

Interim report

January – September 2012

Q3

- Profit before tax SEK 1,056m (935)
- Profit before tax, adjusted for items affecting comparability and exit gains SEK 612m (680)
- Earnings per share before dilution SEK 3.04 (2.21)
- Mixed development in the holdings
- Anticimex and Lindab sold – exit gain SEK 979m
- Agreement to sell Stofa – exit gain approximately SEK 850m
- Total return on Ratos shares -23%

Ratos in summary

SEKm	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Profit/share of profits	114	-27	176	374	546
Total profit/share of profits	114	-27	176	374	546
Exit gains	979	38	979	525	525
Impairment			-275		-312
Profit from holdings	1,093	11	880	899	759
Central income and expenses	-21	35	176	36	101
Profit before tax	1,072	46	1,056	935	860

Important events

Third quarter

- In July, Arcus-Gruppen signed an agreement to acquire the brands Aalborg, Brøndums, Gammel Dansk and Malteser from Pernod Ricard. The purchase price (enterprise value) amounts to EUR 103m (approximately SEK 880m). The competition authority in Denmark has approved the acquisition subject to sale of the Brøndums brand. Approval from the German competition authority is still pending and a decision is expected before year-end. The acquisition is scheduled to be completed in January 2013 after which Brøndums will be sold. Brøndums' sales amounted to EUR 3.2m in 2011. Sales for the other acquired brands totalled EUR 32.6m
- In July, the sale of Anticimex to EQT for approximately SEK 2,900m (enterprise value) was completed. This provided SEK 1,544m for Ratos's shareholding, as well as an earn-out payment to be made if earnings and cash flow milestones for 2012 are surpassed. The sale generated an exit gain for Ratos of SEK 898m and an average annual return (IRR) of approximately 24%, before a potential earn-out
- In August, Ratos sold the remaining 8,849,157 shares (approximately

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RATOS

11%) in Lindab International to Systemair. The selling price amounted to SEK 389m, corresponding to SEK 44 per share and the exit gain was SEK 81m

- In August, Bisnode renewed its strategic co-operation with Dun & Bradstreet (D&B). The agreement has the same terms as previously
- An extensive action programme has been initiated in DIAB which will improve earnings by SEK 100m per year from 2014. Most of the costs of this programme (approximately SEK 120m) were charged against earnings for the third quarter. Additional cost-cutting measures are being evaluated in view of the uncertain market situation
- During the period add-ons and disposals were carried out in holdings including Bisnode

First and second quarters

- In June, Inwido completed the sale of Inwido Home Improvement business area for a purchase price of SEK 195m (enterprise value). The sale generated a capital loss of SEK 51m
- In conjunction with the Annual General Meeting on 18 April, Susanna Campbell took over as the new CEO. Former CEO Arne Karlsson was appointed Chairman of the Board at the Annual General Meeting
- In February, Bisnode completed the sale of the company "Wer liefert Was?" (WLW). The selling price amounted to EUR 79m (approximately SEK 700m) and generated a capital gain in Bisnode of SEK 151m. In conjunction with completion of the deal, Bisnode issued a dividend of SEK 215m to the company's owners, of which Ratos's share amounted to SEK 150m. SEK 75m was paid in February and SEK 75m in April

- In January, Contex Group completed the sale of its subsidiaries Z Corporation and Vidar Systems to 3D Systems Corporation (NYSE:DDD). The selling price (enterprise value) amounted to USD 137m (approximately SEK 920m). In conjunction with completion of this deal, SEK 355m was paid to Ratos
- Capital contributions were paid during the period to Jøtul amounting to SEK 85m and to DIAB amounting to SEK 95m (of which SEK 20m in the third quarter). A SEK 29m capital contribution was also paid to AH Industries and in June a SEK 275m impairment was recognised in the consolidated value of Ratos's holding in AH Industries
- Stofa paid a dividend of SEK 510m in the first quarter, of which Ratos received SEK 505m
- SB Seating paid a dividend of approximately SEK 60m in March, of which Ratos's share amounted to SEK 50m

Events after the end of the period

- In October, Ratos signed an agreement to sell all the shares in the subsidiary Stofa to the Danish energy and telecom group SE (Syd Energi) for DKK 1,900m (approximately SEK 2,200m) (enterprise value). The sale generates a net exit gain for Ratos of approximately SEK 850m and an average annual return (IRR) of approximately 55%. The sale is subject to approval from the relevant regulatory authorities and SE's Board of Representatives. The sale is expected to be completed by year-end 2012 at the earliest

More information about important events in the holdings is provided on pages 8-13.

CEO comments

The third quarter saw a fairly stable start, but a clear impact from the increasingly weak economic climate in Europe was noted in September. Given these conditions, many of Ratos's holdings performed well, largely due to a high level of preparedness and implemented action programmes. Half of the holdings continue to show improved earnings compared with the previous year, while a few companies still have to deal with challenges. Development is currently extremely fitful, even between individual weeks, which makes it difficult to see clear trends. At present, however, we are preparing our holdings for a relatively weak development in the business environment continuing in the fourth quarter, as well as for 2013. In the short term it can be difficult in such an environment to increase profits and profitability but we remain convinced that it is now we can create conditions for long-term leverage in an economic upturn when this eventually occurs. We will therefore continue to focus on our value creation in the holdings, which takes place in both good and bad times, and on the transaction side where we currently see attractive opportunities.



Susanna Campbell

Further CEO comments at www.ratos.se

Performance January to September

Even clearer evidence of an increasingly weak economic climate in Europe could be seen in the third quarter. The summer months were still relatively stable, but in September there was a marked decrease in activity and a growing number of sectors and geographies felt an impact from the economic situation.

Weak development for the business climate meant that in many cases it was "hit the post" for Ratos's holdings. Despite this approximately half of Ratos's companies performed better than in the previous year. In the third quarter alone, 10 of 17 holdings reported an increased operating profit (EBITA) and 7 of 17 increased adjusted EBITA (operating profit adjusted for items affecting comparability). For the full nine-month period, the corresponding figures were 7 of 17 for reported EBITA and 9 of 17 for adjusted EBITA.

Sales for Ratos's portfolio decreased by 4% in the third quarter. A high level of preparedness in the holdings and completed cost-cutting measures had a clear effect during the quarter and compensated for the decline to some extent. EBITA decreased by 9% (-5% adjusted for Ratos's ownership stakes). Adjusted for

items affecting comparability EBITA was -11% (-9% adjusted for Ratos's ownership stakes).

Some of the holdings continue to perform really well. GS-Hydro is delivering high growth in sales, profits and order bookings due to a continued positive development within the offshore sector. Finnkino is showing a very positive trend and is benefiting from a strong underlying market with a good selection of films, combined with a good strategic position.

