

Interim report January – September 2016



RATOS

1866 | 2016

150

Development in company portfolio

- Sales growth of +9%, adjusted for the size of Ratos's holding, net sales amounted to SEK 17,981m (16,511)
- Adjusted EBITA development of -4%, adjusted for the size of Ratos's holding, mainly due to weak performance of GS-Hydro. The portfolio's adjusted EBITA amounted to SEK 1,100m (1,145)
- EBITA development of -15%, adjusted for the size of Ratos's holding. The portfolio's EBITA amounted to SEK 894 Mkr (1,050)

Acquisitions and divestments

- The acquisitions of Serena Properties, airteam, Oase Outdoors and Gudrun Sjödén Group were completed
- Agreement to acquire Plantagen, the Nordic region's leading retail chain for plants and gardening accessories

Events after the end of the period

- Divestment of Euromaint agreed in October – no exit gain
- Preparing Arcus for an IPO

Financial information

- The impairment of book values in Aibel, AH Industries, Biolin Scientific, Euromaint and Jøtul amounted to SEK 1.7 billion, attributable to the owners of the parent, of which SEK 1.1 billion is attributable to Aibel
- Profit/share of profits from companies amounted to SEK 332m (611), a decline attributable to a weak earnings trend in the companies and a changed company portfolio
- Earnings per share before and after dilution amounted to SEK -5.74 (3.34)
- Cash and cash equivalents in the parent company totalled SEK 1,627m (4,282)

Ratos Group's key figures based on IFRS

SEKm	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
Net sales	6 305	5 546	18 579	17 962	24 480
Operating profit	-2 023	1 136	-1 786	1 888	1 411
Profit before tax	-2 227	971	-2 220	1 422	892
of which, Profit/share of profits in portfolio companies	149	211	332	611	664
of which, Exit gains in portfolio companies		905		1 142	1 101
of which, Impairment in portfolio companies:					
attributable to owners of the parent	-1 691	-84	-1 691	-84	-565
attributable to non-controlling interest	-609		-609		
Earnings per share after dilution	-5,34	2,69	-5,74	3,34	1,29
Equity (attributable to owners of the parent)			10 279	13 868	12 882
Return on equity, %					4
Equity ratio, %			42	50	47
Cash flow for the period from operating activities			201	305	1 252
Cash and cash equivalents in the parent company			1 627	4 282	4 677

Important events, January - September

Acquisitions and divestments

- In September, an agreement was signed to acquire 100% of the shares in Plantagen, the Nordic region's leading retail chain for plants and gardening accessories. The purchase price (equity value) for 100% amounts to approximately NOK 1.2 billion, corresponding to an enterprise value of about NOK 2.9 billion. The transaction is expected to be completed in the fourth quarter
- In September, the acquisition was completed of Gudrun Sjødén Group, an international design company with a unique, colourful style and a strong emphasis on sustainability. The purchase price (enterprise value) for 100% of the company amounted to SEK 725m. Ratos paid SEK 152m for a holding of 30%. Ratos has signed an agreement for an option to increase its holding a further 40% in 2018
- In September, the acquisition was completed of Oase Outdoors, a family-owned Danish company that supplies high-quality camping and outdoor equipment. The purchase price (enterprise value) for 100% of the company amounted to DKK 380m. Ratos provided DKK 126m and owns 79%
- As announced earlier, during the first half of the year, the acquisitions were completed of Serena Properties, a newly formed real estate company with a portfolio of 22 commercial retail properties in Finland, and airteam, a leading supplier of ventilation solutions in Denmark

Events after the end of the period

- In October, Ratos signed an agreement to divest 100% of the shares in its subsidiary Euromaint, Sweden's leading independent maintenance company for the rail transport industry. The purchase price (enterprise value) amounts to approximately SEK 650m. The divestment is not expected to generate any exit gain for Ratos, considering the impairment of book value during the

period. The investment has generated a negative annual average return (IRR). The transaction is expected to be completed in the fourth quarter of 2016.

- Ratos and its subsidiary Arcus have resolved to prepare the company for an IPO. More detailed information on a schedule and conditions will be provided in conjunction with decisions being made about listing

Impairment

- The impairment of book values in Aibel, AH Industries, Biolin Scientific, Euromaint and Jøtul amounted to SEK 1.7 billion, attributable to the owners of the parent, of which SEK 1.1 billion is attributable to Aibel. In accordance with IFRS, the non-controlling interest's share of the impairment, SEK 609m, is also charged to the Ratos Group's net profit. Additional information about impairment of book values can be found in Note 7

Capital contribution/earn-out

- As announced earlier, Ratos paid a capital contribution to Euromaint in the amount of SEK 120m, to Bisnode in the amount of SEK 175m, to GS-Hydro in the amount of EUR 5m and to Aibel in the amount to NOK 316m. In September, capital contributions of SEK 15m were made to KVD
- An earn-out of EUR 4m was paid in connection with TFS
- Bisnode implemented an add-on acquisition of Danish NN Markedsdata, thereby strengthening its market position in Denmark in data and analysis. The purchase price (enterprise value) amounted to approximately DKK 80m, of which Ratos provided DKK 56m

Events after the end of the period

- Ratos paid a capital contribution to GS-Hydro of EUR 3m

More information about important events in the holdings is provided on pages 6-14

Performance of Ratos's company portfolio ¹⁾

SEKm	2016 Q3				2016 Q1-3			
	Companies in their entirety		Ratos's holding		Companies in their entirety		Ratos's holding	
		Change		Change		Change		Change
Net sales in the portfolio	9,108	+14%	6,006	+10%	27,142	+13%	17,981	+9%
EBITA in the portfolio	538	+2%	364	-6%	1,278	-17%	894	-15%
Adjusted EBITA in the portfolio ²⁾	547	-5%	403	-4%	1,625	-3%	1,100	-4%

¹⁾ Comparison with corresponding period in preceding year and for comparable units.
²⁾ Excluding items affecting comparability.

For reconciliation of alternative performance measures, see Note 3 pages 28-29.

On page 15 an extensive table is provided with financial information for Ratos's companies to facilitate analysis. At www.ratos.se, income statements, statements of financial position, etc., for all Ratos's companies are available in downloadable Excel files.

We are continuing our change initiatives



The recent months have been eventful at Ratos, with us seeing continued change in the portfolio with the agreement to acquire Plantagen, while at the same time, we are preparing Arcus for an IPO and have agreed to divest Euromaint. We have also implemented significant impairment of book values as an adaptation to the prevailing market situation. In Ratos's central organisation, we have made efficiency enhancements and have thus managed to reduce our organisation and office space, thereby cutting our fixed operational management costs. Altogether we see this as important measures to continue the development of Ratos.

High pace in the portfolio

During the first nine months of the year, the portfolio displayed positive sales growth of +9%. However, adjusted for the size of Ratos's holding, adjusted EBITA declined -4%. This weak earnings trend was primarily attributable to the performance of GS-Hydro, which continued to face considerable market uncertainty, with low volumes in both the offshore market and the land-based segment. Together with the management of the company, we are now implementing considerable measures to adapt the company to the prevailing market conditions.

The oil service company Aibel continues to operate in a challenging market and is implementing extensive restructuring measures to strengthen its competitiveness. During the third quarter, the company signed a significant contract for the Dvalin field that is valid until 2020. As we have previously described, the data and analytics company Bisnode is implementing an extensive change programme to exploit the growing demand in data and analysis, which entails organisational changes, product development and more effective processes.

Many of our companies are making progress both operationally and strategically. The wine and spirits provider Arcus is increasing its production efficiency through higher volumes in its production plant outside Oslo and Diab continues to increase its production capacity to meet sustained high demand. The Norwegian construction company HENT recently established a presence in Sweden and continues to show very strong growth. KVD is investing

considerable amounts in upgrading its technical platform to be able to build out its customer offering.

Our newly acquired companies Oase Outdoors and Gudrun Sjødén Group are included in the Ratos Group's results as of 1 September and we are now driving their further development.

Interesting acquisitions and strategic investments

The transaction markets remain strong and during the year, Ratos has made several transactions in accordance with our strategy of investing in new, interesting companies, implementing add-on acquisitions and realising values through divestments. In addition to the add-on acquisitions that TFS, Bisnode and airteam made during the year, Ratos has signed agreements for five acquisitions, of which the latest is Plantagen, the Nordic region's largest retail chain for plants and gardening accessories. The company has a leading market position, a strong brand and an attractive product offering, while also operating in a market with stable growth.

In addition, after the end of the period, Ratos signed an agreement on divestment of Euromaint, acquired in 2007. After the sale of the German operations and the securing of strategically important contracts, such as for Arlanda Express, we feel it is time for a new owner to take over and develop the company further.

We are also pleased to be able to announce that we have decided to prepare Arcus for listing. Ratos has owned Arcus since 2005 and the company has developed from a local Norwegian spirits producer into the Nordic region's leading supplier of wines and spirits. Today, Arcus is a company with solid growth and profitability and many strong consumer brands that continue to have large growth potential, which is why we believe that Arcus will be well suited to a listed environment.

