

Interim report, January – March 2017



RATOS

Development in company portfolio

- Sales growth of 7%
- Increase in EBITA from SEK 14m to SEK 102m
- Increase of adjusted EBITA from SEK 95m to SEK 110m, +16%

Performance of Ratos's company portfolio¹⁾

	Ratos's holding		
	2017 Q1	2016 Q1	Change
Net sales in the portfolio	5,124	4,802	+7%
EBITA in the portfolio	102	14	+613%
Adjusted EBITA in the portfolio ²⁾	110	95	+16%

¹⁾ Comparison with corresponding period in preceding year pro forma.
²⁾ Excluding items affecting comparability
 For reconciliation of alternative performance measures, see note 3

Acquisitions and divestments

- Divestment of the remaining shareholding in Arcus, exit gain SEK 33m. Total exit gain amounted to SEK 1,437m
- Divestment of AH Industries completed, exit loss amounted to SEK 32m

Financial information

- Consolidated net sales SEK 5,561m (5,905)
- Loss before tax SEK -32m (-25)
- Earnings per share before and after dilution SEK -0.38 (-0.18)
- Cash and cash equivalents in the parent company totaled SEK 3,386m (4,123)

Financial development based on IFRS

SEKm	2017 Q1	2016 Q1	2016
Net sales	5,561	5,905	25,228
Operating profit	78	81	-235
Profit before tax	-32	-25	-890
of which, Profit/share of profits in portfolio companies	9	14	295
Earnings per share after dilution	-0.38	-0.18	-1.79
Equity (attributable to owners of the parent)	11,281	12,869	11,283
Return on equity, %			-4
Equity ratio, %	45	48	45
Cash flow for the period from operating activities	-166	170	1,451
Cash and cash equivalents in the parent company	3,386	4,123	2,677

Positive performance in the company portfolio



Despite a certain degree of uncertainty in the market, we see signs of market improvements for Ratos's companies. For the first quarter of 2017, Ratos's company portfolio reported positive sales growth and an increase in earnings.

Three strategic add-on acquisitions were completed in our companies in the first quarter, which is a key element of our value generation. The momentum to develop companies and implement changes in cooperation with the various company management teams remains high and has the highest priority, with more frequent follow-ups, and greater focus on what drives value in the companies.

Development in the company portfolio

For the first quarter of 2017, the portfolio noted sales growth of 7%, and EBITA rose from SEK 14m to SEK 102m, pro forma and adjusted for Ratos's holdings. Adjusted EBITA rose from SEK 95m to SEK 110m, or +16% adjusted for Ratos's holdings.

The bulk of the earnings improvement is driven by Bisnode. The company is undergoing a far-reaching change programme to strengthen its core business and modernise its customer offering. Here we can see the effect of previously implemented cost measures.

Aibel also demonstrated growth and profitability in the quarter, driven by positive development in existing contracts. However, the weak market trend in Modifications and Yards as well as Field Development continued and this trend is expected to persist throughout 2017.

The Ratos Group's loss before tax amounted to SEK -32m (-25). Earnings were primarily impacted by Plantasjen's seasonal variations, with the first quarter normally being loss making. The company yielded a loss of SEK 196m before tax for the first quarter of 2017. Plantasjen was not part of the corresponding period last year. Considering Plantasjen's EBITA, the company makes a better first quarter compared to last year, with a profit improvement of 20 MNOK.

Several of our companies are continuing to undertake operational initiatives. As part of its newly established Property Development operations, the Norwegian construction company HENT has concluded agreements for three housing projects comprising a total of about 500 apartments. Plantasjen has developed its concept for small-format stores and four new stores were opened in Norway during the quarter.

Strategic transactions

A key element of the value-generating activities is to work together with the companies' executive management teams to identify and implement add-on acquisitions. In the first quarter, Bisnode completed an add-on acquisition of the German Global Group Dialog Solutions. The acquisition is a component of Bisnode's strategy to become the most wanted partner for data and analytics in Europe.

We also signed an agreement for an add-on acquisition for Plantasjen of SABA Blommor AB. With more than 700 points

of sales throughout the country, mostly within the grocery trade, the acquisition contributes to Plantasjen's journey from garden center to a leading brand for plants.

Nebula also carried out an add-on acquisition during the first quarter of Sigmatic Oy, a Finnish webhosting supplier. The acquisition strengthens Nebula's offering and its position as a leading partner in cloud-based services for small and medium-sized companies.

In February, Ledil was refinanced, entailing that Ratos received a dividend of EUR 18m, which was facilitated by profitable growth and favorable operational performance.

In March, we sold our remaining shareholding in Arcus, following a successful listing in December. The sale yielded a total exit gain of SEK 1,437m, corresponding to a money multiple of 5.7x in SEK (6.2 in NOK).

Focus on earnings and development

The earnings trend we observed in the first quarter was positive, but we need to continue to increase the pace of improvement to achieve even higher earnings. We are working closely with the management teams in all of our companies with tight follow-ups of earnings and with a major focus on value-generating projects.

A number of efficiency-enhancement initiatives continued to be implemented in Ratos's central organisation. As part of an increasingly slimmed organisation and more stringent demands on internal efficiency, we have also begun implementing a "lean" management system at Ratos's central organisation.

Last year was particularly intensive in terms of transactions, with several divestments and investments in companies which, in our assessment, have significant development potential. Looking ahead, the transaction market remains strong with good opportunities for Ratos to capitalise on our unique profile, flexible ownership horizon and distinct investment strategy. Our current cash and bank balances allow us to maintain a high level of preparedness and opportunities to act.

A handwritten signature in blue ink, which appears to read 'Magnus Agervald'.

Magnus Agervald
CEO

Significant events, January – March 2017

- In February, Ledil was refinanced. Ratos received a dividend of EUR 18m for its holding of 66%. The refinancing was facilitated by profitable growth and the business's favourable performance. Ratos's consolidated book value for Ledil was adjusted downward by a corresponding amount.
- In March, Bisnode signed an agreement to acquire Global Group Dialog Solutions AG, a Germany-based leading supplier of solutions based on market information. The acquisition is a key element of Bisnode's strategy to become the most attractive data and analysis partner in Europe. In conjunction with the transaction, Ratos is contributing SEK 54m for its holding.
- In March, Ratos divested its holding of 23.6% in Arcus ASA (publ) ("Arcus") to Canica AS and Sundt AS. The divestment was made at a price of NOK 47,40 per share, totalling SEK 762m, yielding an exit gain of SEK 33m. Following the sale, Ratos owns no shares in Arcus. Canica AS and Sundt AS assumed the lock-up commitment originally entered into by Ratos at the date of the IPO. Arcus was listed on the Oslo Stock Exchange in December 2016 and has generated a total exit gain of SEK 1,437m, an internal rate of return (IRR) of approximately 30% and a money multiple of 5.7x in SEK (6.2x in NOK).
- In March, Plantasjen signed an agreement to acquire SABA Blommor AB, one of the leading service providers of in-store solutions for flowers in Sweden. The acquisition is expected to be completed in the second quarter of 2017 and is financed by Plantasjen.
- Ratos's Annual General Meeting held on 6 April approved a dividend of SEK 2.00 per ordinary share, totalling SEK 638m.