The Nordic construction market weakened further in the third quarter, affecting among others Inwido and Hafa Bathroom Group. Both companies, however, due to effective control of costs, have successfully compensated for some of these effects. We expect a continued weak Nordic building materials market in the short term.

In the companies facing clear structural challenges: AH Industries, DIAB and Jøtul, the high level of activity continues. AH Industries is affected by a renewed weakening of the wind power market and since the close of 2012 is expected to be really weak, new cost-cutting measures are now being implemented. DIAB and Jøtul also saw a generally weakened market during

the third quarter which, combined with the original difficulties (the wind power market in China for DIAB, and internal production and logistics problems for Jøtul) creates a challenging situation. In both companies, however, clear plans are in place which will take care of these problems. During the quarter DIAB decided on and started to implement extensive measures designed to improve earnings by SEK 100m per year from 2014. In addition, further measures are currently being analysed.

The Nordic banking market continues to function well as far as Ratos is concerned. As before, the banks are slightly more selective in their lending but Ratos has a strong position in such an environment. A long-term, responsible approach to ownership and good bank relationships mean that financing at satisfactory terms is available for attractive projects with which we are working. The transactions completed and discussed during the year, such as Arcus-Gruppen's Danish add-on acquisition, are clear examples of this.

The transaction market remains slightly hesitant although there are good opportunities to make attractive deals. Ratos has had high activity on the transaction side during the year with the sale of Anticimex, Lindab and Stofa as good examples. On the acquisition side our activity is also relatively high with increasing quality in the deal flow. In times of considerable uncertainty it is of course extra important to be selective and carefully weigh in our future outlook in assessments and valuations.

The lack of unambiguous macroeconomic signals and the volatile development being experienced by

Performance Ratos's holdings ^{*)}

	2012 Q 1-3	
	100%	Ratos's share
Sales	0%	0%
EBITA	-22%	-21%
EBITA, excl. items affecting comparability	-18%	-15%
EBT	-47%	-41%
EBT, excl. items affecting comparability	-14%	-12%
	2012 Q 3	
	100%	Ratos's share
Sales	-4%	-4%
EBITA	-9%	-5%
EBITA, excl. items affecting comparability	-11%	-9%
EBT	57%	62%
EBT, excl. items affecting comparability	2%	2%

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

To facilitate analysis, an extensive table is provided on page 13 with key figures for Ratos's holdings. A summary of income statements, statements of financial position, etc., for Ratos's associates and subsidiaries is available in downloadable Excel files at www.ratos.se.

many of our holdings, where sales and order bookings are extremely fitful even between individual weeks, make it extremely difficult to forecast development for the portfolio companies at present. At an overall level, Ratos's portfolio companies are prepared for a continued weak market at the close of 2012 as well as in 2013.

Conditions will vary sharply, however, depending on the market, niche or geography in which the company operates. This means that flexibility and fast reactions to market signals are very central and cost savings will be a recurrent theme in many portfolio companies. At present, it can be difficult in the short term to increase profits and profitability but we remain convinced that it is now we can create conditions for long-term leverage in an economic upturn when this occurs.

In the fourth quarter we expect that many of the portfolio companies will continue to perform well and partly compensate for companies experiencing greater difficulty. In total, we expect that reported EBITA in our holdings will be slightly below the fourth quarter

last year, partly due to how extensive implemented action programmes are and how much they cost. For the full-year 2012 this means that reported EBITA will be below the previous year.

Ratos's results

Profit before tax for the first nine months of 2012 amounted to SEK 1,056m (935). The higher reported result is mainly due to completed exits. Earnings were charged with a SEK 275m impairment of the holding in AH Industries. The result includes profit/share of profits from the holdings of SEK 176m (374) and exit gains of SEK 979m (525).

Central income and expenses

Ratos's central income and expenses amounted to SEK 176m (36), of which personnel costs in Ratos AB amounted to SEK 78m (98). The variable portion of personnel costs amounted to SEK 10m (27). Other

management items were SEK 91m (93). Net financial items amounted to SEK 163m (206). The higher net central income is mainly explained by profit of SEK 168m recognised during the period relating to the sale of group companies.

Tax

Ratos's consolidated tax expense comprises subsidiaries' and Ratos's share of tax in associates. The tax rate in consolidated profit or loss is affected, among other things, by the parent company's investment company status and by capital gains not liable to tax.

SEKm	2012 Q 1-3	2011 Q 1-3	2011
Profit/share of profits before tax ¹⁾			
AH Industries (69%)	-16	-4	-6
Anticimex (85%) ²⁾	51	68	84
Arcus-Gruppen (83%)	-122	-12	82
Biolin Scientific (100%)	5	3	-10
Bisnode (70%)	64	49	106
Contex Group (100%)	16	38	-14
DIAB (95%)	-215	-16	-51
Euromaint (100%)	-43	-107	-144
Finnkino (98%) ³⁾	58	-8	1
GS-Hydro (100%)	62	-22	-13
Hafa Bathroom Group (100%)	9	-20	-18
HL Display (99%)	51	36	24
Inwido (97%)	135	209	315
Jøtul (61%)	-104	-62	-113
KVD Kvarndammen (100%)	27	30	42
Lindab (11%) ⁴⁾	4	18	21
Medisize (98%) ⁵⁾		42	42
Mobile Climate Control (100%)	57	-1	7
SB Seating (85%)	61	55	95
Stofa (99%)	76	78	96
Total profit/share of profits	176	374	546
Exit Anticimex	898		
Exit Lindab	81		
Exit Camfil		586	586
Exit Superfos		-99	-99
Exit Medisize		38	38
Total exit result	979	525	525
Impairment AH Industries	-275		
Impairment Contex Group			-312
Profit from holdings	880	899	759
Central income and expenses			
Management costs	13	-170	-191
Financial items	163	206	292
Consolidated profit before tax	1,056	935	860

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

²⁾ Anticimex is included in consolidated profit through June 2012. The entire holding was sold in July 2012.

³⁾ Finnkino is included in consolidated profit from May 2011.

⁴⁾ Lindab is included in consolidated profit through June 2012. The entire holding was sold in August 2012.

⁵⁾ Medisize is included in consolidated profit through July 2011. The entire holding was sold in August 2011.

Financial position

Cash flow from operating activities and investing activities was SEK 2,628m (1,125) and consolidated cash and cash equivalents at the end of the period was SEK 3,018m (2,506), of which short-term interest-bearing investments accounted for SEK 967m (1). Interest-bearing liabilities including pension provisions amounted to SEK 12,281m (14,765).

Parent company

The parent company's profit before tax amounted to SEK 1,103m (1,028). The parent company's cash and cash equivalents, including short-term interest-bearing investments, was SEK 1,775m (775). Taking into account financial transactions agreed but not yet carried out, at 9 November Ratos has a net liquidity of approximately SEK 2.8 billion. In addition, there is an existing credit facility of SEK 3.2 billion and authorisation from the 2012 Annual General Meeting to issue 35 million Ratos B shares in conjunction with agreements on acquisitions.