Impairment of book values

Some of our companies are operating under tough market conditions and are showing a weak earnings trend. To reflect the companies' market situation, we are adjusting our book values. In the third quarter, we made considerable impairments of book values attributable to the portfolio companies Aibel, AH Industries, Biolin Scientific, Euromaint and Jøtul. In total, the impairments of investments in associates and goodwill attributable to the owners of the parent amounted to SEK 1.7 billion.

Outlook for 2016

Our cautious macroeconomic view for the full-year 2016 remains unchanged and we predict that the market conditions will continue to vary. The activity level in the transaction market is expected to remain high. The outlook

for the portfolio's adjusted earnings trend for the full year remains and is expected to be somewhat lower than the result for the preceding year, adjusted for the size of Ratos holding. This applies for the company portfolio owned by Ratos as per the close of the third quarter.

Now that I, after nearly 5 months as acting CEO, am handing over to Magnus Agervald, who starts on 14 November, I am able to look back on an eventful and intense period as CEO for an extremely exciting company with fantastic colleagues and highly attractive companies in its portfolio.



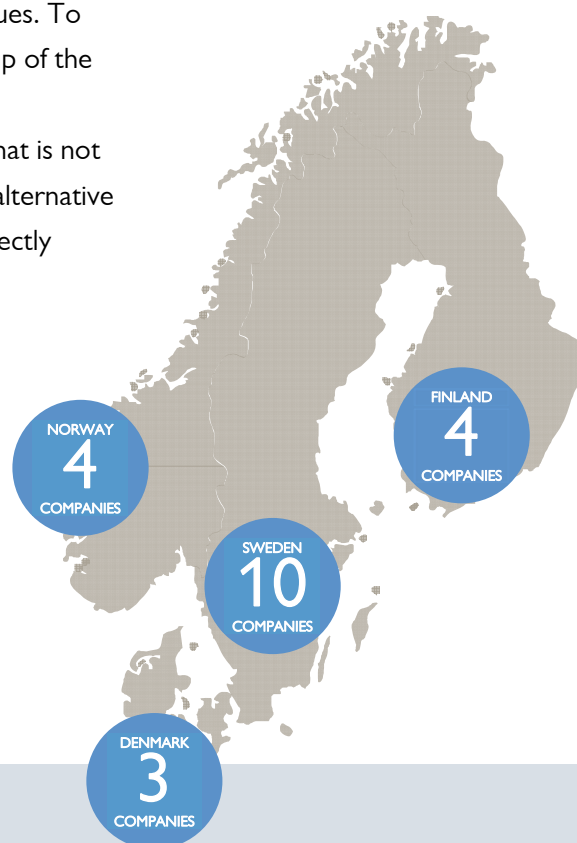
Lars Johansson

Companies overview

The Ratos Group's net sales for the first nine months in accordance with IFRS amounted to SEK 18,579m (17,962), corresponding to an increase of +3%. The operating loss for the same period amounted to SEK -1 786m (1,888), mainly due to impairment of book values. To facilitate a comparison between periods and enable follow-up of the ongoing performance of Ratos's company portfolio, Ratos's Companies overview 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.

Development in Ratos's company portfolio

Ratos invests mainly in unlisted medium-sized Nordic companies and, as per 30 September 2016, has 21 companies in its portfolio, ten of which are categorised as medium-sized (mid cap) and eleven as small-sized (small cap). The largest industries in terms of sales are Construction, Consumer goods/Commerce and Industrials. The information presented for each company refers to the company in its entirety and has not been adjusted for the size of Ratos's holding, with the exception of consolidated book value.

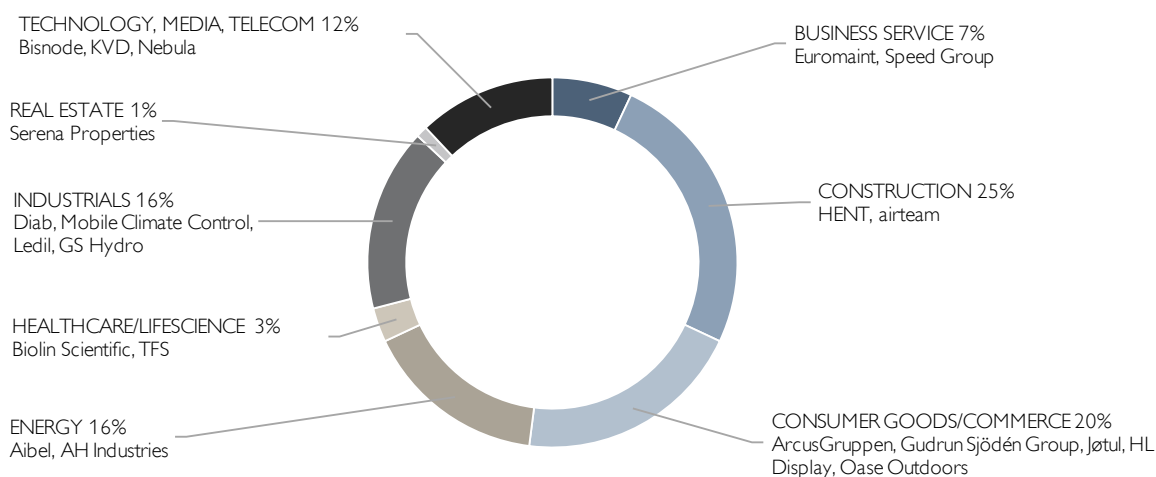


21 companies with approximately

16,000* employees

* The number of employees is based on the average number of employees for the full year 2015 for the 21 companies.

Sales breakdown by segment**

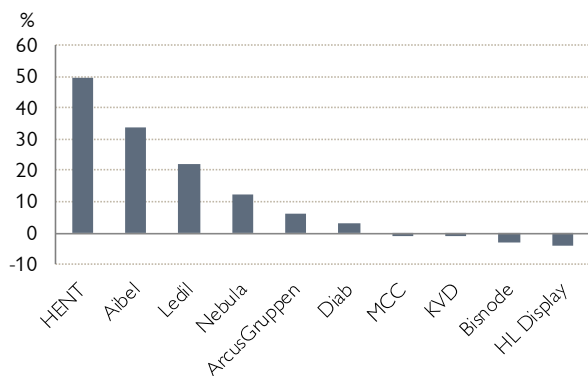


** adjusted for the size of Ratos's holding.

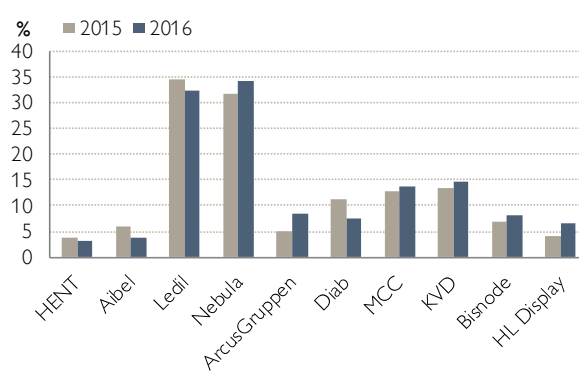
Medium-sized companies (mid cap)

In total, the medium-sized companies showed +14% growth in net sales and an increase in adjusted EBITA of +10% (reported EBITA +1%) during the first nine months of 2016, adjusted for the size of Ratos's holding. The companies' total sales accounted for 75% of Ratos's portfolio sales and 84% of adjusted EBITA.

Net sales trend, local currency



Adjusted EBITA margin



Aibel



- Strong growth of +34%, primarily driven by high activity in Field Development, mainly related to the new construction contracts for the Johan Sverdrup field. Weak market trend in MMO and Modification
- Favourable delivery in the project portfolio, but with reduced margins. The four-year newbuild project in the Johan Sverdrup field is proceeding to plan
- Based on the continued weak market and completion of the maintenance contract in the Ekofisk field, efficiency measures were implemented in 2016 to strengthen competitiveness and resulted in personnel reductions. Earnings were charged with items affecting comparability totaling NOK -144m
- The order book at 30 September 2016 amounted to approximately NOK 15 billion, which was unchanged compared with 30 September 2015. In July, Aibel Singapore secured a major maintenance contract for Greater Enfield Project, which will extend until 2019. After the end of the period, Aibel secured a key maintenance contract for the Dvalin field (Norwegian shelf), which will last until 2020
- As a result of the weak market trend, the book value was impaired, which impacts equity attributable to the owners of the parent in an amount of SEK -1.1 billion. In July, a capital contribution of NOK 316m was paid to Aibel, proportionate to Ratos's 32% holding
- Mads Andersen, formerly President of OneSubsea Processing System, will take over as the new CEO when Jan Skogseth retires on 1 January 2017

