>	<b>1,252</b>
<b>Investing activities</b>			
Acquisition, group companies	-16	-73	-587
Disposal, group companies	-12	22	1,532
Acquisitions, investments recognised according to the equity method	-103		
Disposals, investments recognised according to the equity method			1,599
Dividends paid from investments recognised according to the equity method			12
Purchase, intangible assets/property, plant and equipment	-128	-188	-697
Disposal, intangible assets/property, plant and equipment	2	3	44
Investments, financial assets	-261	-11	-1
Disposals, financial assets	0	0	42
<b>Cash flow from investing activities</b>	<b>-518</b>	<b>-248</b>	<b>1,943</b>
<b>Financing activities</b>			
Non-controlling interests' share of issue/capital contribution			20
Purchase of treasury shares	-43		-168
Redemption of options	-3		-41
Option premiums paid	7	1	18
Acquisition of shares in subsidiaries from non-controlling interests	-59	-71	-77
Dividends paid	-18	-21	-1,120
Dividends paid, non-controlling interests	-11	-19	-204
Borrowings	795	350	1,192
Amortisation of loans	-728	-291	-1,583
<b>Cash flow from financing activities</b>	<b>-60</b>	<b>-52</b>	<b>-1,961</b>
<b>Cash flow for the period</b>	<b>-444</b>	<b>-213</b>	<b>1,234</b>
Cash and cash equivalents at the beginning of the year	6,455	5,320	5,320
Exchange differences in cash and cash equivalents	41	9	-100
Increase (-)/Decrease (+) of cash and cash equivalents classified as Assets held for sale	15	17	2
Cash and cash equivalents at the end of the period	6,068	5,132	6,455



## Consolidated key figures

	2016 Q 1	2015 Q 1	2015
Return on equity, %			4
Equity ratio, %	48	47	47
<b>Key figures per share <sup>1)</sup></b>			
Total return, %	7	26	9
Dividend yield, %			6.7
Market price, SEK	52.05	59.10	48.83
Dividend, SEK			3.25
Equity attributable to owners of the parent, SEK <sup>2)</sup>	36	39	36
Earnings per share before dilution, SEK <sup>3)</sup>	-0.18	-0.14	1.29
Average number of ordinary shares outstanding:			
– before dilution	319,013,798	319,021,331	319,012,617
– after dilution	319,013,798	319,021,331	319,012,617
Total number of registered shares	324,970,896	324,970,896	324,970,896
Number of shares outstanding	319,732,163	319,843,290	319,753,436
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	234,377,574	234,376,230	234,376,230
– of which, Class C shares	717,529	830,000	740,146

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

<sup>2)</sup> Equity attributable to owners of the parent with deductions for outstanding 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> Profit for the period attributable to owners of the parent minus dividend for the period on preference shares divided by the average number of outstanding ordinary shares.

## Parent company income statement

SEKm	2016 Q 1	2015 Q 1	2015
Other operating income	1		3
Other external costs	-19	-31	-110
Personnel costs	-27	-29	-141
Depreciation of property, plant and equipment	-1	-1	-3
<b>Operating profit</b>	<b>-45</b>	<b>-61</b>	<b>-252</b>
Gain from sale of participating interests in group companies			8
Dividends from group companies		4	983
Impairment of shares in group companies			-1,033
Gain from sale of interests in associates			920
Dividends from associates			12
Result from other securities and receivables accounted for as non-current assets			6
Other interest income and similar profit/loss items	13	1	5
Interest expenses and similar profit/loss items	-4	-10	-61
<b>Profit/loss after financial items</b>	<b>-37</b>	<b>-65</b>	<b>587</b>
Tax			
<b>Profit/loss for the period</b>	<b>-37</b>	<b>-65</b>	<b>587</b>

## Parent company statement of comprehensive income

SEKm	2016 Q 1	2015 Q 1	2015
<b>Profit/loss for the period</b>	<b>-37</b>	<b>-65</b>	<b>587</b>
<b>Comprehensive income for the period</b>	<b>-37</b>	<b>-65</b>	<b>587</b>

## Summary parent company balance sheet

SEKm	31 March 2016	31 March 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	66	69	67
Financial assets	9,445	9,608	8,961
<b>Total non-current assets</b>	<b>9,511</b>	<b>9,678</b>	<b>9,028</b>
<b>Current assets</b>			
Current receivables	22	7	87
Cash and cash equivalents	4,123	3,122	4,677
<b>Total current assets</b>	<b>4,146</b>	<b>3,129</b>	<b>4,764</b>
<b>Total assets</b>	<b>13,657</b>	<b>12,807</b>	<b>13,792</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>10,632</b>	<b>11,342</b>	<b>10,711</b>
<b>Non-current provisions</b>			
Other provisiosn	10	10	23
<b>Non-current liabilities</b>			
Interest-bearing liabilities, group companies	895	525	879
Non-interest bearing liabilities	31	46	50
<b>Current provisions</b>	328	160	309
<b>Current liabilities</b>			
Interest-bearing liabilities, group companies	1,671	638	1,714
Non-interest bearing liabilities	90	86	105
<b>Total equity and liabilities</b>	<b>13,657</b>	<b>12,807</b>	<b>13,792</b>
Pledged assets	none	none	none
Contingent liabilities	368	631	400