Risks and uncertainties

A description of the Group's and parent company's material risks and uncertainties is provided in the Directors' report and in Note 31 and 38 in the 2011 Annual Report. An assessment for the coming months is provided in the *Performance in January to September* section on pages 3-4.

Related-party transactions

The parent company received dividends and repayments of shareholder contributions from subsidiaries and associates of SEK 1,372m (843). Capital contributions were provided to AH Industries, DIAB and Jøtul for a total of SEK 209m.

Ratos shares

Earnings per share before dilution amounted to SEK 3.04 (2.21). The total return on Ratos shares in the first nine months of 2012 amounted to -23%, compared with the performance for the SIX Return Index which was 12%.

Treasury shares and number of shares

No shares were repurchased and no call options were exercised in the first nine months of the year. At the end of September, Ratos owned 5,139,537 B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 69.

At 30 September the total number of shares in Ratos (A and B shares) amounted to 324,140,896 and the number of votes was 108,587,444. The number of outstanding shares was 319,001,359. The average number of B treasury shares in Ratos during the period was 5,140,428 (5,104,197 in the full year 2011).

Ratos's equity ¹⁾

At 30 September 2012 Ratos's equity (attributable to owners of the parent) amounted to SEK 12,610m (SEK 11,837m at 30 June 2012), corresponding to

SEK 40 per outstanding share (SEK 37 at 30 June 2012).

SEKm	30 Sept 2012	% of equity
AH Industries	321	3
Arcus-Gruppen	413	3
Biolin Scientific	335	3
Bisnode	1,211	10
Contex Group	300	2
DIAB	887	7
Euromaint	558	5
Finnkino	417	3
GS-Hydro	27	0
Hafa Bathroom Group	158	1
HL Display	1,028	8
Inwido	2,187	17
Jøtul	326	3
KVD Kvarndammen	411	3
Mobile Climate Control	798	6
SB Seating	1,015	8
Stofa	240	2
Total	10,632	84
Other net assets in central companies	1,978	16
Equity (attributable to owners of the parent)	12,610	100
Equity per share, SEK	40	

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

Credit facilities

The parent company has a five-year rolling credit facility of SEK 3.2 billion including a bank overdraft facility. The purpose of the facility is to be able to use it when bridge financing is required for acquisitions, and to be able to finance dividends and day-to-day running costs in periods of few or no exits. The parent company should normally be unleveraged. The credit facility was unutilised at the end of the period.

Conversion of shares

The 2003 Annual General Meeting resolved that a conversion clause allowing conversion of A shares to B shares should be added to the articles of association. This means that owners of A shares have an ongoing right to convert them to B shares. During 2012, no A shares were converted to B shares.

Other

Nomination Committee

In accordance with a resolution at Ratos's Annual General Meeting held on 18 April 2012, the company's major owners have between themselves appointed a Nomination Committee with the Chairman of the Board Arne Karlsson as convener. Björn Franzon (Swedbank Robur Funds) has been appointed Chairman of the Nomination Committee. Other committee members: Ulf Fahlgren (representing Akademiinvest), Jan Söderberg (representing the Ragnar Söderberg Foundation and his own and related parties' holdings), Maria Söderberg (representing the Torsten Söderberg Foundation) and Per-Olof Söderberg (representing his own and related parties' holdings).

Holdings

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

AH Industries

- Sales SEK 889m (658) and EBITA SEK 4m (17)
- Positive development of adjusted profits and sales, but significant weakening in the third quarter.
- Adjusted EBITA amounted to SEK 7m (4)
- Project postponements, low production efficiency and more uncertain market prospects continued to have a negative impact on earnings within Wind Solutions. Industrial Solutions continues to show positive development compared with the previous year
- Extensive cost-cutting programme initiated due to the weak performance and less favourable short-term prospects for the wind power industry

Ratos's holding in AH Industries amounted to 69% and the consolidated book value in Ratos was SEK 321m at 30 September 2012.

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

Arcus-Gruppen

- Sales SEK 1,587m (1,391) and EBITA SEK -69m (41)
- Good sales growth within both spirits and wine, despite delivery and start-up problems in the new factory and the cool summer in the Nordic region
- Inauguration of new production facility in June. Earnings have been charged with costs affecting comparability of SEK 164m so far this year, mainly related to the move. Adjusted EBITA amounted to SEK 95m (65). A total of SEK 175-210m in costs affecting comparability is expected to be charged against earnings in 2012
- Agreements signed to acquire the brands Aalborg, Brøndums, Gammel Dansk and Malteser from Pernod Ricard. Approval has been received from the competition authority in Denmark, subject to sale of the Brøndums brand. Approval from the German competition authority is still pending and a decision is expected before year-end. The acquisition is scheduled to be completed in January 2013 after which Brøndums will be sold

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 413m at 30 September 2012.

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

Biolin Scientific

- Sales SEK 161m (156) and EBITA SEK 8m (9)
- Good growth within Discovery Instruments (Sophion), slightly weaker within Analytical Instruments
- Adjusted EBITA amounted to SEK 8m (4)
- Lower sales and sales mix had a negative impact on the EBITA margin in the third quarter
- Analytical Instruments launched a new fully automatic instrument

Ratos's holding in Biolin Scientific amounted to 100% and the consolidated book value in Ratos was SEK 335m at 30 September 2012.

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

Bisnode

- Sales SEK 2,884m (3,144) and EBITA SEK 385m (341)
- Stable organic sales development adjusted for currency effects. Credit Solutions shows good growth and earnings development. Weak development for the companies within the BeNeFra region and as expected lower sales of SPAR-related products in Sweden
- Sale of WLW completed in February, capital gain amounted to SEK 151m. Goodwill impairment recognised in the first quarter of SEK 151m related to the Product Information business area
- EBITA adjusted for WLW and other items affecting comparability amounted to SEK 250m (319), corresponding to an operating margin of 9% (10). The lower earnings are mainly explained by lower SPAR-related sales
- In August, a renewed contract was signed with D&B for 11 countries

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,211m at 30 September 2012.

Bisnode is a leading European provider of digital business information with services within market, credit and business information. Using Bisnode's information services companies can increase their sales, reduce their risks and improve their day-to-day business decisions. Operations are conducted in 17 countries in Europe.

Contex Group

- Sales SEK 234m (231) and EBITA SEK 21m (25) (pro forma for new group structure)
- The sale of the subsidiaries Z Corporation and Vidar Systems was completed in January. In conjunction with the sale and refinancing of remaining operations, Ratos received a dividend of SEK 355m
- As in the previous year, destocking by customers in the third quarter had a negative impact on sales and earnings
- New product programme launched in September

Ratos's holding in Contex Group amounted to 100% and the consolidated book value in Ratos was SEK 300m at 30 September 2012.