NOKm	Q1-3	
	2016	2015
Sales	7,356	5,490
EBITA	140	279
Adjusted EBITA	284	332
Adjusted EBITA margin	3.9%	6.1%
Time of acquisition, year	2013	
Book value (SEKm)	690	

Holding

32%

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

- Good sales growth of +6%, primarily driven by increased demand within the wine segment in Sweden and the acquisition of Social Wines in Finland. Good development of the aquavit category in Norway, and stable trend for overall spirits sales
- Improved EBITA due to higher volumes and lower production costs following the relocation of production from Aalborg to Gjelleråsen. Continued earnings improvement within Vectura's distribution operations (adjusted EBITA NOK -18m (-32)). Vectura won a major distribution agreement in the second quarter
- Minority shares in two of the company's current wine agencies were acquired. In total, this represents an investment of approximately NOK 100m for Arcus
- After the end of the period, it was announced that Ratos and its subsidiary Arcus have resolved to prepare the company for listing. More detailed information on a schedule and conditions will be provided in conjunction with decisions being made about listing

NOKm	Q1-3	
	2016	2015
Sales	1,771	1,670
EBITA	140	87
Adjusted EBITA	149	83
Adjusted EBITA margin	8.4%	4.9%
Time of acquisition, year	2005	
Book value (SEKm)	666	

Holding

83%

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

Bisnode



- The extensive change initiatives to strengthen core operations and modernise the customer offering are under way at a high pace. As an effect of the intense focus on the change initiatives and the production rationalisation being implemented, organic revenue development adjusted for currency effects amounted to -3%, mainly due to lower volumes in Sweden
- Strategic initiatives are in progress to strengthen the organisation, develop the offering and create profitable growth. As a result of the measures implemented, adjusted EBITA increased approximately SEK 25m compared with the year-earlier period. Items affecting comparability attributable to restructuring efforts, particularly layoffs, amounted to SEK 85m (14) during the period. Further initiatives are planned
- To enable restructuring work, Bisnode signed a new financing agreement and Ratos contributed SEK 175m, proportionate to its holding. In the third quarter, Bisnode acquired Danish NN Markedsdata, thereby strengthening its market position in Denmark in data and analysis. In conjunction with the acquisition, Ratos contributed DKK 56m, corresponding to its holding of 70%

SEKm	Q1-3	
	2016	2015
Sales	2,493	2,572
EBITA	115	160
Adjusted EBITA	199	174
Adjusted EBITA margin	8.0%	6.8%
Time of acquisition, year	2004	
Book value (SEKm)	1,540	

Holding

70%

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

Diab



- The sales increase was +6%, adjusted for currency effects, with strong development in the TIA* segment and the wind segment in North America and Europe. There was some slowdown in the wind segment in China and in the marine segment during the period
- Planned growth initiatives to increase capacity in China and the US resulted in higher costs, which had a negative earnings impact but were necessary to meet increased demand
- The new facility for IPN foam production in China opened in late June 2016, is expected to be put into production in December 2016 and reach full capacity in 2017
- In May, Airbus approved Diab's recently developed F50 material, which represents a breakthrough for Diab in the Aerospace segment. The material is used for aircraft interiors, such as seats, wall and floor panels

*Transport, Industry, Aerospace

SEKm	Q1-3	
	2016	2015
Sales	1,126	1,093
EBITA	81	132
Adjusted EBITA	86	124
Adjusted EBITA margin	7.6%	11.3%
Time of acquisition, year	2001/2009	
Book value (SEKm)	691	

Holding

96%

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

HENT



- Excellent sales growth of +50% driven by a strong order book and good progress in ongoing projects
- Healthy profitability as a result of increased sales and the effective implementation of projects in progress
- Very strong order intake of NOK 7.2 billion. During the period, HENT signed an agreement regarding the construction of a hotel in Trondheim, with an order value of approximately NOK 800m, and two breakthrough contracts in the Swedish market worth a total of approximately NOK 1.6 billion, representing an important establishment in both the private and public sector in Sweden
- The order book at 30 September 2016 amounted to approximately NOK 10.1 billion (approximately NOK 9.3 billion at 30 September 2015).

NOKm	Q1-3	
	2016	2015
Sales	5,802	3,874
EBITA	180	140
Adjusted EBITA	181	141
Adjusted EBITA margin	3.1%	3.6%
Time of acquisition, year	2013	
Book value (SEKm)	298	

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.

HL Display



- After the slowdown in the second quarter, a positive development was discerned in the third quarter, driven by higher demand in Western and Eastern Europe, as well as in the Distributor segment. Adjusted for currency effects, the sales trend amounted to -1% for the period and +2% for the third quarter
- Positive profitability driven by previously implemented restructuring measures, including the transfer of production from Sweden to Poland and the consolidation of logistics centres
- Continued focus on sales initiatives, product innovation and streamlining of production

SEKm	Q1-3	
	2016	2015
Sales	1,044	1,089
EBITA	56	2
Adjusted EBITA	67	46
Adjusted EBITA margin	6.4%	4.2%
Time of acquisition, year	2001/2010	
Book value (SEKm)	829	

Holding

99%

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.

KVD



- Strong sales development within Private Cars (+26%), but weaker performance in Company Cars and Machines & Heavy Vehicles
- Stronger adjusted EBITA following the discontinuation of the unprofitable Norwegian auction operations. The close-down costs were charged to reported earnings
- Continued investments in IT and the development of services in order to raise the level of customer value on the auction sites. A capital contribution of SEK 15m was provided

SEKm	Q1-3	
	2016	2015
Sales	236	239
EBITA	24	29
Adjusted EBITA	35	32
Adjusted EBITA margin	14.7%	13.4%
Time of acquisition, year	2010	
Book value (SEKm)	347	

Holding

100%

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

Ledil



- Strong sales growth of +22%, driven by higher demand in all large markets, Europe, North America and Asia
- Increased EBITA as a result of higher sales
- Strategic initiatives in product development and sales, establishment of a new sales company in North America

EURm	Q1-3	
	2016	2015
Sales	29.3	24.0
EBITA	9.5	8.3
Adjusted EBITA	9.5	8.3
Adjusted EBITA margin	32.2%	34.5%
Time of acquisition, year	2014	
Book value (SEKm)	531	

Holding

66%

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

Mobile Climate Control



- Stable sales growth of +2% adjusted for currency effects. Strong sales in the Bus segment, while a weaker trend was noted in the Off-road segment
- Improved profitability, mainly through increased production efficiency
- Focus on growth initiatives through greater market presence and product innovation

SEKm	Q1-3		Holding
	2016	2015	
Sales	976	985	100%
EBITA	132	124	
Adjusted EBITA	133	126	
Adjusted EBITA margin	13.6%	12.8%	
Time of acquisition, year	2007/2008		
Book value (SEKm)	1,116		

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

Nebula



- Sales growth of +12% driven by higher demand in all service areas and the acquisition of Telectricity
- Improved profitability as an effect of increased sales driven by sales and product development initiatives
- Continued initiatives for sales, customer loyalty and customer service

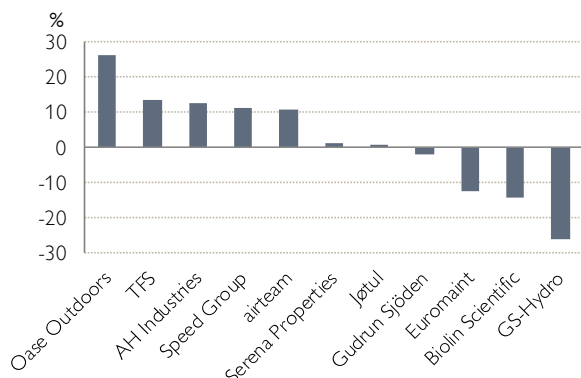
EURm	Q1-3		Holding
	2016	2015	
Sales	26.1	23.2	73%
EBITA	8.3	7.2	
Adjusted EBITA	8.9	7.4	
Adjusted EBITA margin	34.0%	31.8%	
Time of acquisition, year	2013		
Book value (SEKm)	276		

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

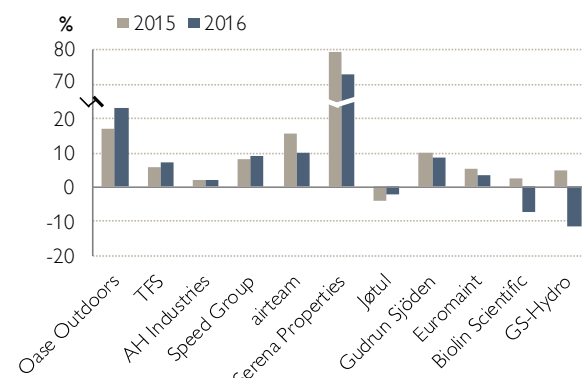
Small-sized companies (small cap)

In total, the small-sized companies displayed a negative trend of -4% in net sales and a decrease in adjusted EBITA of -41% (reported EBITA -58%) during the first nine months of 2016, adjusted for the size of Ratos's holding. The companies' total sales accounted for 25% of Ratos's portfolio sales and 16% of adjusted EBITA.