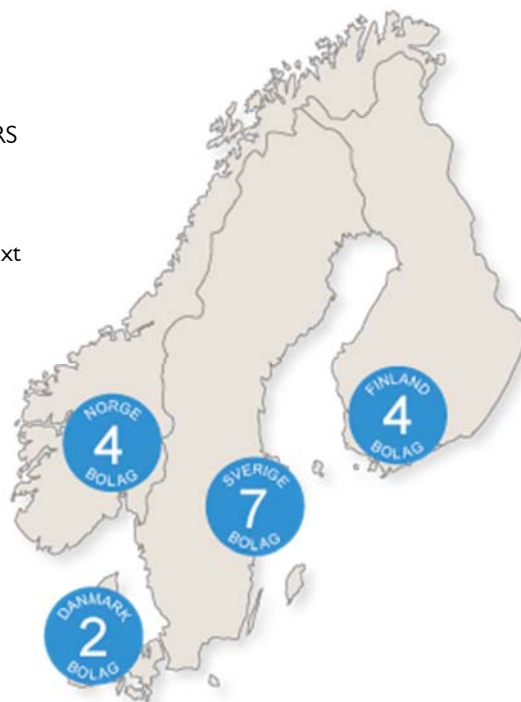
Refer to pages 6–12 for more information about significant events in the companies.

Companies overview

The Ratos Group's net sales for the first quarter of 2017 in accordance with IFRS amounted to SEK 5,561m (5,905), corresponding to a decrease of -6%. Operating profit for the same period was SEK 78m (81). To facilitate a comparison of the ongoing performance of Ratos's company portfolio, the next section includes certain financial information that is not defined in accordance with IFRS. For a reconciliation of the alternative performance measures used in this report with the most directly reconcilable IFRS measures, refer to Note 3.

Ratos's company portfolio

Ratos invests mainly in unlisted medium-sized Nordic companies and, as per 31 March 2017, has 17 companies in its portfolio. The largest industries in terms of sales are Construction, Industrials and Consumer goods/Commerce.

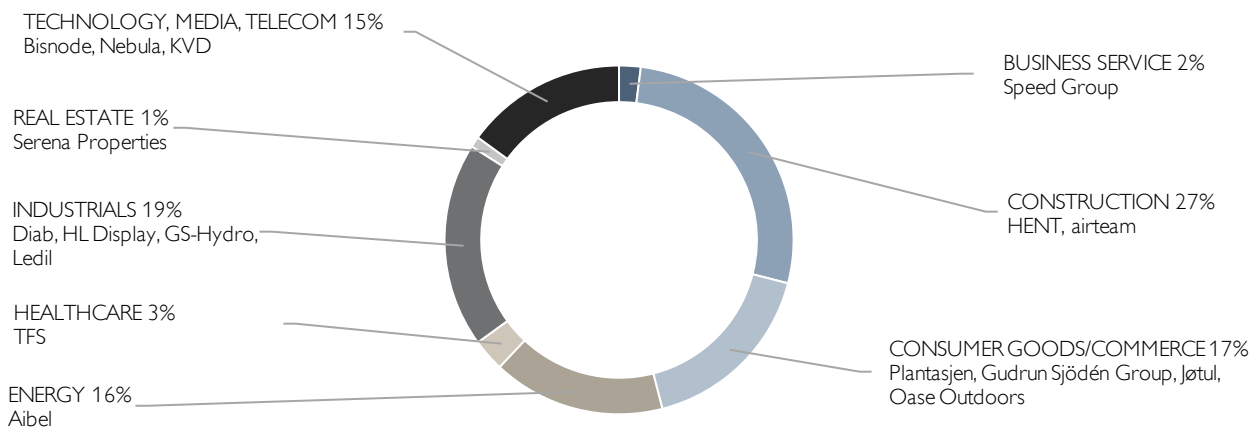


17 companies with approximately

14,200* employees

* The number of employees is based on the average number of employees for full-year 2016 for the 17 companies.

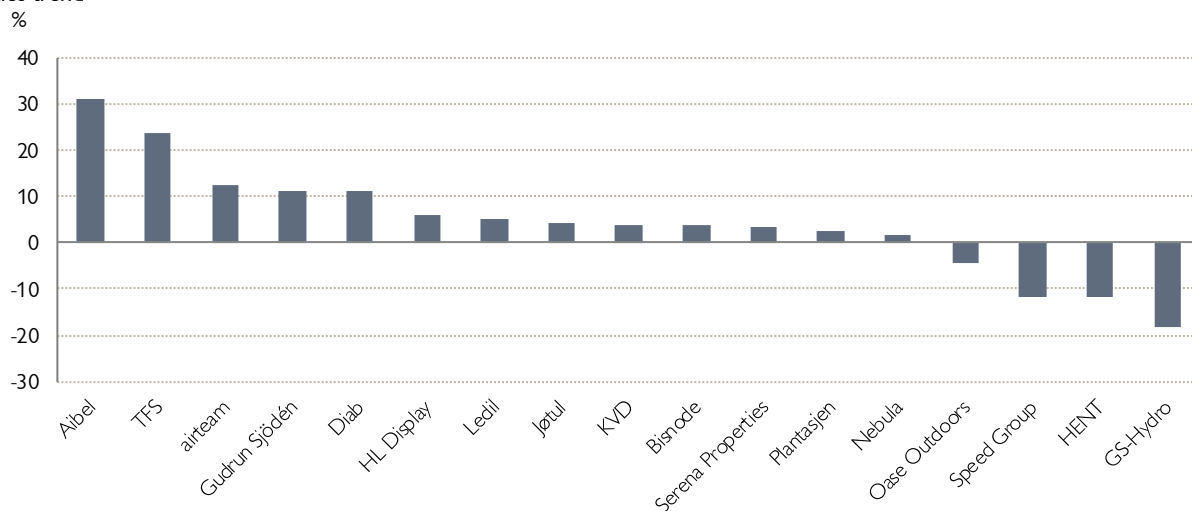
Sales breakdown by segment**



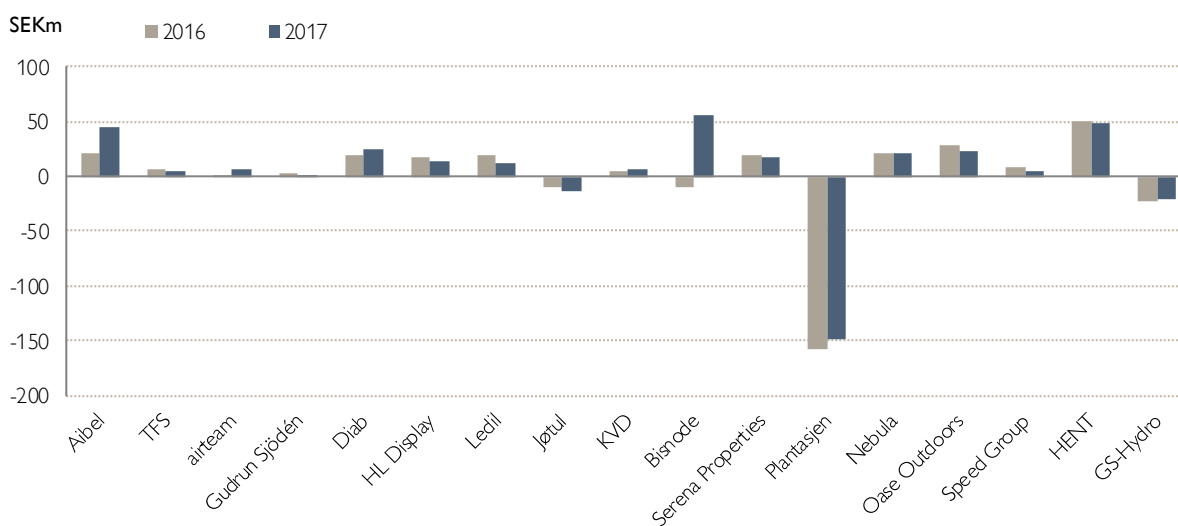
** Adjusted for the size of Ratos's holding.