The Danish company Contex Group is the world-leading manufacturer of advanced wide-format scanners. Contex sells under its own brand, and as an OEM supplier to companies including HP and Océ.

DIAB

- Sales SEK 785m (924) and EBITA SEK -163m (17)
- Very weak demand and price pressure in the wind power market in China, but positive volume development in North America and Europe
- Weak profitability due to low sales volume, low capacity utilisation and increased price pressure
- An extensive action programme has been initiated to improve earnings by SEK 100m per year from 2014. Most of the costs of this programme (approximately SEK 120m) have been charged against earnings in the third quarter. Additional cost-cutting measures are being evaluated due to the uncertain market situation
- Capital contribution provided totalling SEK 95m, of which SEK 20m in the third quarter

Ratos's holding in DIAB amounted to 95% and the consolidated book value in Ratos was SEK 887m at 30 September 2012.

DIAB is a world-leading company that manufactures and develops core materials for composite structures including blades for wind turbines, hulls and decks for leisure boats, and components for aircraft, trains, industrial applications and buildings. The material has a unique combination of characteristics such as low weight, high strength, insulation properties and chemical resistance.

Euromaint

- Sales SEK 1,874m (2,119) and EBITA SEK 31m (83)
- Sales adjusted for commuter train contract (not included since June 2011) decreased by 4%
- Weak development particularly for German freight traffic contributed to lower sales and earnings
- A number of action programmes are underway designed to reduce costs and improve efficiency
- New contracts signed for maintenance of the Öresund trains and train services in West Sweden

Ratos's holding in Euromaint amounted to 100% and the consolidated book value in Ratos was SEK 558m at 30 September 2012.

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

Finnkino

- Sales SEK 623m (583) and EBITA SEK 93m (55)
- High proportion of Finnish films contributed to high admissions level in the third quarter and provided a strong sales and earnings development
- Improved profitability in the Baltic countries and Finland
- Peripheral sales per admission rose 3%

Ratos's holding in Finnkino amounted to 98% and the consolidated book value in Ratos was SEK 417m at 30 September 2012.

Finnkino is the largest movie theatre chain in Finland and the Baltic countries with 25 movie theatres and 160 screens with a total of approximately 30,000 seats. The company also conducts film distribution and some distribution of DVDs. The movie theatre operations are conducted under the name Finnkino in Finland and Forum Cinemas in the Baltic countries.

GS-Hydro

- Sales SEK 1,014m (763) and EBITA SEK 98m (17)
- Strong sales increase mainly driven by high activity within the offshore segment
- Substantial improvement in earnings due to increased sales

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK 27m at 30 September 2012.

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

Hafa Bathroom Group

- Sales SEK 204m (245) and EBITA SEK 11m (1)
- Consumer market continues to weaken and have a negative impact on sales
- Improved earnings due to completed cost-cutting measures

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 158m at 30 September 2012.

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

HL Display

- Sales SEK 1,248m (1,233) and EBITA SEK 80m (65)
- Sales in local currency rose 2%. Positive sales development in Asia and the UK, stable in Eastern and Northern Europe while Southern Europe was somewhat weaker
- Improved EBITA due to sales growth, a stable gross margin and good control of costs
- Relocation of the factory in Falun, Sweden, to Poland has been completed and production in Poland is starting up. Restructuring costs were charged against earnings for the period with SEK 15m and are expected to amount to SEK 20-30m for the full year

Ratos's holding in HL Display amounted to 99% and the consolidated book value in Ratos was SEK 1,028m at 30 September 2012.

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

Inwido

- Sales SEK 3,365m (3,640) and EBITA SEK 177m (281)
- Continued weak market in Sweden with lower order bookings in the other Nordic markets as well
- Cost-cutting measures have been implemented and more are planned. These, combined with a positive earnings development so far in markets outside Sweden, compensated to some extent for reduced demand, but have not yet had full effect
- Home Improvement business area was sold and generated a capital loss of SEK 51m
- Adjusted EBITA amounted to SEK 240m (348), adjusted for capital loss and other costs affecting comparability

Ratos's holding in Inwido amounted to 97% and the consolidated book value in Ratos was SEK 2,187m at 30 September 2012.

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

Jøtul

- Sales SEK 590m (653) and EBITA SEK -77m (0)
- Low demand in several main markets in the third quarter contributed to weak sales and earnings development
- Extensive changes to the company's production management in the Norwegian manufacturing unit and a reduction in inventory levels, had a negative impact on productivity and earnings
- The company's owners provided a capital contribution of NOK 90m, of which Ratos's share was NOK 74m (SEK 85m)

Ratos's holding in Jøtul amounted to 61% and the consolidated book value in Ratos was SEK 326m at 30 September 2012.

The Norwegian company Jøtul is Europe's largest manufacturer of stoves and fireplaces with production facilities in Norway, Denmark, France, Poland and the US. The company dates back to 1853 and the products are sold worldwide, primarily through speciality stores, but also through the DIY trade.

KVD Kvarndammen

- Sales SEK 208m (199) and EBITA SEK 32m (38)
- Stronger market share in an otherwise weak car market
- Brokerage of cars owned by private individuals (Member Cars) initiated
- Launch in Norway going according to plan with first auction in November. The launch costs were mainly charged against earnings in the second half
- The strategic focus means lower volumes but higher selling prices within Machines and Heavy Vehicles

Ratos's holding in KVD Kvarndammen amounted to 100% and the consolidated book value in Ratos was SEK 411m at 30 September 2012.

KVD Kvarndammen is Sweden's largest independent online marketplace offering broker services for capital goods. The company, which was founded in 1991, runs kvd.se where cars, heavy vehicles and machines are offered for sale at weekly online auctions. The number of unique visitors totals approximately 200,000 per week. The company includes Sweden's largest valuation portal for cars, bilpriser.se.

Mobile Climate Control (MCC)

- Sales SEK 982m (772) and EBITA SEK 89m (25)
- Increased sales due to acquisition in April 2011 as well as high demand in the off road and military vehicles segments
- Improved earnings due to higher volumes and implementation of profitability improvement measures. On the other hand, weak earnings development within parts of the North American operations and start-up costs after factory consolidation in Europe are having a negative impact on earnings

Ratos's holding in Mobile Climate Control amounted to 100% and the consolidated book value in Ratos was SEK 798m at 30 September 2012.

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

SB Seating

- Sales SEK 851m (912) and EBITA SEK 164m (178)
- Lower sales in most markets except Norway, the UK and Finland
- Rising market share in an otherwise weak European office chair market
- Reduced earnings explained by lower sales. EBITA margin amounted to 19% (20)

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 1 015m at 30 September 2012.

SB Seating develops and produces ergonomic office chairs in Scandinavian design for private and public environments. The group markets three strong brands, HÅG, RH and RBM, which are mainly sold through retail outlets. The group is represented today in Norway, Sweden, Denmark, Germany, the UK, the Netherlands and France.