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

SEKm	31 March 2016	31 March 2015	31 Dec 2015
<b>Opening equity</b>	<b>10,711</b>	<b>11,406</b>	<b>11,406</b>
Comprehensive income for the period	-37	-65	587
Dividends			-1,120
Purchase of treasury shares	-43		-166
Option premiums			3
<b>Closing equity</b>	<b>10,632</b>	<b>11,342</b>	<b>10,711</b>

## Parent company cash flow statement

SEKm	2016 Q 1	2015 Q 1	2015
<b>Operating activities</b>			
Profit/loss before tax	-37	-65	587
Adjustment for non-cash items	-12	12	-354
	-48	-53	233
Income tax paid	-	-	-
<b>Cash flow from operating activities before change in working capital</b>	<b>-48</b>	<b>-53</b>	<b>233</b>
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-6	7	-72
Increase (+)/Decrease (-) in operating liabilities	-19	-22	-63
<b>Cash flow from operating activities</b>	<b>-73</b>	<b>-68</b>	<b>98</b>
<b>Investing activities</b>			
Investment, shares in subsidiaries	-431	-92	-749
Disposal, shares in subsidiaries		51	107
Liabilities to group companies <sup>1)</sup>			1,668
Disposal, shares in associates			1,595
Disposals, financial assets			22
<b>Cash flow from investing activities</b>	<b>-431</b>	<b>-41</b>	<b>2,643</b>
<b>Financing activities</b>			
Purchase of treasury shares	-43		-168
Option premiums paid	1	1	4
Redemption options			-31
Dividends paid	-18	-21	-1,120
<b>Cash flow from financing activities</b>	<b>-60</b>	<b>-20</b>	<b>-1,314</b>
<b>Cash flow for the period</b>	<b>-564</b>	<b>-129</b>	<b>1,426</b>
Cash and cash equivalents at the beginning of the year	4,677	3,251	3,251
Exchange differences in cash and cash equivalents	11		
Cash and cash equivalents at the end of the year	4,123	3,122	4,677

<sup>1)</sup> Liability to centrally administered group companies that arose in conjunction with divestments of group companies.

## Note 1 Accounting principles in accordance with IFRS

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The interim report is prepared in accordance with IAS 34, Interim Financial Reporting. Pertinent regulations in the Swedish Annual Accounts Act are also applied.

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

IFRS requires uniform accounting principles within a group. The IFRS standards and issued interpretations applied in this interim report are those endorsed by the EU until and including 31 December 2015. The new and revised IFRS standards which came into force in 2016 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 2015 Annual Report.

## Note 2 Risks and uncertainties

Ratos invests in and develops mainly unlisted companies in the Nordic region. These operations include inherent risks attributable to both Ratos and the companies. 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 companies which is also dependent, among other things, on how successful the investment organisation and each company'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 2015 Annual Report. An assessment for the coming months is provided in the *CEO comments on performance in the first quarter of 2016* on pages 3–4.

## Note 3 Acquired and divested businesses

### Acquisition of Serena Properties

In November 2015, Ratos signed an agreement to acquire 56% of the shares in Serena Properties, a newly formed real estate company with commercial retail properties in Finland. The purchase price (enterprise value) for 100% of the company amounted to EUR 191.5m, of which Ratos provided EUR 39m (SEK 359m) when the acquisition was completed in January 2016. The acquisition was carried out when Ratos, via wholly owned subsidiary Aneres Properties AB, subscribed for shares in the newly formed owner company Serena Properties AB, which in turn acquired a number of Finnish real estate companies. The amount provided includes lending to the Serena Properties Group from Aneres Properties. Serena Properties is a joint venture in which Ratos has joint controlling influence and the company is therefore recognised according to the equity method in the Group.

Serena Properties owns and manages 22 retail properties located across 14 mid-size towns in Finland. The properties are located in established retail areas with tenants that are attractive and largely comprise grocery and discount retailers. The properties were previously 100% owned by Varma, which following the sale, will retain 43% ownership in Serena Properties. Redito is commissioned as property portfolio manager and has acquired 1% of the shares.

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

In February, Ratos signed an agreement to acquire 70% of the shares in airteam. The purchase price (enterprise value) for 100% of the company amounted to DKK 575m, of which Ratos provided DKK 272m. The final acquisition price is subject to working capital adjustment. The acquisition was completed in April 2016.

airteam offers high-quality, effective ventilation solutions in Denmark and is headquartered in Aarhus. The company focuses on project development, project management and procurement where the projects, to a large extent, are carried out by a broad network of quality-assured subcontractors. Furthermore, airteam offers maintenance and service of its installed solutions.