Ratos's companies

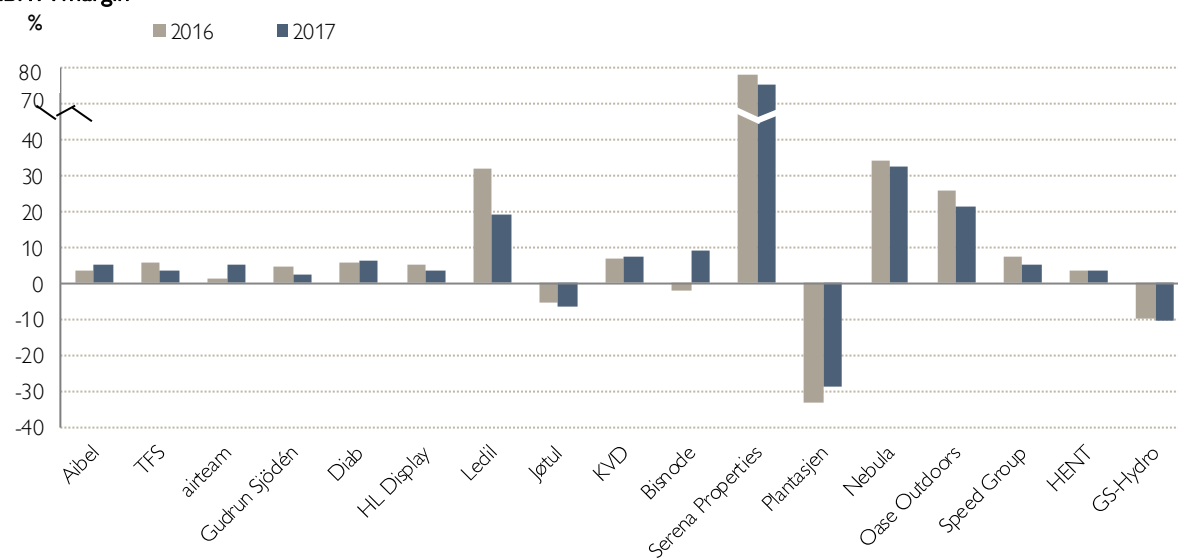
Sales trend



EBITA*



EBITA margin



* Adjusted for the size of Ratos's holding.

The information presented for each company from page 6 refers to the company in its entirety and has not been adjusted for the size of Ratos's holding.

Consumer goods/commerce

Plantasjen

PLANTASJEN®

- Sales growth of 2%. Sales were negatively affected by a cold March with weak sales for outdoor plants. Plantasjen's sales have strong seasonal variations, since sales largely occur during the second quarter, while the remaining quarters are small in terms of sales
- Continued focus on developing supply chain and product range in plants and accessories. Four new small-format stores opened in Norway in the first quarter
- Agreement signed to acquire SABA Blommor AB, one of the leading suppliers of flowers for in-store sale in Sweden. The acquisition is expected to be completed in the second quarter
- Jon Abrahamsson Ring leaves his assignment as CEO of Plantasjen during 2017

MNOK	Q1		Holding
	2017	2016	
Sales	501	490	99%
EBITA	-144	-164	
EBITA margin	-28.7%	-33.4%	
Cash flow from operations	-266		

Plantasjen is the Nordic region's leading chain for sales of plants and gardening accessories with more than 120 stores in Norway, Sweden and Finland and a primary focus on consumers.

Gudrun Sjödén Group



- Sales growth of 11%, favourable growth in all markets
- EBITA margin impacted by expansion costs
- Continued focus on global expansion and development of e-commerce. One new store opened in Freiburg, Germany, during the first quarter

MSEK	Q1		Holding
	2017	2016	
Sales	191	172	30%
EBITA	5	8	
EBITA margin	2.4%	4.7%	
Cash flow from operations	-10		

International design company with a unique, colourful style and clear sustainability profile.

Jøtul



- Positive sales performance driven by higher demand in the two core markets, North America and France, while the Norwegian home market displayed a weaker trend. Sales positively impacted by the fact that Easter fell in the second quarter. EBITA impacted by non-recurring costs of NOK 5m related to streamlining in the organisation
- Continued intense focus on efficiency measures in terms of cost savings and improved production efficiency
- Nils Agnar Brunborg, with long experience of driving change processes as president of international companies, including O Mustad & Søn AS, took office in January 2017 as Acting CEO

MNOK	Q1	
	2017	2016
Sales	212	203
EBITA	-14	-11
EBITA margin	-6.5%	-5.2%
Cash flow from operations	-8	

Holding

93%

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

Oase Outdoors



- Sales performance negatively impacted by currency effects. EBITA was also impacted by ongoing investments in growth initiatives
- Recruitments in key functions, such as business development and sales

MDKK	Q1	
	2017	2016
Sales	106	111
EBITA	23	29
EBITA margin	21.2%	25.8%
Cash flow from operations	-56	

Holding

78%

Danish company that designs, produces and sells high-quality camping and outdoor equipment.

Construction

HENT

HENT

- Sales declined by 12% compared with a very robust 2016. Favorable profitability
- Order intake of approximately NOK 2.1 billion. The order book at 31 March 2017 amounted to approximately NOK 9.4 billion (approximately NOK 8.9 billion at 31 December 2016)
- In respect of HENT's newly established operation in property development, the Group signed an agreement for two new housing projects in Trondheim. The business now has a total of three projects (one additional project in Stavanger on which construction has already begun), comprising a total of about 500 apartments

MNOK	Q1	
	2017	2016
Sales	1,651	1,871
EBITA	62	70
EBITA margin	3.8%	3.8%
Cash flow from operations	47	

Holding

73%

HENT is a leading Norwegian construction company with projects in Norway and Sweden. The company focuses newbuilds of public and commercial real estate, and focuses its resources on project development, project management and procurement. The projects are to a large extent carried out by a broad network of quality assured subcontractors.

- High sales growth and activity level in the market. airteam is a project-based operation, in which the sales and profitability of the projects vary over time and between periods. Transaction-related non-recurring costs of DKK 15m were charged to EBITA for the first quarter of 2016
- Investments within the organisation and intense focus on growth initiatives to enable expansion

MDKK	Q1		Holding
	2017	2016	
Sales	149	132	70%
EBITA	8	2	
EBITA margin	5.3%	1.6%	
Cash flow from operations	-1		

airteam offers high-quality, effective ventilation solutions in Denmark.

Industry

Diab



- The sales increase amounted to 11%, with a strong performance primarily in the marine and wind segment, driven by the European, Indian and North American markets
- EBITA remained under pressure due to growth initiatives to increase capacity in order to satisfy rising demand, although it was slightly stronger than in the year-earlier period
- The new facility for IPN foam production in China is expected to reach full capacity in 2017

MSEK	Q1		Holding
	2017	2016	
Sales	401	360	96%
EBITA	26	21	
EBITA margin	6.6%	5.7%	
Cash flow from operations	13		

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.