Net sales trend, local currency



Adjusted EBITA margin



AH Industries



- Positive sales trend, primarily driven by improved development in the largest business area Manufacturing Solutions and Industrial Solutions. Continued market uncertainty
- Intense focus on improvement initiatives, to increase production efficiency, in all business areas
- Impairment of book value of SEK 92m

DKKm	Q1-3		Holding
	2016	2015	
Sales	640	568	70%
EBITA	12	10	
Adjusted EBITA	12	12	
Adjusted EBITA margin	1.9%	2.1%	
Time of acquisition, year	2007		
Book value (SEKm)	37		

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

airteam



- Strong sales growth of +11% and continued favourable operating profitability. airteam is a project-based operation, in which the sales and profitability of the projects vary over time and between periods
- Transaction-related and other items affecting comparability amounted to approximately DKK 22m
- Continued intense focus on growth initiatives to facilitate expansion. During the third quarter, airteam acquired Ventek A/S, supplier of ventilation solutions, thereby strengthening its market position in Denmark

DKKm	Q1-3		Holding
	2016	2015	
Sales	421	380	70%
EBITA	21	59	
Adjusted EBITA	43	59	
Adjusted EBITA margin	10.1%	15.4%	
Time of acquisition, year	2016		
Book value (SEKm)	352		

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

Biolin Scientific



- Negative sales trend of -14% due to low demand in drug discovery. Decline in profitability as a result of weak sales
- During the period, the new product Q-Sense Initiator was launched within Analytical Instruments, which is expected to contribute favourably
- Impairment of book value of SEK 314m

SEKm	Q1-3		Holding
	2016	2015	
Sales	142	165	100%
EBITA	-14	2	
Adjusted EBITA	-10	4	
Adjusted EBITA margin	-7.3%	2.4%	
Time of acquisition, year	2010		
Book value (SEKm)	31		

Biolin Scientific develops, manufactures and markets analytical instruments for research, development and quality control. The company's largest market niche is nanotechnology, primarily materials science, cell analysis and biophysics.

Euromaint



- Weaker sales and adjusted EBITA as a result of lower volumes due to previously concluded contracts. Earnings improved during the third quarter, driven by ongoing efficiency measures
- In October, Ratos signed an agreement to divest 100% of the shares in its subsidiary Euromaint. The selling price amounted to approximately SEK 650m (enterprise value). The divestment is not expected to generate any exit gain for Ratos, considering the impairment of book value of SEK 122m during the period. The transaction is expected to be completed in the fourth quarter of 2016

SEKm	Q1-3		Holding
	2016	2015	
Sales	1,061	1,211	100%
EBITA	39	66	
Adjusted EBITA	39	66	
Adjusted EBITA margin	3.6%	5.4%	
Time of acquisition, year	2007		
Book value (SEKm)	68		

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

GS-Hydro



- Continued very weak trend and low demand in both the offshore and land-based segments. Earnings were negatively affected by low volumes, price pressure, overcapacity and increased costs in individual projects, but positively affected by savings measures
- Implementation continues of a global restructuring program with a focus on efficiency and cost savings, including substantial layoffs in several major markets and logistical efficiency through the centralisation of warehouses. A capital contribution of EUR 5m was made and EUR 3m after the end of the period

EURm	Q1-3		Holding
	2016	2015	
Sales	71.0	96.1	100%
EBITA	-10.1	3.7	
Adjusted EBITA	-8.0	4.5	
Adjusted EBITA margin	-11.3%	4.7%	
Time of acquisition, year	2001		
Book value (SEKm)	127		

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.

Gudrun Sjödén Group



- After a successful first six months with increased online sales and a favourable profitability trend, sales declined somewhat in the third quarter due to the mild autumn and thus reduced sales of the winter collection in the company's primary markets of Sweden and Germany. EBITA was somewhat lower than in the year-earlier period due to reduced sales
- Focus on global expansion and development of e-commerce
- The company is included in the Ratos Group's results as of 1 September

SEKm	Q1-3	
	2016	2015
Sales	512	524
EBITA	45	52
Adjusted EBITA	45	52
Adjusted EBITA margin	8.8%	10.0%
Time of acquisition, year	2016	
Book value (SEKm)	161	

Holding
30%

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

Jøtul



- Sales rose +1%, good development in Norway, but weak and very weak, respectively, in the two main markets of North America and France. The negative result decreased due to improved mix effects
- Continued focus on improving production efficiency
- Impairment of book value of SEK 81m

NOKm	Q1-3	
	2016	2015
Sales	593	589
EBITA	-19	-28
Adjusted EBITA	-14	-22
Adjusted EBITA margin	-2.3%	-3.8%
Time of acquisition, year	2006	
Book value (SEKm)	0	

Holding
93%

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

Oase Outdoors



- Strong sales growth of +26%, driven by higher higher volumes, currency effects and price increases. Positive profitability development driven by strong sales. Oase's sales have strong seasonal variations, since invoicing largely occurs during the first half of the year, while the third and, mainly, the fourth quarters are normally small in terms of sales. Acquisition-related items affecting comparability amounted to about DKK 12m
- Major focus on growth initiatives and product development
- The company is included in the Ratos Group's results as of 1 September

DKKm	Q1-3	
	2016	2015
Sales	324	257
EBITA	59	42
Adjusted EBITA	75	43
Adjusted EBITA margin	23.0%	16.9%
Time of acquisition, year	2016	
Book value (SEKm)	155	

Holding
79%

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

Serena Properties

SERENA
PROPERTIES

- Favourable trend in terms of rental income and profitability with several leases extended
- Continued active management of the real estate portfolio with a focus on developing the respective retail areas and streamlining the portfolio. A small property was sold for EUR 2.3m, which exceeded the valuation carried out when Ratos acquired the property

SEKm	Q1-3	
	2016	2015
Sales	127	126
EBITA	93	100
Adjusted EBITA	93	100
Adjusted EBITA margin	73.3%	79.3%
Time of acquisition, year	2016	
Book value (SEKm)	396	

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 has joint controlling influence and the company is therefore recognised according to the equity method in the Group.*

Speed Group

SPEED
GROUP

- Sales increase driven by higher demand in the logistics business, which had a positive effect on earnings
- Peter Nilsson, former Board member of Speed and with experience from senior positions in the logistics industry, most recently as CEO of DHL's Norwegian and Swedish supply chain operations, was appointed as new President in October. Ingvar Nilsson, formerly head of Schenker in Northern Europe, became new Chairman of the Board from July

SEKm	Q1-3	
	2016	2015
Sales	426	384
EBITA	39	16
Adjusted EBITA	39	32
Adjusted EBITA margin	9.2%	8.4%
Time of acquisition, year	2015	
Book value (SEKm)	301	

Holding

70%

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

TFS

TFS
It's all about trust

- Service sales* amounted to EUR 43.7m (38.5), corresponding to growth of +14%. Continued strong order book and positive book-to-bill ratio (order intake/sales)
- Ongoing investments in the service range, organisation and operational efficiency
- Earn-out of EUR 4m paid
- In October, an agreement was signed for the acquisition of German company SCIderm, a dermatology-focused CRO with major strategic importance for TFS

EURm	Q1-3	
	2016	2015
Sales	59.0	51.9
EBITA	4.3	3.1
Adjusted EBITA	4.3	3.0
Adjusted EBITA margin	7.3%	5.9%
Time of acquisition, year	2015	
Book value (SEKm)	192	

Holding

60%

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 (CROs) 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.

Ratos's companies at 30 September 2016

SEKm	Net sales in portfolio					EBITA in portfolio				
	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
AH Industries	310	222	805	714	929	12	0	15	13	15
Aibel	2,493	1,824	7,354	5,836	7,728	91	37	140	297	279
airteam ¹⁾	191	223	529	478	629	12	44	26	74	94
ArcusGruppen	618	613	1,771	1,775	2,586	75	70	140	92	218
Biolin Scientific	53	57	142	165	227	1	4	-14	2	8
Bisnode	793	822	2,493	2,572	3,535	62	57	115	160	280
Diab	350	352	1,126	1,093	1,450	23	47	81	132	154
Euromaint	310	365	1,061	1,211	1,735	7	7	39	66	74
GS-Hydro	220	260	666	901	1,175	-28	6	-95	35	12
Gudrun Sjöden Group ²⁾	184	204	512	524	711	25	25	45	52	74
HENT	1,951	1,400	5,801	4,118	5,716	51	43	180	149	189
HL Display	368	378	1,044	1,089	1,488	27	7	56	2	8
Jøtul	220	244	592	626	930	3	13	-19	-29	0
KVD	71	77	236	239	317	6	11	24	29	29
Ledil	100	82	275	225	297	31	29	89	78	95
Mobile Climate Control	333	340	976	985	1,264	57	53	132	124	152
Nebula	82	77	244	218	299	29	27	78	67	87
Oase Outdoors ³⁾	88	65	408	323	333	-6	0	74	52	37
Serena Properties ⁴⁾	42	42	127	126	167	26	33	93	100	133
Speed Group	141	135	426	384	536	18	-2	39	16	25
TFS	191	189	553	487	689	15	14	40	29	45
Total companies in their entirety	9,108	7,968	27,142	24,088	32,740	538	525	1,278	1,539	2,007
Change	+14%		+13%			+2%		-17%		
Total adjusted for Ratos's holding	6,006	5,481	17,981	16,511	22,534	364	389	894	1,050	1,405
Change	+10%		+9%			-6%		-15%		