Stofa

- Sales SEK 1,155m (1,008) and EBITA SEK 131m (116)
- Increased sales driven by acquisition from Canal Digital and the fact that TV2 is now a pay TV channel and increased broadband sales
- The number of broadband customers showing strong growth driven by marketing and pricing activities. The number of broadband customers has increased by over 10% since the start of the year
- After the end of the quarter, Ratos signed an agreement to sell Stofa to SE. The sale is subject to approval from the relevant regulatory authorities and SE's Board of Representatives. The exit gain amounts to approximately SEK 850m and the average annual return (IRR) to approximately 55%

Ratos's holding in Stofa amounted to 99% and the consolidated book value in Ratos was SEK 240m at 30 September 2012.

Stofa is a Danish triple-play operator (broadband, cable TV and telephony) which provides some 375,000 Danish households with cable TV and almost 180,000 with broadband. The services are delivered in close cooperation with 300 antenna associations throughout Denmark. In addition, Stofa also sells to end-user subscribers who are offered interactive TV services (pay TV), broadband and IP telephony.

Ratos's holdings at 30 September 2012

SEKm	Net sales			EBITA			EBT ^{A)}		
	2012 Q 1-3	2011 Q 1-3	2011	2012 Q 1-3	2011 Q 1-3	2011	2012 Q 1-3	2011 Q 1-3	2011
AH Industries	889	658	925	4	17	24	-16	-4	-6
Arcus-Gruppen ¹⁾	1,587	1,391	2,072	-69	41	146	-122	-17	78
Biolin Scientific ²⁾	161	156	232	8	9	15	5	-3	0
Bisnode	2,884	3,144	4,310	385	341	447	140	122	203
Contex Group ³⁾	234	231	300	21	25	19	16	21	7
DIAB	785	924	1,219	-163	17	-5	-210	-15	-50
Euromaint ⁴⁾	1,874	2,119	2,860	31	83	102	-2	43	52
Finnkino ⁵⁾	623	583	799	93	55	77	58	13	21
GS-Hydro	1,014	763	1,074	98	17	31	62	-22	-13
Hafa Bathroom Group ⁶⁾	204	245	324	11	1	-5	9	-1	-2
HL Display	1,248	1,233	1,643	80	65	64	51	35	24
Inwido	3,365	3,640	5,050	177	281	407	135	209	315
Jøtul	590	653	996	-77	0	-33	-97	-26	-66
KVD Kvarndammen	208	199	276	32	38	52	27	30	42
Mobile Climate Control	982	772	1,048	89	25	45	57	-1	7
SB Seating	851	912	1,264	164	178	253	122	130	196
Stofa	1,155	1,008	1,390	131	116	146	76	78	96
Total	18,654	18,629	25,782	1,015	1,310	1,786	311	591	905
Change	0%			-22%			-47%		

SEKm	Depreciation ^{B)} 2012 Q 1-3	Investments ^{C)} 2012 Q 1-3	Cash flow ^{D)} 2012 Q 1-3	Equity ^{E)} 30 Sept 2012	Interest-bearing net debt ^{E)} 30 Sept 2012	Average no. employees 2011	Consolidated value	Ratos's holding
							30 Sept 2012	30 Sept 2012
AH Industries	42	49	-55	855	363	457	321	69%
Arcus-Gruppen ¹⁾	26	103	-448	525	746	469	413	83%
Biolin Scientific ²⁾	6	22	-9	341	152	141	335	100%
Bisnode	108	69	27	2,168	2,118	3,016	1,211	70%
Contex Group ³⁾	22	19	-9	619	81	302	300	100%
DIAB	134	22	-37	1,019	837	1,389	887	95%
Euromaint ⁴⁾	39	26	-4	576	598	2,442	558	100%
Finnkino ⁵⁾	50	20	23	424	282	794	417	98%
GS-Hydro	16	16	53	373	450	608	27	100%
Hafa Bathroom Group ⁶⁾	2	1	-16	47	73	176	158	100%
HL Display	28	40	4	1,143	465	1,158	1,028	99%
Inwido	86	56	-114	2,264	1,232	3,523	2,187	97%
Jøtul	44	52	-144	571	654	713	326	61%
KVD Kvarndammen	4	2	17	411	98	177	411	100%
Mobile Climate Control	12	6	-41	824	605	630	798	100%
SB Seating	29	46	73	1,105	764	479	1,015	85%
Stofa	86	129	59	243	872	400	240	99%

^{A)} Earnings with restored interest expenses on shareholder loan.

^{B)} Depreciation includes depreciation and impairment of property, plant and equipment as well as internally generated and directly acquired intangible assets. Depreciation and impairment are included in EBITA.

^{C)} Investments excluding business combinations.

^{D)} Cash flow refers to cash flow from operating activities including paid interest and investing activities before acquisition and disposal of companies.

^{E)} Equity includes shareholder loans. Interest-bearing debt excludes shareholder loans.

¹⁾ Arcus-Gruppen's earnings for 2011 are pro forma taking new financing into account.

²⁾ Biolin Scientific's earnings for 2011 are pro forma taking into account a new group structure, acquisition of Sophion Bioscience in August 2011, new financing and discontinuation of Farfield.

³⁾ Contex Group's earnings for 2011 are pro forma taking into account the sale of Z Corporation and Vidar Systems as well as new financing.

⁴⁾ Euromaint's earnings for 2011 are pro forma taking into account discontinued operations (Refurbishment business area) and sale of Euromaint Industry.

⁵⁾ Finnkino's earnings for 2011 are pro forma taking Ratos's acquisition into account.

⁶⁾ Hafa Bathroom Group's earnings for 2011 are pro forma taking discontinued operations in Denmark into account.

Telephone conference

9 November

10.00 CET

+46 8 505 201 10

Listen to

CEO Susanna Campbell's

comments on
the interim report

at www.ratos.se

Financial calendar

2013

15 Feb	Year-end report 2012
17 April	AGM
8 May	Interim report Jan-Mar
15 Aug	Interim report Jan-June
8 Nov	Interim report Jan-Sept

Stockholm, 9 November 2012
Ratos AB (publ)