HL Display



- Sales growth of 6% driven by initiatives in the sales organisation and marketing completed earlier
- Lower profitability mainly due to temporarily higher overhead costs
- Continued focus on profitable growth through product innovation, broadening of the offering and efficiency enhancements

MSEK	Q1		Holding
	2017	2016	
Sales	370	349	99%
EBITA	14	18	
EBITA margin	3.8%	5.2%	
Cash flow from operations	-16		

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

GS-Hydro



- Weak sales trend persisted, driven by continued soft demand in offshore, while the marine segment and land-based segment reported stable development. Very weak EBITA due to low volume, price pressure and unfavorable sales mix. Positive effect, however, from restructuring measures completed in 2016
- Implementation of restructuring programme continued during the quarter, including further layoffs and continued implementation of the centralisation of warehouses in Europe

MEUR	Q1		Holding
	2017	2016	
Sales	20.7	25.4	100%
EBITA	-2.2	-2.5	
EBITA margin	-10.4%	-10.0%	
Cash flow from operations	-1.9		

GS-Hydro is a leading global supplier of non-welded piping solutions. The products and services are used within the marine and offshore industries, within land-based segments such as the paper and metals industries and in test equipment for the automotive industry.

Ledil



- Sales growth primarily driven by North America
- Robust investments in sales and product development resulted in higher overheads which, combined with a lower sales increase, yielded a lower EBITA margin during the first quarter
- In February, Ledil was refinanced and Ratos received a dividend of EUR 18m for its holding of 66%

MEUR	Q1		Holding
	2017	2016	
Sales	9.8	9.3	66%
EBITA	1.9	3.0	
EBITA margin	19.0%	31.9%	
Cash flow from operations	1.1		

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.

Energy

Aibel



- Sales growth is primarily driven by high activity in new construction contracts for the Johan Sverdrup field. Generally good deliveries of projects. Favorable profitability in the quarter, driven by positive development in existing contracts and positive effects from the conclusion of projects
- Continued weak market trend in Modification and Yards and Field Development, which is expected to continue in 2017. The order book at 31 March 2017 amounted to approximately NOK 14 billion, down about 25% compared with 31 March 2016
- During the first quarter, Aibel won a contract for the connection of a drilling platform for the Johan Sverdrup field, with an order value of about NOK 400m. The contract includes an option for the connection of a further two platforms

MNOK	Q1		Holding
	2017	2016	
Sales	2,466	1,883	32%
EBITA	135	65	
EBITA margin	5.5%	3.4%	
Cash flow from operations	538		

Aibel is a leading Norwegian supplier of maintenance and modification services (Modification and Yards) for production platforms and onshore installations for oil and gas as well as new construction projects (Field Development) in oil and gas and renewable energy (Renewables). The company has operations along the Norwegian coast as well as in Asia. Customers are primarily major oil companies which operate on the Norwegian continental shelf.

Technology, Media, Telecom

Bisnode



- The extensive change initiatives to strengthen core operations and modernise the customer offering are ongoing at a high pace
- EBITA increased by SEK 96m, of which SEK 43m was attributable to non-recurring costs in the first quarter of 2016 related to the restructuring process, primarily layoffs. As a result of the change initiative and product rationalisation activities, the organic revenue development was +2%
- During the first quarter, Bisnode signed an agreement to acquire Global Group Dialog Solutions AG, a Germany-based leading supplier of solutions based on market information. The acquisition is a key element of Bisnode's strategy to become the most attractive data and analysis partner in Europe. The acquisition was concluded in April and Ratos contributed SEK 54m corresponding to its holding in conjunction with the transaction. During the first quarter Bisnode also acquired Belgian Swan Insights, which reinforces know-how of Big Data

MSEK	Q1		Holding
	2017	2016	
Sales	888	856	70%
EBITA	80	-16	
EBITA margin	9.0%	-1.8%	
Cash flow from operations	135		

Bisnode is a leading European data and analysis company. The customer base comprises 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.

Nebula



- Sales growth of 2%, driven by a continued increase in the subscription-based business
- Stable EBITA trend adjusted for transaction costs from the acquisition of Sigmatic Oy
- The acquisition of the Finnish webhosting supplier Sigmatic Oy was completed during the quarter. The acquisition strengthens Nebula's offering and its position as a leading partner in cloud-based services for small and medium-sized companies

MEUR	Q1		Holding
	2017	2016	
Sales	9.0	8.9	73%
EBITA	2.9	3.0	
EBITA margin	32.4%	34.0%	
Cash flow from operations	3.9		

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.

KVD



- Sales growth driven by highly favourable expansion within Private Cars and a stable performance in Company Cars and Machines & Heavy Vehicles
- Continued investments in IT and the development of services in order to raise the level of customer value on auction sites
- Strengthened management group

MSEK	Q1		Holding
	2017	2016	
Sales	81	78	100%
EBITA	6	5	
EBITA margin	7.4%	7.0%	
Cash flow from operations	-4		

KVD is Sweden's largest independent online marketplace offering broker services for second-hand vehicles. The company operates the auction sites kvd.se, kvdnorge.no, kvdpro.com and 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's service offering includes valuation portals for cars.

Healthcare

TFS



- Service sales* amounted to EUR 15.5m (15.1), corresponding to growth of 3%. Slightly more restricted growth due to delays in, as well as cancellations of, a number of major customer projects at the beginning of the quarter
- Investments in future growth in therapeutic expertise, the service range, organisation, technology and operational efficiency, which impacts profitability

MEUR	Q1		Holding
	2017	2016	
Sales	22.6	18.3	60%
EBITA	0.8	1.0	
EBITA margin	3.5%	5.6%	
Cash flow from operations	0.0		

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

*According to IFRS, TFS and other contract research organizations (CRO) generate two types of revenue: 1) Service sales (actual revenue-generating sales) and 2) re-invoicing of expenditure (for example, travel expenses, laboratory costs and other overheads) at no or a very low margin. In all material respects, service sales are the most important when it comes to the company's performance and earnings.

Corporate services

Speed Group



- The company has a modified contract portfolio in 2017, which is reflected in the sales and earnings trend
- Investments completed in process and system improvements created an attractive customer offering and facilitate future growth

MSEK	Q1		Holding
	2017	2016	
Sales	125	141	70%
EBITA	6	11	
EBITA margin	5.2%	7.7%	
Cash flow from operations	38		

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

Properties

Serena Properties

SERENA
PROPERTIES

- Stable trend in terms of rental income and profitability
- As part of its active management approach, Serena initiated several attractive development projects during the first quarter in a number of retail areas with the aim of further strengthening the mix of tenants and rental terms and conditions
- Over the past 12-month period, Ratos has received SEK 32m from Serena

MSEK	Q1	
	2017	2016
Sales	43	42
EBITA	33	33
EBITA margin	75.6%	78.2%
Cash flow from operations	33	

Holding*

56%

*Serena Properties is a newly formed real estate company with a portfolio of 21 commercial retail properties in 14 mid-sized towns in Finland. *Serena Properties is a joint venture, in which Ratos and Varma have joint decision-making influence and the company is thus reported in the Group using the equity method.*

Ratos's companies at 31 March 2017, adjusted for the size of Ratos's holdings.