SEKm	Adjusted EBITA in portfolio ^{A)}					2016 Q1-3	2016 Q1-3	2016 Q1-3	Cash flow in portfolio ^{C)}	Interest-bearing net debt in portfolio	Consolidated value	Ratos's holding
	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015							
AH Industries	12	2	15	15	8	26	9	-3	306	37	70	
Aibel	31	63	284	353	480	85	44	526	2,770	690	32	
airteam ¹⁾	16	44	54	74	94	1			246	352	70	
ArcusGruppen	81	66	149	88	239	34	42	-91	1,328	666	83	
Biolin Scientific	1	5	-10	4	10	11	13	-4	149	31	100	
Bisnode	82	58	199	174	332	91	112	43	1,785	1,540	70	
Diab	23	39	86	124	146	48	89	-54	867	691	96	
Euromaint	7	7	39	66	87	20	7	4	447	68	100	
GS-Hydro	-19	8	-75	43	26	18	9	-93	419	127	100	
Gudrun Sjöden Group ²⁾	25	25	45	52	74	6			-16	161	30	
HENT	51	43	181	150	190	5	4	258	-839	298	73	
HL Display	33	22	67	46	66	26	17	-20	625	829	99	
Jøtul	5	15	-14	-23	6	36	23	-103	617	0	93	
KVD	12	11	35	32	38	7	9	14	143	347	100	
Ledil	31	29	89	78	95	1	1	58	128	531	66	
Mobile Climate Control	58	53	133	126	154	10	10	44	381	1,116	100	
Nebula	29	28	83	69	90	15	14	60	458	276	73	
Oase Outdoors ³⁾	9	1	94	55	40	2			193	155	79	
Serena Properties ⁴⁾	26	33	93	100	133		1,809	-1,710	1,123	396	56	
Speed Group	18	11	39	32	42	7	5	108	-66	301	70	
TFS	16	13	41	29	45	2	8	-40	15	192	60	
Total companies in their entirety	547	576	1,625	1,683	2,397				11,078	8,804		
Change	-5%		-3%									
Total adjusted for Ratos's holding	403	418	1,100	1,145	1,633							
Change	-4%		-4%									

A) EBITA, adjusted for items affecting comparability.

B) Investments excluding business combinations.

C) Cash flow from operating activities and investing activities before acquisition and disposal of companies.

All figures in the above table relate to 100% of each holding, except consolidated values, which 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 the note below. A complete income statement, statement of financial position and statement of cash flows for all of the companies are available at www.ratos.se.

1) airteam's earnings for 2016 and 2015 are pro forma in terms of Ratos's acquisitions and for new financing and Group structure.

2) Gudrun Sjöden's earnings for 2016 and 2015 are pro forma in terms of Ratos's acquisition. The German operation was included in its entirety for the period in 2015.

3) Oase Outdoors' earnings for 2016 and 2015 are pro forma in terms of Ratos's acquisitions and for new financing and Group structure.

4) Serena Properties' earnings for 2016 and 2015 are pro forma in terms of Ratos's acquisitions and for new financing and Group structure.

Financial information

SEKm	2016 Q1-3	2015 Q1-3	2015
Profit/share of profits before tax ¹⁾			
AH Industries (70%)	6	-9	-15
Aibel (32%)	-97	8	-75
ArcusGruppen (83%)	2	-20	106
Biolin Scientific (100%)	-23	-4	3
Bisnode (70%)	-79	53	201
Diab (96%)	61	97	105
Euromaint (100%)	9	-8	-224
GS-Hydro (100%)	-95	39	11
HENT (73%)	169	155	194
HL Display (99%)	41	-27	-28
Jøtul (93%)	-14	-57	-42
KVD (100%)	22	23	21
Ledil (66%)	83	62	65
Mobile Climate Control (100%)	109	91	108
Nebula (73%)	55	55	71
Total companies in portfolio all reported periods	250	458	502
airteam (70%) ²⁾	4		
Gudrun Sjødén Group (30%) ³⁾	1		
Oase Outdoors (79%) ⁴⁾	-12		
Serena Properties (56%) ⁵⁾	41		
Speed Group (70%) ⁶⁾	20	1	10
TFS (60%) ⁷⁾	30		-2
Total companies acquired during reported periods	83	1	8
Hafa Bathroom Group (100%) ⁸⁾		3	3
Inwido (10%) ⁹⁾		42	42
Nordic Cinema Group (58%) ¹⁰⁾		108	108
Total companies divested during reported periods		153	153
Total profit/share of profits	332	611	664
Exit Nordic Cinema Group		905	905
Exit Inwido		236	290
Exit Hafa Bathroom Group			-93
Total exit gains		1,142	1,101
Impairment AH Industries	-92		-85
Impairment Aibel ¹¹⁾	-1,692		
Impairment Biolin Scientific	-314		
Impairment Euromaint	-122		-480
Impairment Hafa Bathroom Group		-84	
Impairment Jøtul	-81		
Profit from companies	-1,968	1,669	1,200
Income and expenses in the parent company and central companies			
Operating management costs	-195	-148	-208
Other costs, incl. transaction costs	-25	-42	-47
Costs which will be charged to portfolio companies	-32	-17	3
Financial items	0	-40	-56
Consolidated profit before tax	-2,220	1,422	892

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

²⁾ airteam is included in consolidated profit as of April 2016.

³⁾ Gudrun Sjødén Group is included in consolidated profit with a holding of 30% as of September 2016.

⁴⁾ Oase Outdoors is included in consolidated profit as of September 2016.

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

⁶⁾ Speed Group is included in consolidated profit as of September 2015.

⁷⁾ TFS is included in consolidated profit as of October 2015.

⁸⁾ Hafa Bathroom Group is included in consolidated profit as a subsidiary until October 2015.

⁹⁾ Inwido is included in consolidated profit as an associate with a holding of 31% until April 2015 and 10% respectively until October 2015 when the entire holding was divested.

¹⁰⁾ Nordic Cinema Group is included in consolidated profit through June 2015. The entire holding was sold in July 2015.

¹¹⁾ In accordance with IFRS non-controlling interests, SEK 609m, are also charged to the net earnings of Ratos Group.

Ratos's results

Profit before tax for the first nine months of 2016 totalled SEK -2,220m (1,422). The negative recognised earnings were impacted by impairments totalling SEK 2,300m, of which SEK 1,691m was attributable to owners of the parent.

The result includes profit/share of profits from the companies in the amount of SEK 332m (611). The lower earnings compared with the preceding year are mainly attributable to the weak market trend in offshore, which impacts Aibel and GS-Hydro, and negative currency effects in Bisode's net financial items. In addition, earnings are impacted by the effects of a changed company portfolio, from which Nordic Cinema Group and others were divested in 2015.

The relatively high tax expense for the period is attributable to impairments carried out, which are not tax deductible, and 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 central income and expenses amounted to SEK -252m (-247). Operating management costs amounted to SEK -195m (-148). The operating management costs include, for example, current expenses such as payroll costs, listing and auditing costs, Board fees and costs related to Ratos's Nordic operation. The operational management costs also include including SEK 28m related to payroll costs, and pension and severance payments, including social insurance fees, attributable to organisational changes implemented in the first half of the year, such as the change of CEO and efficiency-enhancement of the business.

Cash flow and financial position

Cash flow for the period amounted to SEK -2,892m (710), of which cash flow from operating activities accounted for SEK 201m (305), cash flow from investing activities for SEK -2,399m (1,845) and cash flow from financing activities for SEK -694m (-1,440). 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 3,752m (5,985) and interest-bearing net debt totalled SEK 5,275m (2,821).

Parent company

The parent company's profit before tax amounted to SEK -1,156 (878). The parent company's cash and cash equivalents totalled SEK 1,627m (4,282). In addition, there is a credit facility of SEK 2.2 billion, authorisation from the 2016

Annual General Meeting to issue a maximum of 35 million Ratos 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 -5.74 (3.34). The closing price for Ratos's Class B shares on 30 September was SEK 40.74. Total return on B shares in the first nine months of 2016 amounted to -11%, compared with the performance of the SIX Return Index which was +6%. The 2016 AGM resolved on an ordinary dividend of SEK 3.25 per Class A and Class B share (3.25).