Susanna Campbell
CEO

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

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

Introduction

We have reviewed this interim report for Ratos AB for the period 1 January until 30 September 2012. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditors of the Entity. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially

less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

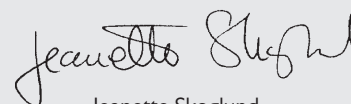
Conclusion

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

Stockholm, 9 November 2012
PricewaterhouseCoopers



Peter Clemedtsson
Authorised Public Accountant



Jeanette Skoglund
Authorised Public Accountant

Consolidated income statement

SEKm	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Net sales	6,180	7,172	20,304	21,684	29,669
Other operating income	56	39	140	171	215
Change in inventories	-18	-88	13	93	-64
Raw materials and consumables	-2,559	-2,706	-8,220	-8,376	-11,385
Employee benefit costs	-1,878	-2,281	-6,473	-7,067	-9,529
Depreciation and impairment of property, plant and equipment and intangible assets	-316	-325	-1,267	-860	-1,470
Other costs	-1,183	-1,529	-4,137	-4,558	-6,272
Capital gain from the sale of group companies	899	32	1,183	33	27
Capital gain from the sale of associates	81		81	487	485
Share of profits of associates	1	20	13	28	33
Operating profit	1,263	334	1,637	1,635	1,709
Financial income	52	8	135	89	155
Financial expenses	-243	-296	-716	-789	-1,004
Net financial items	-191	-288	-581	-700	-849
Profit before tax	1,072	46	1,056	935	860
Tax	-65	-36	-88	-211	-314
Profit for the period	1,007	10	968	724	546
Profit for the period attributable to:					
Owners of the parent	998	9	969	705	521
Non-controlling interests	9	1	-1	19	25
Earnings per share, SEK					
– before dilution	2.95	0.03	3.04	2.21	1.63
– after dilution	2.95	0.03	3.04	2.21	1.63

Consolidated statement of comprehensive income

SEKm	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Profit for the period	1,007	10	968	724	546
Other comprehensive income:					
Translation differences for the period	-261	137	-314	249	-38
Change in hedging reserve for the period	-9	-42	-3	-15	-24
Tax attributable to other comprehensive income	2	11	1	4	7
Other comprehensive income for the period	-268	106	-316	238	-55
Total comprehensive income for the period	739	116	652	962	491
Total comprehensive income for the period attributable to:					
Owners of the parent	776	104	707	904	478
Non-controlling interests	-37	12	-55	58	13

Summary consolidated statement of financial position

SEKm	30 Sept 2012	30 Sept 2011	31 Dec 2011
ASSETS			
Non-current assets			
Goodwill	16,545	21,121	20,483
Other intangible assets	1,304	1,624	1,541
Property, plant and equipment	4,051	4,380	4,286
Financial assets	275	818	785
Deferred tax assets	649	682	617
Total non-current assets	22,824	28,625	27,712
Current assets			
Inventories	2,632	3,074	2,684
Current receivables	5,438	6,106	6,291
Cash and cash equivalents	3,018	2,506	3,042
Assets held for sale			193
Total current assets	11,088	11,686	12,210
Total assets	33,912	40,311	39,922
EQUITY AND LIABILITIES			
Equity including non-controlling interests	13,436	15,377	14,655
Non-current liabilities			
Interest-bearing liabilities	9,545	11,352	11,667
Non-interest bearing liabilities	748	561	845
Pension provisions	306	422	410
Other provisions	208	600	396
Deferred tax liabilities	437	756	690
Total non-current liabilities	11,244	13,691	14,008
Current liabilities			
Interest-bearing liabilities	2,430	2,991	2,145
Non-interest bearing liabilities	6,673	7,574	8,307
Provisions	129	678	718
Liabilities attributable to assets held for sale			89
Total current liabilities	9,232	11,243	11,259
Total equity and liabilities	33,912	40,311	39,922

Summary statement of changes in consolidated equity

SEKm	30 Sept 2012			30 Sept 2011			31 Dec 2011		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
Opening equity	13,658	997	14,655	15,091	1,374	16,465	15,091	1,374	16,465
Effect of adopted purchase price allocation				-23		-23	-23		-23
Adjusted equity	13,658	997	14,655	15,068	1,374	16,442	15,068	1,374	16,442
Total comprehensive income for the period	707	-55	652	904	58	962	478	13	491
Dividend	-1,754	-74	-1,828	-1,678	-133	-1,811	-1,678	-130	-1,808
New issue		14	14		7	7		10	10
Purchase of treasury shares				-74		-74	-74		-74
Transfer of treasury shares (exercise of call options)				88		88	88		88
Associates, sale of treasury shares	6		6						
Option premiums				6		6	6		6
Put option, future acquisition from non-controlling interests								-215	-215
Acquisition of non-controlling interests	-7	-10	-17	-175	-156	-331	-230	-140	-370
Non-controlling interests at acquisition		1	1		102	102		99	99
Non-controlling interests in disposals		-47	-47		-14	-14		-14	-14
Closing equity	12,610	826	13,436	14,139	1,238	15,377	13,658	997	14,655

Consolidated statement of cash flows

SEKm	2012 Q 1-3	2011 Q 1-3	2011
Operating activities			
Profit before tax	1,056	935	860
Adjustment for non-cash items	-19	114	1,034
	1,037	1,049	1,894
Income tax paid	-207	-246	-316
Cash flow from operating activities before change in working capital	830	803	1,578
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-38	-246	64
Increase (-)/Decrease (+) in operating receivables	274	340	-146
Increase (+)/Decrease (-) in operating liabilities	-1,087	-413	212
Cash flow from operating activities	-21	484	1,708
Investing activities			
Acquisition, group companies	-15	-1,446	-1,531
Disposal, group companies	2,919	804	913
Acquisition, shares in associates		-3	-4
Disposal, shares in associates	384	1,874	1,876
Acquisition other intangible/tangible assets	-645	-609	-956
Disposal, other intangible/tangible assets	6	16	33
Investment, financial assets	-23	-44	-19
Disposal, financial assets	23	49	51
Cash flow from investing activities	2,649	641	363
Financing activities			
Purchase of treasury shares		-74	-74
Exercise of options	-3	41	40
Option premiums	4	34	13
Acquisition of non-controlling interests (minority)	-15	-228	-237
Dividend paid	-1,754	-1,678	-1,678
Dividend paid/redemption, non-controlling interests	-74	-133	-130
Borrowings	760	2,781	6,097
Amortisation of loans	-1,535	-2,256	-5,930
Cash flow from financing activities	-2,617	-1,513	-1,899
Cash flow for the period	11	-388	172
Cash and cash equivalents at beginning of the year:	3,042	2,855	2,855
Exchange differences in cash and cash equivalents	-35	39	15
Cash and cash equivalents at the end of the period	3,018	2,506	3,042

Consolidated key figures ¹⁾

SEKm	2012 Q 1-3	2011 Q 1-3	2011
Return on equity, %			4
Equity ratio, %	40	38	37
Key figures per share			
Total return, %	-23	-33	-32
Dividend yield, %			6.8
Market price, SEK	57.95	79.70	80.75
Dividend, SEK			5.5
Equity attributable to owners of the parent, SEK	40	44	43
Earnings per share before dilution, SEK	3.04	2.21	1.63
Average number of shares outstanding			
– before dilution	319,000,468	319,050,205	319,036,699
– after dilution	319,000,468	319,425,102	319,288,848
Total number of registered shares	324,140,896	324,140,896	324,140,896
Number of shares outstanding	319,001,359	318,996,769	318,996,769
– of which A shares	84,637,060	84,637,060	84,637,060
– of which B shares	234,364,299	234,359,709	234,359,709

¹⁾ Relevant historical figures are recalculated taking the 2011 share split into account.