SEKm	Net sales in portfolio			EBITA in portfolio		
	2017 Q1	2016 Q1	2016	2017 Q1	2016 Q1	2016
Aibel	825	588	3,474	45	20	15
airteam ¹⁾	132	115	535	7	2	32
Bisnode	620	598	2,416	56	-11	159
Diab	385	346	1,456	25	20	105
GS-Hydro	198	236	887	-21	-24	-149
Gudrun Sjødén Group ²⁾	57	52	214	1	2	21
HENT	1,264	1,337	5,829	48	50	174
HL Display	364	344	1,397	14	18	66
Jøtul	206	184	832	-13	-10	0
KVD	81	78	321	6	5	37
Ledil	62	58	242	12	18	70
Nebula	62	60	241	20	20	73
Oase Outdoors ³⁾	107	109	331	23	28	36
Plantasjen ⁴⁾	519	473	3,643	-149	-158	229
Serena Properties ⁵⁾	24	23	96	18	18	72
Speed Group	87	99	393	5	8	24
TFS	129	102	475	5	6	38
Total adjusted for Ratos's holding	5,124	4,802	22,782	102	14	1,004
Change	+7%			+613%		

SEKm	Adjusted EBITA in portfolio ^{A)}			Cash flow in portfolio from operations ^{B)}	Interest-bearing net debt in portfolio	Ratos's holding (%)
	2017 Q1	2016 Q1	2016			
Aibel	45	35	100	180	664	32
airteam ¹⁾	7	15	52	-1	141	70
Bisnode	57	19	250	94	1,183	70
Diab	25	25	110	13	781	96
GS-Hydro	-21	-22	-102	-18	387	100
Gudrun Sjødén Group ²⁾	1	2	21	-3	-2	30
HENT	48	51	175	36	-507	73
HL Display	14	18	84	-16	584	99
Jøtul	-9	-8	7	-8	499	93
KVD	7	9	48	-4	155	100
Ledil	12	18	70	7	250	66
Nebula	21	21	78	27	310	73
Oase Outdoors ³⁾	23	29	57	-56	279	78
Plantasjen ⁴⁾	-148	-149	295	-275	2,647	99
Serena Properties ⁵⁾	18	18	72	19	630	56
Speed Group	5	8	29	26	-57	70
TFS	5	6	40	0	14	60
Total adjusted for Ratos's holding	110	95	1,383	21	7,958	
Change	+16%					

A) EBITA, adjusted for items affecting comparability.

B) Cash flow from operations, excluding paid tax and interest, but including investments and divestments of intangible assets and property, plant and equipment, respectively.

All figures in the above table are based on Ratos's holdings. In order to facilitate comparisons between years and provide a comparable structure, where appropriate some holdings are reported pro forma. Pro formas for 2016 are presented in below. Complete income statements, statements of financial position and statements of cash flows for all of the companies are available at www.ratos.se.

1. airteam's earnings for 2016 are pro forma in terms of Ratos's acquisitions and for new financing and Group structure.
2. Gudrun Sjødén Group's earnings for 2016 are pro forma in terms of Ratos's acquisition.
3. Oase Outdoors' earnings for 2016 are pro forma in terms of Ratos's acquisition and for new financing and Group structure.
4. Plantasjen's earnings for 2016 are pro forma in terms of Ratos's acquisition and for new financing and Group structure.
5. Serena Properties' earnings for 2016 are pro forma in terms of Ratos's acquisition and for new financing and Group structure.

Financial information

Ratos's results

The loss before tax for the first quarter of 2017 amounted to SEK -32m (-25). The reported loss was impacted by seasonal fluctuations in Plantasjen's reported earnings.

The result includes profit/share of profits from the companies in the amount of SEK 9m (14).

The relatively high tax expense for the period is attributable to tax-related losses in Ratos's parent company and in certain portfolio companies, which were not capitalised.

Income and expenses in the parent company and central companies

Ratos's adjusted management costs amounted to SEK -44m (-45). The operational management costs include such current expenses as personnel costs, listing and auditing costs, Board fees and costs relating to Ratos's Nordic operations.

Cash flow and financial position

Cash flow for the period amounted to SEK 780m (-444), of which cash flow from operating activities accounted for SEK -166m (170), cash flow from investing activities for SEK 585m (-516) and cash flow from financing activities for SEK 361m (-97). In addition to the conditions in the portfolio companies' operating activities, Ratos's cash flow was impacted by changes in the company portfolio.

The Group's cash and cash equivalents at the end of the period amounted to SEK 5,194m (6,068) and interest-bearing net debt totalled SEK 3,843m (2,394).

Parent company

The parent company's profit before tax amounted to SEK 805m (-37). The parent company's cash and cash equivalents totalled SEK 3,386m (4,123). In addition, there is a credit facility of SEK 2.2 billion, authorisation from the 2017 Annual General Meeting to issue a maximum of 35 million Ratos Class 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 B shares

Earnings per share before dilution amounted to SEK -0.38 (-0.18). The closing price for Ratos's Class B shares on 31 March was SEK 42.12. Total return on Class B shares in the first quarter of 2017 amounted to -2%, compared with the performance for the SIX Return Index, which was +7%.

Ratos preference shares

The closing price for Ratos's Class C preference shares on 31 March was SEK 1,855. The dividend is regulated by the

Articles of Association and amounts to SEK 120 per year and is paid quarterly in February, May, August and November. Redemption can take place following a decision by the Board in an amount of SEK 1,837.50 (corresponding to 105% of the subscription price), as of the first payment occasion following the 2017 Annual General Meeting. A dividend with record date 15 February 2017 was paid on 20 February 2017 totalling SEK 18m.

Treasury shares and number of shares

No Class C preference shares have been repurchased in 2017. As of 30 December 2016, a total of 122,592 Class C preference shares had been repurchased. No Class B shares were repurchased and no call options were exercised during the period. 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 108,670,444. The number of outstanding Class A and B shares was 319,014,634 and the number of outstanding preference shares 707,408. The average number of Class B treasury shares in Ratos in the first quarter of 2017 was 5,126,262 (5,126,468 in full-year 2016).

Ratos's equity

At 31 March 2017, Ratos's equity (attributable to owners of the parent) amounted to SEK 11,281m (11,283 at 31 December 2016), corresponding to SEK 31 per share outstanding (SEK 31 at 31 December 2016).

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.

Resolutions at the Annual General Meeting Election of the Board of Directors and auditor

The Annual General Meeting resolved in accordance with the Nomination Committee's proposal and decided to re-elect Board members Ulla Litzén, Annette Sadolin, Karsten Slotte, Charlotte Strömberg, Jan Söderberg, Per-Olof Söderberg and Jonas Wiström. Jonas Wiström was re-elected Chairman of the Board. A more detailed presentation of the Board members is available at www.ratos.se. The Meeting resolved on unchanged fees to

the Board and the Board Committees in accordance with the Nomination Committee's proposal. The Meeting re-elected PricewaterhouseCoopers AB as auditor for the period until the next Annual General Meeting.

Dividend on Class A and B shares

The Meeting resolved on an ordinary dividend of SEK 2.00 per Class A and Class B share. The record date for the right to receive dividends was scheduled as 10 April 2017 and dividends were paid on 13 April 2017.

Dividend on Class C preference shares

The Meeting resolved that a dividend on outstanding Class C preference shares until the 2018 Annual General Meeting, in accordance with the Articles of Association, shall be paid quarterly in an amount of SEK 30 per Class C preference share, although a maximum amount of SEK 120. The following dates were determined as record dates for the quarterly dividends: 15 May 2017, 15 August 2017, 15 November 2017 and 15 February 2018.

Repurchase of shares

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

Incentive programmes

The Meeting 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 Meeting further resolved to transfer a maximum of 800,000 treasury shares when the above-mentioned options are exercised. The option programme is in line with the programme applied in the preceding year. Furthermore and largely in accordance with the decision in the preceding year, the Meeting resolved on a cash-settled option programme related to Ratos's investments in portfolio companies. The programme will be carried out

by issuing synthetic options which senior executives and key people within Ratos will be entitled to acquire at a market price. The cash-settled option programme is consistent with the programme applied in the preceding year, albeit slightly adjusted.