Ratos preference shares

The closing price for Ratos's Class C preference shares on 30 September was SEK 1,880. The dividend is regulated by the Articles of Association and amounts to SEK 100 per year and is paid quarterly in February, May, August and November. Redemption can take place following a decision by the Board in an amount of SEK 2,012.50 (corresponding to 115% of the subscription price) until the 2017 Annual General Meeting, and subsequent redemption will take place in an amount of SEK 1,837.50 (corresponding to 105% of the subscription price). A dividend with record date 15 February 2016 was paid on 18 February 2016 totalling SEK 18m, a dividend with a record date of 13 May 2016 was paid on 18 May 2016 totalling SEK 18m, and a dividend with a record date of 15 August 2016 was paid on 18 August 2016 totalling SEK 18m.

Treasury shares and number of shares

During the first nine months of 2016, 31,985 Class C preference shares were repurchased at an average price of SEK 1,886 per share. As of 30 September 2016, a total of 121,839 Class C preference shares have been repurchased. No Class B shares were repurchased and no call options were exercised during the period. 1,344 Class B shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At the end of September, Ratos owned 5,126,678 B shares (corresponding to 1.6% of the total number of shares), repurchased at an average price of SEK 68.

At 30 September, the total number of shares in Ratos (A and B shares as well as preference shares) amounted to 324,970,896 and the number of votes was 108,670,444. The number of outstanding Class A and B shares was 319,014,634 and the number of outstanding preference shares 708,161. The average number of Class B treasury shares in Ratos in the first nine months of 2016 was 5,126,538 (5,128,279 in the full year 2015).

Ratos's equity ¹⁾

At 30 September 2016, Ratos's equity (attributable to owners of the parent) amounted to SEK 10,279m

(SEK 11,821m at 30 June 2016), corresponding to SEK 28 per outstanding share (SEK 33 at 30 June 2016).

SEKm	2016-09-30	% of equity
AH Industries	37	0
Aibel	690	7
airteam	352	3
ArcusGruppen	666	6
Biolin Scientific	31	0
Bisnode	1,540	15
Diab	691	7
Euromaint	68	1
GS-Hydro	127	1
Gudrun Sjöden Group	161	2
HENT	298	3
HL Display	829	8
Jøtul	0	0
KVD	347	3
Ledil	531	5
Mobile Climate Control	1,116	11
Nebula	276	3
Oase Outdoors	155	2
Serena Properties	396	4
Speed Group	301	3
TFS	192	2
Total	8,804	86
Other net assets in the parent company and central companies	1,475 ³⁾	14
Equity (attributable to owners of the parent)	10,279	100
Equity per ordinary share, SEK ²⁾	28	

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

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⁾ Of which, cash and cash equivalents in the parent company accounts for SEK 1,627m.

Credit facilities

The parent company has a credit facility of SEK 2.2 billion including a bank overdraft facility. The purpose of the credit facility is to be able to use it when bridge financing is required for acquisitions and to be able to finance dividends and day-to-day running costs in periods of few or no exits. The parent company should normally be unleveraged. The credit facility was unutilised at the end of the period.

Other

In accordance with a resolution by the Ratos AGM on 14 April 2016, the company's major owners/owner constellations appointed, from among their number, a Nomination Committee, with the Chairman of the Board Jonas Wiström as convenor. Jan Andersson was appointed Chairman (on behalf of Ratos's principal owner and a number of major Swedish institutions). Other members are: Ulf Fahlgren (Akademiinvest), Jan Söderberg (Ragnar Söderberg Foundation and own and related parties' holdings), Maria Söderberg (Torsten Söderberg Foundation), Per-Olof Söderberg (own and related parties' holdings) and Jonas Wiström (Chairman of the Board of Ratos). Ratos's Annual General Meeting (AGM) will be held on 6 April 2017 at Skandiascenen, Cirkus, in Stockholm, Sweden.

Financial statements

Consolidated income statement

SEKm	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
Net sales	6,305	5,546	18,579	17,962	24,480
Other operating income	11	16	32	51	120
Change in inventories of products in progress, finished goods and work in progress	-8	-14	43	17	0
Work performed by the company for its own use and capitalised	18	18	58	58	88
Raw materials and consumables	-3,478	-2,887	-10,070	-9,113	-12,395
Employee benefit costs	-1,608	-1,494	-5,073	-5,018	-6,824
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	-765	-214	-1,029	-556	-1,345
Other costs	-806	-755	-2,563	-2,721	-3,890
Capital gain/loss from sale of group companies	7	909	-2	908	901
Impairment and capital gain from investments recognised according to the equity method	-1,692		-1,692	236	290
Share of pre-tax profit/loss from investments recognised according to the equity method ¹⁾	-6	11	-69	65	-14
Operating profit	-2,023	1,136	-1,786	1,888	1,411
Financial income	16	11	55	51	88
Financial expenses	-221	-176	-489	-518	-606
Net financial items	-205	-166	-434	-467	-518
Profit before tax	-2,227	971	-2,220	1,422	892
Tax	-52	-66	-138	-174	-252
Share of tax from investments recognised according to the equity method ¹⁾	5	4	18	-4	36
Profit/loss for the period	-2,274	908	-2,340	1,244	676
<i>Profit/loss for the period attributable to:</i>					
Owners of the parent	-1,687	878	-1,778	1,128	496
Non-controlling interests	-587	31	-563	117	180
Earnings per share, SEK					
– before dilution	-5.34	2.69	-5.74	3.34	1.29
– after dilution	-5.34	2.69	-5.74	3.34	1.29

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	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
Profit/loss for the period	-2,274	908	-2,340	1,244	676
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension obligations, net	-87	0	-87	2	86
Tax attributable to items that will not be reclassified to profit or loss	21	0	21	-3	-22
	-66	0	-66	-1	64
Items that may be reclassified subsequently to profit or loss:					
Translation differences for the period	327	-57	653	-243	-546
Change in hedging reserve for the period	5	-7	7	-4	1
Tax attributable to items that may be reclassified subsequently to profit or loss	-1	1	-2	1	0
	331	-62	657	-245	-545
Other comprehensive income for the period	264	-62	591	-246	-482
Total comprehensive income for the period	-2,009	846	-1,749	998	194
<i>Total comprehensive income for the period attributable to:</i>					
Owners of the parent	-1,506	846	-1,367	966	152
Non-controlling interest	-503	-1	-381	33	41

Summary consolidated statement of financial position

SEKm	2016-09-30	2015-09-30	2015-12-31
ASSETS			
Non-current assets			
Goodwill	13,588	13,039	12,671
Other intangible non-current assets	1,862	1,660	1,623
Property, plant and equipment	1,838	1,836	1,789
Financial assets	1,839	2,997	2,522
Deferred tax assets	593	545	490
Total non-current assets	19,721	20,078	19,094
Current assets			
Inventories	2,104	2,238	1,890
Current receivables	4,956	4,361	4,875
Cash and cash equivalents	3,752	5,985	6,455
Assets held for sale	8		308
Total current assets	10,819	12,585	13,529
Total assets	30,540	32,663	32,623
EQUITY AND LIABILITIES			
Equity including non-controlling interests	12,733	16,425	15,302
Non-current liabilities			
Interest-bearing liabilities	7,058	5,555	5,886
Non-interest bearing liabilities	383	312	451
Pension provisions	568	467	454
Other provisions	114	138	112
Deferred tax liabilities	531	405	392
Total non-current liabilities	8,653	6,877	7,294
Current liabilities			
Interest-bearing liabilities	1,717	2,830	2,346
Non-interest bearing liabilities	6,889	5,949	6,796
Provisions	547	582	595
Liabilities attributable to Assets held for sale			291
Total current liabilities	9,154	9,360	10,028
Total equity and liabilities	30,540	32,663	32,623

Summary statement of changes in consolidated equity

SEKm	2016-09-30			2015-09-30			2015-12-31		
	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	12,882	2,419	15,302	14,027	2,982	17,009	14,027	2,982	17,009
Adjusted ¹⁾	-25	-5	-30						
Adjusted equity	12,858	2,414	15,272	14,027	2,982	17,009	14,027	2,982	17,009
Total comprehensive income for the period	-1,367	-381	-1,749	966	33	998	152	41	194
Dividends	-1,108	-22	-1,130	-1,120	-36	-1,156	-1,120	-210	-1,330
Non-controlling interests' share of capital contribution		477	477		1	1		20	20
Purchase of treasury shares, net effect	-60		-60				-166		-166
Option premiums	2		2	3		3	3		3
Put options, future acquisitions from non-controlling interests	-4	-15	-19					-139	-139
Acquisition of shares in subsidiaries from non-controlling interests	-41	-18	-59	-9		-9	-15	-2	-18
Disposal of shares in subsidiaries to non-controlling interests				1	3	4	2	3	5
Non-controlling interests at acquisition		-1	-1		125	125		274	274
Non-controlling interests in disposals					-551	-551		-551	-551
Closing equity	10,279	2,454	12,733	13,868	2,557	16,425	12,882	2,419	15,302

¹⁾ Pertains to adjustment of acquisition analysis for ArcusGruppen for 2013.