Parent company income statement

SEKm	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Other operating income	1		2	1	1
Other external costs	-15	-12	-59	-62	-79
Personnel costs	-18	-17	-78	-98	-109
Depreciation of property, plant and equipment	-2	-2	-4	-4	-5
Operating profit/loss	-34	-31	-139	-163	-192
Capital gain from sale of investments in group companies	830	107	830	107	107
Dividends from group companies		290	382	827	827
Impairment of shares in group companies	-15		-316		-322
Reversed impairment of shares in group companies				37	37
Capital gain from sale of interests in associates	266		266	78	78
Dividends from associates			14	16	16
Impairment of interests in associates	-5		-5		-7
Result from other securities and receivables accounted for as non-current assets	5	40	91	126	175
Other interest income and similar profit/loss items	-1	0	19	33	27
Interest expenses and similar profit/loss items	-13	-9	-39	-33	-42
Profit after financial items	1,033	397	1,103	1,028	704
Tax					
Profit for the period	1,033	397	1,103	1,028	704

Parent company statement of comprehensive income

SEKm	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Profit for the period	1,033	397	1,103	1,028	704
Other comprehensive income:					
Change in fair value reserve for the period	0	0	1	6	0
Other comprehensive income for the period	0	0	1	6	0
Comprehensive income for the period	1,033	397	1,104	1,034	704

Summary parent company balance sheet

SEKm	30 Sept 2012	30 Sept 2011	31 Dec 2011
ASSETS			
Non-current assets			
Property, plant and equipment	79	83	82
Financial assets	10,575	12,728	12,540
Total non-current assets	10,654	12,811	12,622
Current assets			
Current receivables	30	101	67
Cash and cash equivalents	1,775	775	897
Total current assets	1,805	876	964
Total assets	12,459	13,687	13,586
EQUITY AND LIABILITIES			
Equity	11,891	12,871	12,541
Non-current provisions			
Pension provisions	1	2	1
Other provisions	16	39	16
Non-current liabilities			
Interest-bearing liabilities, group companies	438	606	620
Non-interest bearing liabilities	27	76	36
Current provisions	18		20
Current liabilities			
Interest-bearing liabilities, group companies			260
Non-interest bearing liabilities	68	93	92
Total equity and liabilities	12,459	13,687	13,586
Pledged assets and contingent liabilities	none	none	none

Summary statement of changes in parent company's equity

SEKm	30 Sept 2012	30 Sept 2011	31 Dec 2011
Opening equity	12,541	13,493	13,493
Comprehensive income for the period	1,104	1,034	704
Dividend	-1,754	-1,678	-1,678
Purchase of treasury shares		-74	-74
Transfer of treasury shares (exercise call options)		88	88
Option premiums		8	8
Closing equity	11,891	12,871	12,541

Parent company cash flow statement

SEKm	2012 Q 1-3	2011 Q 1-3	2011
Operating activities			
Profit before tax	1,103	1,028	704
Adjustment for non-cash items	-1,121	-346	-45
	-18	682	659
Income tax paid	-	-	-
Cash flow from operating activities before change in working capital	-18	682	659
Cash flow from change in working capital			
Increase (-)/Decrease (+) in operating receivables	-50	-27	-19
Increase (+)/Decrease (-) in operating liabilities	-41	-52	-64
Cash flow from operating activities	-109	603	576
Investing activities			
Investment, shares in subsidiaries	-375	-867	-909
Disposal and redemption, shares in subsidiaries	2,591	1,486	1,738
Disposal, shares in associates and other holdings	384	549	549
Acquisition, property, plant and equipment	-1		-1
Investment, financial assets	-70	-50	-126
Disposal, financial assets	95	46	61
Cash flow from investing activities	2,624	1,163	1,312
Financing activities			
Purchase of treasury shares		-74	-74
Transfer of treasury shares (exercise call options)		88	88
Option premiums		10	10
Redemption incentive programme	-3	-47	-47
Dividend paid	-1,754	-1,678	-1,678
Loans raised in group companies	120	290	290
Cash flow from financing activities	-1,637	-1,411	-1,411
Cash flow for the period	878	355	477
Cash and cash equivalents at the beginning of the year	897	420	420
Cash and cash equivalents at the end of the period	1,775	775	897

Note I 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.

The accounting principles and basis of calculation are the same as those applied for the Group and the parent company in preparation of the most recent annual report. IFRS requires uniform accounting principles within a group.

New accounting principles for 2012

The revised IFRS standards which come into force in 2012 are not assessed as having any material effect on the performance, financial position or disclosures of the Group or parent company.

Significant accounting and valuation principles

A brief summer of Ratos's key accounting principles is provided below.

Business combinations

IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements are applied to acquisitions of subsidiaries. How an acquisition/disposal is recognised in the accounts depends on the size of the share acquired/sold.

- In the event ownership in the company exists, without this providing a controlling interest, when a controlling interest is obtained in the acquired company a remeasurement is performed at fair value whereby profit/loss is recognised in profit or loss for the year. In a corresponding manner a disposal, which results in a loss of control, is recognised as a capital gain or loss from the disposal while the remaining share in the company is remeasured at fair value.
- Acquisitions that take place after control has been obtained or in the event of a disposal when control remains, are regarded as owner transactions, whereby any changes are recognised in equity.
- Contingent considerations will be measured at fair value on the transaction date and in cases where the contingent consideration results in a liability it will be measured at fair value on each accounting date. Remeasurement is recognised as income/expense in profit or loss for the year.

- Transaction costs that arise in conjunction with an acquisition are expensed immediately.
- For business combinations there are two alternative methods for recognising goodwill, either full or proportionate share of goodwill. The choice between these two methods is made individually for every acquisition.

Purchase price allocations

Purchase price allocations (PPAs) are preliminary until adopted, which must take place within 12 months from the acquisition. In cases where a PPA is changed, income statements and balance sheets are adjusted for the comparative period when appropriate.

Goodwill and intangible assets

IFRS represents a requirement to identify and measure intangible assets at acquisition. To the extent intangible assets can be identified goodwill decreases correspondingly. Goodwill is not amortised but is subject to an annual test for impairment. Other intangible assets are amortised to the extent that an amortisation period can be determined. In such cases, testing for impairment is only carried out when there is an indication of a decline in value. If the amortisation period cannot be determined and amortisation is therefore not effected, an annual impairment test must be performed regardless of whether or not there is any indication of impairment.