Authorisation for new issue of Class B shares to be used in conjunction with acquisitions

The Meeting resolved to authorise the Board, during the period until the next Annual General Meeting, in conjunction with agreements on company acquisitions, on one or 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 in conjunction with acquisitions

The Meeting further resolved to authorise the Board, during the period until the next Annual General Meeting, 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 comprises a maximum of 1,250,000 Class C and/or Class D preference shares. The Meeting further resolved on amendments to the Articles of Association to enable a new issue of Class D preference shares as well as dividends on new Class C and/or Class D shares which may be issued prior to the 2018 Annual General Meeting to be paid quarterly of SEK 30 per Class C preference share, although a maximum of SEK 120, and of SEK 25 per Class D preference share, although a maximum of SEK 100.

Guidelines for salary and other remuneration

The Meeting approved the Board's proposal regarding guidelines for remuneration to senior executives.

Key figures for Ratos's share

SEKm	2017 Q1	2016 Q1	2016
Key figures per share ¹⁾			
Total return, %	-2	7	-6
Dividend yield, %			4.6
Market price, SEK	42.12	52.05	43.14
Dividend, SEK			2.00
Equity attributable to owners of the parent, SEK ²⁾	31	36	31
Earnings per share before dilution, SEK ³⁾	-0.38	-0.18	-1.79
Average number of ordinary shares outstanding:			
– before dilution	319,014,634	319,013,798	319,014,428
– after dilution	319,014,634	319,013,798	319,014,428
Total number of registered shares	324,970,896	324,970,896	324,970,896
Number of shares outstanding	319,722,042	319,732,163	319,722,042
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	234,377,574	234,377,574	234,377,574
– of which, Class C shares	707,408	717,529	707,408

¹⁾ Relates to Class B shares unless specified otherwise.

²⁾ 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.

³⁾ 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.

Financial statements

Consolidated income statement

SEKm	2017 Q1	2016 Q1	2016
Net sales	5,561	5,905	25,228
Other operating income	17	13	88
Change in inventories of products in progress, finished goods and work in progress	-128	23	7
Work performed by the company for its own use and capitalised	15	20	90
Raw materials and consumables	-2,749	-3,118	-13,695
Employee benefit costs	-1,608	-1,718	-6,807
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-157	-129	-1,441
Other costs	-911	-865	-3,539
Capital gain/loss from sale of group companies	-32	-13	1,678
Impairment and capital gain from investments recognised according to the equity method	33		-1,692
Share of pre-tax profit/loss from investments recognised according to the equity method ¹⁾	37	-37	-152
Operating profit/loss	78	81	-235
Financial income	16	23	96
Financial expenses	-127	-129	-751
Net financial items	-111	-105	-655
Profit/loss before tax	-32	-25	-890
Tax	-21	-26	-198
Share of tax from investments recognised according to the equity method ¹⁾	-14	10	18
Profit/loss for the period	-67	-40	-1,071
<i>Profit/loss for the period attributable to:</i>			
Owners of the parent	-105	-40	-500
Non-controlling interests	37	0	-570
Earnings per share, SEK			
– before dilution	-0.38	-0.18	-1.79
– after dilution	-0.38	-0.18	-1.79

¹⁾ 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	2017 Q1	2016 Q1	2016
Profit/loss for the period	-67	-40	-1,071
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit pension obligations, net			-70
Tax attributable to items that will not be reclassified to profit or loss			18
			-51
Items that may be reclassified subsequently to profit or loss:			
Translation differences for the period	18	116	312
Change in hedging reserve for the period	-1	5	-54
Tax attributable to items that may be reclassified subsequently to profit or loss	1	-1	9
	17	120	268
Other comprehensive income for the period	17	120	216
Total comprehensive income for the period	-50	80	-854
<i>Total comprehensive income for the period attributable to:</i>			
Owners of the parent	-90	43	-388
Non-controlling interest	40	37	-466

Summary consolidated statement of financial position

SEKm	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Non-current assets			
Goodwill	12,957	12,751	12,990
Other intangible non-current assets	1,829	1,637	1,844
Property, plant and equipment	1,935	1,797	1,970
Financial assets	1,709	2,903	2,373
Deferred tax assets	614	531	594
Total non-current assets	19,044	19,620	19,771
Current assets			
Inventories	1,560	1,938	1,389
Current receivables	3,658	4,406	3,771
Cash and cash equivalents	5,194	6,068	4,389
Assets held for sale		8	485
Total current assets	10,412	12,419	10,034
Total assets	29,456	32,039	29,805
EQUITY AND LIABILITIES			
Equity including non-controlling interests	13,150	15,310	13,286
Non-current liabilities			
Interest-bearing liabilities	7,309	6,460	6,953
Non-interest bearing liabilities	389	423	582
Pension provisions	490	459	487
Other provisions	227	99	99
Deferred tax liabilities	370	420	501
Total non-current liabilities	8,785	7,862	8,623
Current liabilities			
Interest-bearing liabilities	1,583	1,856	1,228
Non-interest bearing liabilities	5,375	6,341	5,630
Provisions	564	671	553
Liabilities attributable to Assets held for sale			485
Total current liabilities	7,522	8,868	7,896
Total equity and liabilities	29,456	32,039	29,805

Summary statement of changes in consolidated equity

SEKm	2017-03-31			2016-03-31			2016-12-31		
	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
Opening equity	11,283	2,003	13,286	12,882	2,419	15,302	12,882	2,419	15,302
Adjusted	0		0				-35	-10	-46
Adjusted equity	11,283	2,003	13,287	12,882	2,419	15,302	12,847	2,409	15,256
Total comprehensive income for the period	-90	40	-50	43	37	80	-388	-466	-854
Dividends		-88	-88		-7	-7	-1,108	-22	-1,131
Non-controlling interests' share of capital contribution and new issue								494	494
Purchase of treasury shares, net effect				-43		-43	-61		-61
Option premiums							2		2
Put options, future acquisitions from non-controlling interests		-4	-4	-2	-1	-3	-4	-38	-42
Acquisition of shares in subsidiaries from non-controlling interests	0	4	4	-13	-8	-21	-6	-55	-60
Disposal of shares in subsidiaries to non-controlling interests								0	0
Non-controlling interests at acquisition								8	8
Non-controlling interests in disposals		0	0					-63	-63
Adjusted non-controlling interests	88	-88						-264	-264
Closing equity	11,281	1,868	13,150	12,869	2,441	15,310	11,283	2,003	13,286

Consolidated statement of cash flows

SEKm	2017 Q1	2016 Q1	2016
Operating activities			
Operating profit/loss	78	81	-235
Adjustment for non-cash items	142	189	1,784
	220	270	1,549
Income tax paid	-45	-81	-232
Cash flow from operating activities before change in working capital	175	189	1,317
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-181	-29	-47
Increase (-)/Decrease (+) in operating receivables	87	560	-118
Increase (+)/Decrease (-) in operating liabilities	-248	-549	299
Cash flow from operating activities	-166	170	1,451
Investing activities			
Acquisition, group companies	-29	-16	-2,242
Disposal, group companies	-42	-12	1,757
Acquisitions, investments recognised according to the equity method	-16	-103	-585
Disposals, investments recognised according to the equity method	781		
Purchase, intangible assets/property, plant and equipment	-116	-127	-529
Investments, financial assets	7	-261	-257
Disposal, financial assets	1	2	13
Cash flow from investing activities	585	-516	-1,844
Financing activities			
Non-controlling interests' share of issue/capital contribution			298
Purchase of treasury shares		-43	-62
Option premiums paid	1	7	66
Redemption of options	-4	-3	-11
Acquisition of shares in subsidiaries from non-controlling interests		-59	-96
Dividends paid	-18	-18	-1,109
Dividends paid, non-controlling interests	-88	-11	-28
Borrowings	790	795	3,376
Amortisation of loans	-249	-717	-3,903
Paid interest	-65	-38	-284
Amortisation of financial lease liabilities	-7	-11	-41
Cash flow from financing activities	361	-97	-1,794
Cash flow for the period	780	-444	-2,187
Cash and cash equivalents at the beginning of the year	4,389	6,455	6,455
Exchange differences in cash and cash equivalents	-8	41	138
Increase (-)/Decrease (+) of cash and cash equivalents classified as Assets held for sale	32	15	-17
Cash and cash equivalents at the end of the period	5,194	6,068	4,389