Consolidated statement of cash flows

SEKm	2016 Q1-3	2015 Q1-3	2015
Operating activities			
Profit/loss before tax	-2,220	1,422	892
Adjustment for non-cash items	3,213	-764	203
	993	657	1,096
Income tax paid	-201	-191	-288
Cash flow from operating activities before change in working capital	792	466	807
Cash flow from change in working capital			
Increase (-)/Decrease (+) in inventories	-98	-168	83
Increase (-)/Decrease (+) in operating receivables	462	475	-293
Increase (+)/Decrease (-) in operating liabilities	-955	-468	655
Cash flow from operating activities	201	305	1,252
Investing activities			
Acquisition, group companies	-1,187	-339	-587
Disposal, group companies	-2	1,532	1,532
Acquisitions, investments recognised according to the equity method	-585		
Disposals, investments recognised according to the equity method		1,103	1,599
Dividends paid from investments recognised according to the equity method		12	12
Purchase, intangible assets/property, plant and equipment	-382	-519	-697
Disposal, intangible assets/property, plant and equipment	13	21	44
Investments, financial assets	-258	-1	-1
Disposal, financial assets	2	35	42
Cash flow from investing activities	-2,399	1,845	1,943
Financing activities			
Non-controlling interests' share of issue/capital contribution	280	1	20
Purchase of treasury shares	-60		-168
Redemption of options	-9	-34	-41
Option premiums paid	55	6	18
Acquisition of shares in subsidiaries from non-controlling interests	-58	-69	-77
Dividends paid	-1,091	-1,099	-1,120
Dividends paid, non-controlling interests	-28	-29	-204
Borrowings	1,600	1,031	1,192
Amortisation of loans	-1,383	-1,247	-1,583
Cash flow from financing activities	-694	-1,440	-1,961
Cash flow for the period	-2,892	710	1,234
Cash and cash equivalents at the beginning of the year	6,455	5,320	5,320
Exchange differences in cash and cash equivalents	174	-62	-100
Increase (-)/Decrease (+) of cash and cash equivalents classified as Assets held for sale	15	17	2
Cash and cash equivalents at the end of the period	3,752	5,985	6,455

Key figures for Ratos share

SEKm	2016 Q1-3	2015 Q1-3	2015
Key figures per share ¹⁾			
Total return, %	-11	13	9
Dividend yield, %			6.7
Market price, SEK	40.74	50.45	48.83
Dividend, SEK			3.25
Equity attributable to owners of the parent, SEK ²⁾	28	39	36
Earnings per share before dilution, SEK ³⁾	-5.74	3.34	1.29
 Average number of ordinary shares outstanding:			
– before dilution	319,014,358	319,012,389	319,012,617
– after dilution	319,014,358	319,012,389	319,012,617
 Total number of registered shares	324,970,896	324,970,896	324,970,896
Number of shares outstanding	319,722,795	319,843,290	319,753,436
– of which, Class A shares	84,637,060	84,637,060	84,637,060
– of which, Class B shares	234,377,574	234,376,230	234,376,230
– of which, Class C shares	708,161	830,000	740,146

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.

Parent company income statement

SEKm	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
Other operating income	1	2	2	2	3
Other external costs	-19	-20	-60	-85	-110
Personnel costs	-35	-27	-141	-104	-141
Depreciation of property, plant and equipment	-1	-1	-3	-3	-3
Operating loss	-54	-46	-202	-189	-252
Gain from sale of participating interests in group companies	1,304	0	1,304	0	8
Dividends from group companies		534		539	983
Impairment of shares in group companies	-2,241	-86	-2,241	-86	-1,033
Gain from sale of interests in associates				646	920
Dividends from associates				12	12
Result from other securities and receivables accounted for as non-current assets		0	0	4	6
Other interest income and similar profit/loss items	2	0	23	2	5
Interest expenses and similar profit/loss items	-19	-5	-40	-49	-61
Profit/loss after financial items	-1,008	397	-1,156	878	587
Tax					
Profit/loss for the period	-1,008	397	-1,156	878	587

Parent company statement of comprehensive income

SEKm	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
Profit/loss for the period	-1,008	397	-1,156	878	587
Comprehensive income for the period	-1,008	397	-1,156	878	587

Summary parent company balance sheet

SEKm	2016-09-30	2015-09-30	2015-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	64	68	67
Financial assets	7,913	9,837	8,961
Total non-current assets	7,978	9,905	9,028
Current assets			
Current receivables	59	61	87
Cash and cash equivalents	1,627	4,282	4,677
Total current assets	1,686	4,343	4,764
Total assets	9,664	14,248	13,792
EQUITY AND LIABILITIES			
Equity	8,390	11,168	10,711
Non-current provisions			
Other provisions	11	20	23
Non-current liabilities			
Interest-bearing liabilities, group companies	875	868	879
Non-interest bearing liabilities	64	55	50
Current provisions	169	328	309
Current liabilities			
Interest-bearing liabilities, group companies		1,693	1,714
Non-interest bearing liabilities	156	116	105
Total equity and liabilities	9,664	14,248	13,792
Pledged assets	Inga	Inga	Inga
Contingent liabilities	492	398	400

Summary statement of changes in parent company's equity

SEKm	2016-09-30	2015-09-30	2015-12-31
Opening equity	10,711	11,406	11,406
Comprehensive income for the period	-1,156	878	587
Dividends	-1,108	-1,120	-1,120
Purchase of treasury shares, net effect	-60		-166
Option premiums	2	3	3
Closing equity	8,390	11,168	10,711

Parent company cash flow statement

SEKm	2016 Q1-3	2015 Q1-3	2015
Operating activities			
Profit/loss before tax	-1,156	878	587
Adjustment for non-cash items	1,013	-1,039	-354
	-143	-161	233
Income tax paid			
Cash flow from operating activities before change in working capital	-143	-161	233
Cash flow from change in working capital:			
Increase (-)/Decrease (+) in operating receivables	-14	-43	-72
Increase (+)/Decrease (-) in operating liabilities	-44	-39	-63
Cash flow from operating activities	-200	-243	98
Investing activities			
Investment, shares in subsidiaries	-1,740	-495	-749
Disposal, shares in subsidiaries	20	107	107
Liabilities to group companies ¹⁾		1,668	1,668
Disposal, shares in associates		1,103	1,595
Disposal, financial assets		20	22
Cash flow from investing activities	-1,720	2,403	2,643
Financing activities			
Purchase of treasury shares	-60		-168
Option premiums paid	3	1	4
Redemption options		-31	-31
Dividends paid	-1,091	-1,099	-1,120
Cash flow from financing activities	-1,149	-1,129	-1,314
Cash flow for the period	-3,069	1,031	1,426
Cash and cash equivalents at the beginning of the year	4,677	3,251	3,251
Exchange differences in cash and cash equivalents	19		
Cash and cash equivalents at the end of the period	1,627	4,282	4,677

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

Note1 Accounting principles in accordance with IFRS

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

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

IFRS requires uniform accounting principles within a group. The IFRS standards and issued interpretations applied in this interim report are those endorsed by the EU until and including 31 December 2015. The new and revised IFRS standards which came into force in 2016 have not had any material effect on the Ratos Group's financial statements. This means that the same accounting principles and basis of calculation are applied for the Group and the parent company as those used in preparation of the 2015 Annual Report.

Note2 Risks and uncertainties

Ratos invests in and develops mainly 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 2015 Annual Report. An assessment for the coming months is provided in the CEO comments on performance in the first nine months of the year on pages 3-4.

Note3 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 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

Net sales

SEKm	2016 Q1-3	2015 Q1-3	Change	2015
Net sales in the portfolio, Ratos's holding	17,981	16,511	9%	22,534
Net sales in the portfolio, holding not owned by Ratos	9,161	7,577		10,206
Total net sales in the portfolio, companies in their entirety	27,142	24,088	13%	32,740
Investments recognised according to the equity method	-7,994	-6,485		-8,606
Subsidiaries acquired during current year	-570	-1,621		-1,780
Subsidiaries divested during current year		1,505		1,505
Other		475		622
Net sales in accordance with IFRS	18,579	17,962	3%	24,480

Adjusted EBITA, EBITA and operating profit

SEKm	2016 Q1-3				2015 Q1-3			2015		
	Adjusted EBITA	Items affecting comparability	EBITA	Change EBITA	Adjusted EBITA	Items affecting comparability	EBITA	Adjusted EBITA	Items affecting comparability	EBITA
Ratos's holding	1,100	-206	894	-15%	1,145	-95	1,050	1,633	-228	1,405
Holding not owned by Ratos	525	-141	384		538	-49	489	764	-162	602
Total companies in their entirety	1,625	-347	1,278	-17%	1,683	-144	1,539	2,397	-390	2,007
Total EBITA in the portfolio, companies in their entirety			1,278				1,539			2,007
Investments recognised according to the equity method			-348				-440			-562
Income and expenses in the parent company and central companies			-253				-207			-252
Amortisation and impairment of intangible assets in connection with company acquisitions			-2,361				-116			-658
Subsidiaries acquired during current year			-88				-170			-178
Subsidiaries divested during current year							1,338			1,299
Other			-15				-57			-245
Consolidated operating profit			-1,786				1,888			1,411