When testing for impairment, goodwill and other intangible assets with an indeterminable useful life are attributable to cash-generating units, which in Ratos's case constitute separate subsidiaries (holdings). All holdings' carrying amounts, including the value of goodwill and intangible non-current assets attributable to the acquisition are tested by calculating the recoverable amount for the holdings. Holdings are tested for impairment annually regardless of whether or not there is any indication of impairment. Testing is conducted between annual periods if there is any indication of impairment.

Note 2 Business combinations

Acquisitions

In July 2012, Arcus-Gruppen signed an agreement to acquire the brands Aalborg, Brøndums, Gammel Dansk and Malteser from Pernod Ricard. The purchase price (enterprise value) amounts to EUR 103m (approximately SEK 880m). Approval has been received from the competition authority in Denmark subject to sale of the Brøndums brand. Approval from the German competition authority is still pending and a decision is expected before year-end.

Disposals

In August, Ratos sold the remaining 8,849,157 shares (approximately 11%) in Lindab International to Systemair. The selling price amounted to SEK 389m, corresponding to SEK 44 per share, and the exit gain was SEK 81m.

In April, Ratos and co-owners signed an agreement to sell all the shares in Anticimex. The sale was completed in July 2012. Consideration transferred amounted to SEK 1,544m and the capital gain (exit gain) for Ratos amounted to SEK 898m.

Disposals in group companies

Bisnode's sale of its subsidiary Kompass in Sweden, Norway, Denmark and Finland was completed in June 2012. Consideration transferred amounted to SEK 2m whereby Bisnode's exit gain amounted to SEK 8m.

Inwido's sale of the business area Inwido Home Improvement was completed in June 2012. Consideration transferred amounted to SEK 188m and the exit loss was SEK 51m.

Bisnode's sale of WLW to the German private equity company Paragon Partners was completed in February 2012. Consideration transferred amounted to SEK 357m whereby Bisnode's exit gain amounted to SEK 151m.

Contex Group's sale of its subsidiaries Z Corporation and Vidar Systems to the American company 3D Systems Corporation was completed in January 2012. Consideration transferred amounted to USD 137m and the exit loss was USD 8m.

Disposals after the end of the reporting period

In October, Ratos signed an agreement to sell all the shares in the subsidiary Stofa to the Danish energy and telecom group SE (Syd Energi) for DKK 1,900m (approximately SEK 2,200m) (enterprise value). The sale generates a net exit gain for Ratos of approximately SEK 850m. The sale is subject to approval from the relevant regulatory authorities and SE's Board of Representatives. The sale is expected to be completed by year-end 2012 at the earliest.

Adoption of previous year's preliminary purchase price allocations at Ratos Group level

Purchase price allocations (PPAs) are preliminary until adopted, which must take place within 12 months from the acquisition. In cases where a PPA is changed, income statements and balance sheets are adjusted for the comparative period when appropriate.

The PPA for Finnkinno has been adopted in accordance with the preliminary PPA with one minor variation. A reduction in non-controlling interests is due to an underlying subsidiary being recognised in accordance with the proportionate consolidation method.

Finnkinno

SEKm	Preliminary PPA	New measurement	Definite PPA
Intangible assets	3		3
Property, plant and equipment	622	-8	614
Financial assets	1		1
Current assets	60		60
Cash and cash equivalents	53		53
Non-controlling interests	-7	7	0
Non-current liabilities and provisions	-474		-474
Current liabilities	-160	-4	-164
Net identifiable assets and liabilities	98	-5	93
Consolidated goodwill	537	5	542
Consideration transferred	635	0	635

Note 3 Operating segments

SEKm	Sales					EBT ¹⁾				
	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011	2012 Q 3	2011 Q 3	2012 Q 1-3	2011 Q 1-3	2011
Holdings										
AH Industries	258	215	889	658	925	-10	-9	-16	-4	-6
Anticimex ²⁾		482	1,009	1,418	1,927		12	51	68	84
Arcus-Gruppen	559	507	1,587	1,391	2,072	18	-19	-122	-12	82
Biolin Scientific	53	44	161	103	180	4	4	5	3	-10
Bisnode	884	1,039	2,884	3,144	4,310	26	16	64	49	106
Contex Group	59	154	234	490	662	5	7	16	38	-14
DIAB	245	285	785	924	1,219	-167	-55	-215	-16	-51
Euromaint	556	737	1,874	2,547	3,329	-6	-53	-43	-107	-144
Finnkino ³⁾	201	196	623	327	543	24	-6	58	-8	1
GS-Hydro	356	262	1,014	763	1,074	23	-5	62	-22	-13
Hafa Bathroom Group	62	77	204	253	335	-1	-17	9	-20	-18
HL Display	410	409	1,248	1,233	1,643	14	8	51	36	24
Inwido	1,102	1,290	3,365	3,640	5,050	115	66	135	209	315
Jøtul	226	275	590	653	996	-12	-14	-104	-62	-113
KVD Kvarndammen	60	65	208	199	276	8	13	27	30	42
Lindab ⁴⁾							14	4	18	21
Medisize ⁵⁾		66		617	617		-11		42	42
Mobile Climate Control	336	290	982	772	1,048	20	-14	57	-1	7
SB Seating	271	288	851	912	1,264	35	22	61	55	95
Stofa	369	323	1,155	1,008	1,390	18	14	76	78	96
Total	6,007	7,004	19,663	21,052	28,860	114	-27	176	374	546
Exit Anticimex						898		898		
Exit Lindab						81		81		
Exit Camfil									586	586
Exit Superfos									-99	-99
Exit Medisize							38		38	38
Exit result						979	38	979	525	525
Impairment AH Industries								-275		
Impairment Contex Group										-312
Holdings total	6,007	7,004	19,663	21,052	28,860	1,093	11	880	899	759
Central income and expenses	173	168	641	632	809	-21	35	176	36	101
Group total	6,180	7,172	20,304	21,684	29,669	1,072	46	1,056	935	860

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

²⁾ Anticimex is included in consolidated profit through June 2012. The entire holding was sold in July 2012.

³⁾ Finnkino is included in consolidated profit from May 2011.

⁴⁾ Lindab is included in consolidated profit through June 2012. The entire holding was sold in August 2012.

⁵⁾ Medisize is included in consolidated profit through July 2011. The entire holding was sold in August 2011.

RATOS

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Ratos is a private equity conglomerate. The company's mission is to maximise shareholder value over time through the professional, active and responsible exercise of its ownership role in primarily medium to large unlisted Nordic companies. Ratos's holdings include AH Industries, Arcus-Gruppen, Biolin Scientific, Bisnode, Contex Group, DIAB, Euromaint, Finnkino, GS-Hydro, Hafa Bathroom Group, HL Display, Inwido, Jøtul, KVD Kvarndammen, Mobile Climate Control, SB Seating and Stofa. Ratos is listed on Nasdaq OMX Stockholm and market capitalisation amounts to approximately SEK 19 billion.