Parent company income statement

SEKm	2017 Q1	2016 Q1	2016
Other operating income	1	1	2
Other external costs	-16	-19	-81
Personnel costs	-28	-27	-184
Depreciation of property, plant and equipment	-1	-1	-4
Operating loss	-44	-45	-266
Gain from sale of participating interests in group companies			2,459
Dividends from group companies	169		
Impairment of shares in group companies	-95		-2,467
Gain from sale of interests in associates	778		
Result from other securities and receivables accounted for as non-current assets			0
Other interest income and similar profit/loss items	2	13	14
Interest expenses and similar profit/loss items	-4	-4	-52
Profit/loss after financial items	805	-37	-312
Tax			
Profit/loss for the period	805	-37	-312

Parent company statement of comprehensive income

SEKm	2017 Q1	2016 Q1	2016
Profit/loss for the period	805	-37	-312
Total comprehensive income for the period	805	-37	-312

Summary parent company balance sheet

SEKm	2017-03-31	2016-03-31	2016-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	63	66	64
Financial assets	8,997	9,445	9,075
Total non-current assets	9,060	9,511	9,139
Current assets			
Current receivables	74	22	51
Cash and cash equivalents	3,386	4,123	2,677
Total current assets	3,460	4,146	2,728
Total assets	12,520	13,657	11,867
EQUITY AND LIABILITIES			
Equity	10,037	10,632	9,232
Non-current provisions			
Other provisions		10	11
Non-current liabilities			
Interest-bearing liabilities, group companies	2,214	895	2,254
Non-interest bearing liabilities	18	16	34
Other financial liabilities	43	15	39
Current provisions	97	328	117
Current liabilities			
Interest-bearing liabilities, group companies		1,671	
Non-interest bearing liabilities	112	90	181
Total equity and liabilities	12,520	13,657	11,867

Summary statement of changes in parent company's equity

SEKm	2017-03-31	2016-03-31	2016-12-31
Opening equity	9,232	10,711	10,711
Comprehensive income for the period	805	-37	-312
Dividends			-1,108
Purchase of treasury shares, net effect		-43	-61
Option premiums			2
Closing equity	10,037	10,632	9,232

Parent company cash flow statement

SEKm	2017 Q1	2016 Q1	2016
Operating activities			
Profit/loss before tax	805	-37	-312
Adjustment for non-cash items	-670	-12	143
	135	-48	-169
Income tax paid			
Cash flow from operating activities before change in working capital	135	-48	-169
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-73	-6	-4
Increase (+)/Decrease (-) in operating liabilities	-95	-19	-28
Cash flow from operating activities	-34	-73	-201
Investing activities			
Investment, shares in subsidiaries	-20	-431	-3,198
Disposal, shares in subsidiaries			1,196
Liabilities to group companies ¹⁾			1,364
Disposal, shares in associates	781		
Disposal, property, plant and equipment	-0		-1
Investment, financial assets			-4
Cash flow from investing activities	760	-431	-643
Financing activities			
Purchase of treasury shares		-43	-62
Option premiums paid	1	1	6
Dividends paid	-18	-18	-1,109
Cash flow from financing activities	-16	-60	-1,165
Cash flow for the period	710	-564	-2,009
Cash and cash equivalents at the beginning of the year	2,677	4,677	4,677
Exchange differences in cash and cash equivalents	-2	11	9
Cash and cash equivalents at the end of the period	3,386	4,123	2,677

¹⁾ Liability to centrally administered group company that arose in conjunction with divestment of group company.

Note 1 Accounting principles

Ratos's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and associated interpretations (IFRIC) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. The parent company also applies RFR 2 Accounting for Legal Entities.

Reporting and measurement principles are unchanged compared with those applied in Ratos's 2016 Annual Report. Change in presentation form has been made in accordance with below.

Amended presentation form for Consolidated statement of cash flows

To more clearly separate cash flows arising in operations conducted and cash flows that relate to the financing of such operations, interest paid and interest received, which were previously included in operating activities, have been moved to financing activities (interest paid) and investing activities (interest paid). Consequently, cash flow is based on operating profit/loss instead of profit/loss before tax, which was used in the past.

Note 3 Alternative performance measures

Due to the nature of Ratos's operations – acquisition, development and divestment of companies – differences may arise in the structure of the Group between periods. Accordingly, consolidated sales and earnings recognised in accordance with IFRS may vary significantly from period to period as a result of differences in the composition of the company portfolio. Moreover, earnings from company divestments normally arise at irregular intervals, generating significant non-recurrent effects.

To facilitate a comparison between periods and enable follow-up of the ongoing earnings and performance of the company portfolio, Ratos presents certain financial information that is not defined in accordance with IFRS. This information is intended to give the reader a better

Note 2 Risks and uncertainties

Ratos invests in and develops unlisted enterprises 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 those responsible for the investments 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 2016 Annual Report.

opportunity to evaluate Ratos's investments and should be regarded as a complement to the financial information recognised in accordance with IFRS.

The following reconciliation and accounts pertain to components included in the alternative performance measures used in this report. Definitions are available at www.ratos.se.

As of this report, Net sales, Adjusted EBITA, EBITA and Interest-bearing net debt for the portfolio are no longer reported with the companies included in their entirety. The portfolio is reported adjusted for Ratos's holdings only. The aim is to clarify for the reader by only using one method of reporting the portfolio.

Net sales

SEKm	2017 Q1	2016 Q1	Change	2016
Net sales in the portfolio, Ratos's holding	5,124	4,802	7%	22,782
Net sales in subsidiaries, holding not owned by Ratos	1,047	950		4,049
Investments recognised according to the equity method	-907	-588		-3,784
Subsidiaries acquired during current year		-772		-3,614
Subsidiaries divested during current year	297	1,513		5,795
Net sales in accordance with IFRS	5,561	5,905	-6%	25,228

Adjusted EBITA, EBITA and operating profit

SEKm	2017 Q1		2016 Q1	2,016
Adjusted EBITA, Ratos's holding	110	16%	95	1,383
Items affecting comparability, Ratos's holding	-9		-80	-379
EBITA, Ratos's holding	102	613%	14	1,004
EBITA in subsidiaries, holding not owned by Ratos	68		38	238
Investments recognised according to the equity method	-27		-58	33
Income and expenses in the parent company and central companies	-41		-52	-623
Amortisation and impairment of intangible assets in connection with company acquisitions	-28		-7	-2,616
Subsidiaries acquired during current year			110	-320
Subsidiaries divested during current year	5		35	2,051
Consolidated operating profit	78	-3%	81	-235

Interest-bearing net debt

SEKm	2017-03-31		
Total interest-bearing net debt in the portfolio, Ratos's holding	7,958		
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	809		
Investments recognised according to the equity method	-1,293		
Attributable to the parent company and central companies	-3,632		
Consolidated interest-bearing net debt	3,843		
	2017-03-31	2016-03-31	2016-12-31
Non-current interest-bearing liabilities	7,309	6,460	6,953
Current interest-bearing liabilities	1,583	1,856	1,228
Provisions for pensions	490	459	487
Interest-bearing assets	-345	-314	-340
Cash and cash equivalents	-5,194	-6,068	-4,389
Consolidated interest-bearing net debt	3,843	2,394	3,939

Note 4 Acquired and divested businesses

Divestment of AH Industries

In March 2017, Ratos divested its entire holding of 70% in AH Industries, in accordance with the agreement signed in December 2016. The divestments yielded an exit loss of SEK -32m in the first quarter.