### Acquisitions within subsidiaries

During the quarter, Bisnode acquired three new subsidiaries to strengthen its position in Central Europe.

### Disposals within subsidiaries

Ratos's subsidiary Euromaint signed an agreement in December 2015 to sell all its shares in its German subsidiary. The divestment was completed during the first quarter of 2016.

## Note 4 Operating segments

SEKm	Sales			EBT <sup>1)</sup>		
	2016 Q 1	2015 Q 1	2015	2016 Q 1	2015 Q 1	2015
AH Industries	223	271	1,013	-11	-6	-15
Aibel				-38	-8	-75
ArcusGruppen	521	549	2,586	-15	-26	106
Biolin Scientific	44	52	227	-11	-4	3
Bisnode	856	873	3,535	-71	0	201
DIAB	360	369	1,450	10	28	105
Euromaint	404	593	2,273	1	0	-224
GS-Hydro	236	320	1,175	-27	4	11
Hafa Bathroom Group <sup>2)</sup>		52	149		2	3
HENT	1,832	1,284	5,716	64	48	194
HL Display	349	337	1,488	14	-22	-28
Inwido <sup>3)</sup>					7	42
Jøtul	199	209	930	-6	-32	-42
KVD	78	76	317	4	6	21
Ledil	87	70	297	28	8	65
Mobile Climate Control	321	290	1,264	32	5	108
Nebula	83	66	299	20	14	71
Nordic Cinema Group <sup>4)</sup>		791	1,356		136	108
Serena Properties <sup>5)</sup>				3		
Speed Group <sup>6)</sup>	141		203	10		10
TFS <sup>7)</sup>	170		203	6		-2
<b>Total</b>	<b>5,905</b>	<b>6,203</b>	<b>24,480</b>	<b>14</b>	<b>160</b>	<b>664</b>
Exit Nordic Cinema Group						905
Exit Inwido						290
Exit Hafa Bathroom Group						-93
<b>Total exit result</b>						<b>1,101</b>
Impairment AH Industries						-85
Impairment Euromaint						-480
<b>Companies total</b>	<b>5,905</b>	<b>6,203</b>	<b>24,480</b>	<b>14</b>	<b>160</b>	<b>1,200</b>
Income and expenses in the parent company and central companies				-39	-69	-308
<b>Group total</b>	<b>5,905</b>	<b>6,203</b>	<b>24,480</b>	<b>-25</b>	<b>91</b>	<b>892</b>

<sup>1)</sup> Subsidiaries included with 100%. Investments recognised according to the equity method are included with holding percentage of pre-tax profit/loss.

<sup>2)</sup> Hafa Bathroom Group is included until October 2015.

<sup>3)</sup> Inwido is included in consolidated profit as an associate with a holding of 31% until April 2015 and 10% respectively until October 2015 when the entire holding was divested.

<sup>4)</sup> Nordic Cinema Group is included through June 2015. The entire holding was sold in July 2015.

<sup>5)</sup> Serena Properties is included in consolidated profit as a joint venture with a holding of 56% from 27 January 2016.

<sup>6)</sup> Speed Group is included from September 2015.

<sup>7)</sup> TFS is included from October 2015.

## Note 5 Financial instruments

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

Valuation techniques are unchanged during the period.

In the statement of financial position at 31 March 2016, the total value of financial instruments measured at fair value in accordance with level three amounts to SEK 467m (504 at 31 December 2015). The change in

carrying amount since 31 December 2015, SEK -37m, mainly comprises payment for redeemed put options.

In the statement of financial position at 31 March 2016, the net value of derivatives amounts to SEK -47m (-52), of which SEK 5m (3) is recognised as an asset and SEK 52m (55) as a liability.

## Note 6 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
<b>Opening balance 1 January 2016</b>	14,543	-1,872	12,671
Business combinations	9		9
Reclassifications	3		3
Translation differences for the year	89	-20	69
<b>Closing balance 31 March 2016</b>	<b>14,644</b>	<b>-1,892</b>	<b>12,751</b>

## Note 7 Related party disclosures

Transactions with related parties are made on market terms.

### Parent company

The parent company has a related party relationship with its group companies, for more information see Note 33 in the 2015 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 368m (400 at 31

December 2015). In addition, the parent company guarantees that Medcro Intressenter AB and Aneres Properties AB fulfil their obligations in conjunction with the acquisition of TFS and the acquisition of Serena Properties respectively.

SEKm		Interest expenses	Interest income	Dividend	Provision	Receivable	Liability	Capital contribution	Contingent liability
31 March 2016	Subsidiaries/associates				328	0	2,566	120	368
31 March 2015	Subsidiaries/associates	-4		4	160	1	1,168	37	631
31 Dec 2015	Subsidiaries/associates	-8	0	995	309	88	2,594	270	400

During the quarter, Ratos provided a total of SEK 120m to Euromaint in conjunction with a new financing agreement.