Divestment of the remaining stake in Arcus

In December 2016, Ratos's former subsidiary Arcus was listed on the Oslo Stock Exchange, upon which the company transitioned to being an associate company of Ratos. In March 2017, Ratos also sold its remaining stake of 24% at a price of NOK 762m, corresponding to NOK 47.40 per share. The sale yielded an exit gain of SEK 33m in the first quarter. The total exit gain from the sale of Arcus is SEK 1,437m.

Acquisitions within subsidiaries

During the quarter, Nebula completed the acquisition of the webhosting supplier Sigmatic Oy. During the first quarter, Bisnode signed an agreement to acquire Global Group Dialog Solutions AG, a German leading supplier of solutions based on market information. Plantasjen expands its offering from 40 garden centres to more than 700 points of sale through acquisition of SABA Blommor AB. Both acquisitions are expected to be completed in the second quarter of 2017.

Note 5 Operating segments

SEKm	Sales			EBT ¹⁾		
	2017 Q1	2016 Q1	2016	2017 Q1	2016 Q1	2016
Aibel				27	-38	-198
Bisnode	888	856	3,458	52	-71	47
Diab	401	360	1,516	16	10	84
GS-Hydro	198	236	886	-25	-27	-149
HENT	1,733	1,832	7,991	64	64	191
HL Display	370	349	1,417	9	14	43
Jøtul	222	199	898	-21	-6	-10
KVD	81	78	321	7	4	31
Ledil	93	87	365	14	28	91
Nebula	86	83	332	20	20	71
Speed Group	125	141	562	3	10	11
TFS	216	170	793	-1	6	6
Total companies in portfolio all reported periods	4,412	4,392	18,538	165	15	217
airteam ²⁾	190		601	0		14
Gudrun Sjødén Group (30%) ³⁾				1		8
Oase Outdoors (79%) ⁴⁾	136		14	25		-44
Plantasjen ⁵⁾	526		280	-196		-37
Serena Properties ⁶⁾				15	3	56
Total companies acquired during reported periods	853		895	-154	3	-3
AH Industries	265	223	1,059	-2	-11	19
Arcus		521	2,294		-15	4
Biolin Scientific		44	186		-11	-28
Euromaint		404	1,061		1	9
Mobile Climate Control		321	1,194		32	77
Total companies divested during reported periods	265	1,513	5,795	-2	-4	81
Total	5,530	5,905	25,228	9	14	295
Exit AH Industries				-32		
Exit Arcus				33		1,403
Exit Euromaint						0
Exit Mobile Climate Control						268
Total exit gains				2		1,672
Impairment AH Industries						-135
Impairment Aibel						-1,692
Impairment Biolin Scientific						-314
Impairment Euromaint						-122
Impairment GS-Hydro						-160
Impairment Jøtul						-81
Companies total	5,530	5,905	25,228	11	14	-538
Income and expenses in the parent company and central companies						
Operating management costs				-44	-45	-261
Other income and expenses, incl. transaction costs	31			2	-2	-56
Costs which will be charged to portfolio companies				3	-5	-9
Financial items				-4	12	-27
Group total	5,561	5,905	25,228	-32	-25	-890

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

²⁾ airteam is included as a subsidiary as of April 2016.

³⁾ Gudrun Sjødén is included as an associate with a holding of 30% as of September 2016.

⁴⁾ Oase Outdoors is included as a subsidiary as of September 2016.

⁵⁾ Plantagen is included as a subsidiary as of December 2016.

⁶⁾ Serena Properties is included as a joint venture with a holding of 56% as of January 2016.

SEKm	Consolidated value ¹⁾		
	2017-03-31	2016-03-31	2016-12-31
AH Industries		118	0
Aibel	619	1,559	587
airteam	355		356
Arcus		684	729
Biolin Scientific		351	
Bisnode	1,717	1,248	1,606
Diab	723	658	770
Euromaint		185	
GS-Hydro	-23	146	
Gudrun Sjöden Group	166		166
HENT	330	220	298
HL Display	850	802	840
Jøtul	-17	89	4
KVD	360	317	356
Ledil	365	481	530
Mobile Climate Control		1,045	
Nebula	293	246	283
Oase Outdoors	147		137
Plantasjen	1,128		1,303
Serena Properties	399	362	398
Speed Group	297	295	296
TFS	166	138	168
Total	7,875	8,947	8,825
Other net assets in the parent company and central companies ²⁾	3,406	3,922	2,458
Equity (attributable to owners of the parent)	11,281	12,869	11,283

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

²⁾ Of which cash and cash equivalents in the parent company totalling SEK 3,386m (4,123)

Note 6 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 were unchanged during the period.

In the statement of financial position at 31 March 2017, the total value of financial instruments measured at fair value in accordance with level three amounted to SEK 508m (510 at 31 December 2016). The change includes only minor movements as a result of remeasurements.

In the statement of financial position at 31 March 2017, the net value of derivatives amounts to SEK -16m (-18), of which SEK 12m (24) is recognised as an asset and SEK 28m (42) as a liability.

Note 7 Goodwill

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance			
1 January 2017	14,522	-1,532	12,990
Business combinations	19		19
Reclassifications		-5	-5
Translation differences for the year	-54	7	-47
Closing balance			
31 March 2017	14,487	-1,530	12,957

Note 8 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 2016 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 294m (368). 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.

The parent company's transactions with subsidiaries and associates for the period and the parent company's balance sheet items in relation to its subsidiaries and associates at the end of the period are presented below.

SEKm	Capital contribution	Dividend		
2017 Q1	57	169		
2016 Q1	120			
2016	814			
			Contingent liability	
SEKm	Receivable	Provision	Liability	
2017-03-31	47	69	2,228	294
2016-03-31	0	328	2,566	368
2016-12-31	1	90	2,269	533

During the period, Ratos made a contribution of SEK 32m to AH Industries and SEK 26m to Sophion.

Telephone conference

8 May at 10:00 a.m. SE +46 8 566 425 09
UK 44 20 3008 9808
US +1 855 831 5945

Financial calendar

2017	
Capital Markets Day	12 June 2017
Interim report Jan-June 2017	17 August 2017
Interim report Jan-Sep 2017	14 November 2017

Stockholm, 8 May 2017
Ratos AB (publ)



Magnus Agervald
CEO

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This report has not been reviewed by Ratos's auditors.

This information is information that Ratos AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above at 8:00 a.m. CET on 8 May 2017.

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Ratos owns and develops unlisted medium-sized companies in the Nordic countries. Our goal as an active owner is to contribute to long-term and sustainable business development in the companies we invest in and to make value-generating transactions. Ratos's portfolio consists of 17 medium-sized Nordic companies and the largest segments in terms of sales are Construction, Industrials and Consumer goods/Commerce. Ratos is listed on Nasdaq Stockholm and has a total of approximately 14,200 employees.

RATOS