Interest-bearing net debt

SEKm	2016-09-30		
Total interest-bearing net debt in the portfolio	11,078		
Investments recognised according to the equity method	-3,877		
Attributable to the parent company and central companies	-1,926		
Consolidated interest-bearing net debt	5,275		
	2016-09-30	2015-09-30	2015-12-31
Non-current interest-bearing liabilities	7,058	5,555	5,886
Current interest-bearing liabilities	1,717	2,830	2,346
Provisions for pensions	568	467	454
Interest-bearing assets	-316	-46	-63
Cash and cash equivalents	-3,752	-5,985	-6,455
Consolidated interest-bearing net debt	5,275	2,821	2,167

Note4 Acquired and divested businesses

Agreement on acquisition of Plantagen

At the end of September, Ratos signed an agreement to acquire 100% of the shares in Plantagen. The purchase price (equity value) for 100% of the company amounts to approximately NOK 1.2 billion, corresponding to an enterprise value of about NOK 2.9 billion, adjusted for estimated net debt on completion of the transaction. The acquisition is subject to approval by the relevant authorities and is expected to be completed in the fourth quarter.

Plantagen was founded in Norway in 1986 and is the Nordic region's leading chain for sales of plants and gardening accessories, with a total of 124 stores in Norway, Sweden and Finland, and a primary focus on consumers. Plantagen has about 1,200 employees and annual sales for the rolling 12 months per June 2016, totalled approximately NOK 3.7 billion, with an operating profit (adjusted EBITDA) of about NOK 370m.

Acquisition of Oase Outdoors

In September 2016, Ratos acquired 79% of the shares in the Danish company Oase Outdoors, in accordance with the agreement signed in June this year. The purchase price (enterprise value) for 100% of the company amounted to DKK 380m, of which Ratos provided DKK 126m. The acquisition was made via the wholly owned subsidiary Outdoor Intressenter AB, which subscribed for 79% of the shares in Sunrise TopCo ApS, which subsequently acquired 100% of the shares in Oase Outdoors ApS through its subsidiary Sunrise BidCo.

Oase Outdoors is a family-owned company that designs, produces and supplies innovative camping and outdoor equipment under three strong brands, namely Outwell®, Easy Camp® and Robens®. Resellers distribute the products globally to more than 40 markets.

The total consideration transferred for the acquisition of the shares in Oase Outdoors amounted to SEK 423m. Goodwill in the preliminary acquisition analysis amounts to SEK 360m and is primarily attributable to the company's growth and business model as well as an organisation with a strong culture. Oase Outdoors has been included in the Group from the date of acquisition, with net sales of SEK 5m and loss before tax of SEK -12m. For the January to September 2015 period, sales amounted to SEK 408m and profit before tax to SEK 67m. Acquisition-related costs amounted to SEK 5m.

Preliminary acquisition analysis

Oase Outdoors	SEKm
Intangible assets	0
Property, plant and equipment	5
Financial assets	1
Current assets	87
Cash and cash equivalents	13
Deferred tax liability	0
Current liabilities	-43
Net identifiable assets and liabilities	63
Goodwill	360
Consideration transferred	423
of which, paid in cash	359
of which, vendor loan	64

The acquisition analysis is preliminary, meaning that fair value has not been finally established for all items.

Acquisition of Gudrun Sjödén Group

In September 2016, Ratos acquired 30% of the shares in Gudrun Sjödén Group, in accordance with the agreement signed in July this year. The purchase price (enterprise value) for 100% of the company amounted to SEK 725m, of which Ratos paid SEK 152m for a holding of 30%, after

adjustment for net debt. Ratos also signed an agreement for an option to increase its holding a further 40% in 2018.

Gudrun Sjödén Group is a family-owned, Swedish design company with a unique, colourful style, and a clear sustainability profile. The Gudrun Sjödén brand is sold and marketed globally through 21 of its own stores in seven countries, a global webshop and mail order service as well as online sales, which is the largest distribution channel. Customers are located in more than 50 countries, with Germany and Sweden comprising the largest markets. Gudrun Sjödén Group is recognised in the Ratos Group according to the equity method from the date of acquisition.

Acquisition of airteam

Ratos acquired 70% of the shares in airteam in April 2016, in accordance with the agreement signed in February of the same year. The purchase price (enterprise value) for 100% of the company amounted to DKK 575m, of which Ratos provided DKK 272m. The acquisition was carried out when Ratos, via the wholly owned subsidiary Vento Intressenter AB, subscribed for 70% of the shares issued in the newly formed Danish holding company Airteam TopCo ApS, which in turn acquired 100% of the shares in Airteam A/S via Airteam Holding ApS.

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

The total consideration transferred for the acquisition of the shares in airteam amounted to SEK 740m. A contingent consideration may be paid in a maximum amount of SEK 37m, which corresponds with book value, dependent on the outcome of customer guarantees in the acquired company. Goodwill in the preliminary acquisition analysis amounts to SEK 664m and is primarily attributable to the company's growth and business model as well as an organisation with a strong culture. airteam has been included in the Group from the acquisition date, with net sales of SEK 363m and profit before tax of SEK 4m, after amortisation of acquisition-related intangible assets of SEK 17m. For the January to September 2015 period, sales amounted to SEK 529m and profit before tax to SEK 4m. Acquisition-related costs amounted to SEK 4m.

Preliminary acquisition analysis

airteam	SEKm
Trademarks	15
Customer relations	57
Property, plant and equipment	2
Financial assets	2
Current assets	135
Cash and cash equivalents	42
Deferred tax liability	-47
Non-current liabilities and provisions	-7
Current liabilities	-122
Net identifiable assets and liabilities	76
Goodwill	664
Consideration transferred	740
of which, paid in cash	703
of which, contingent consideration	37

Acquisition of Serena Properties

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

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

Approval of acquisition analysis of Speed Group

In the third quarter, the earlier preliminary acquisition analysis for the acquisition of Speed Group in September 2015 was approved and intangible assets in the form of trademarks and customer contracts were valued. As a consequence, goodwill recognised earlier declined. The complete final acquisition analysis at the date of acquisition is presented below. Identified customer contracts are amortised from the date of acquisition and over the maturity of the contract. Amortisation of customer contracts in Speed Group were charged to earnings for the period in an amount of SEK 14m, net of the effect of deferred tax.

	Preliminary acquisition analysis	Final acquisition analysis
Speed Group		
Trademarks		5
Customer relations		64
Property, plant and equipment	20	20
Current assets	201	201
Cash and cash equivalents	25	25
Deferred tax liability	-1	-16
Current liabilities	-289	-289
Net identifiable assets and liabilities	-44	10
Goodwill	342	289
Consideration transferred	299	299

Agreement on divestment of Euromaint

In October, Ratos signed an agreement on the sale of 100% of the shares in its subsidiary Euromaint, Sweden's leading maintenance company for the rail industry. The selling price (enterprise value) amounted to approximately SEK 650m. The divestment is not expected to generate any exit effect for Ratos, considering the period's impairment of book value. The transaction is expected to be finalized in the fourth quarter of 2016.

Preparation for listing of Arcus

Ratos and its subsidiary Arcus have resolved to prepare the company for a stock market listing. More detailed information about the timetable and terms and conditions will be announced in conjunction with a decision on the listing.

Acquisitions within subsidiaries

During the third quarter, Bisnode strengthened its market position in Denmark through the acquisition of NN Markedsdata ApS. During the first quarter, Bisnode also acquired three new companies to strengthen its position in Central Europe.

During the third quarter, airteam acquired Ventek Ventilation and TFS strengthened its market position in Germany through the acquisition of the dermatology specialist SCIderm GmbH after the end of the period. The acquired companies comprise subsidiaries of their respective groups.

Disposals within subsidiaries

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

Note5 Operating segments

SEKm	Sales					EBT ¹⁾				
	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015	2016 Q3	2015 Q3	2016 Q1-3	2015 Q1-3	2015
AH Industries	310	244	805	790	1,013	10	-3	6	-9	-15
Aibel						-13	-7	-97	8	-75
ArcusGruppen	618	613	1,771	1,775	2,586	-21	6	2	-20	106
Biolin Scientific	53	57	142	165	227	-2	0	-23	-4	3
Bisnode	793	822	2,493	2,572	3,535	-8	12	-79	53	201
Diab	350	352	1,126	1,093	1,450	18	36	61	97	105
Euromaint	310	505	1,061	1,610	2,273	2	-6	9	-8	-224
GS-Hydro	220	260	666	901	1,175	-35	0	-95	39	11
HENT	1,951	1,400	5,801	4,118	5,716	48	51	169	155	194
HL Display	368	378	1,044	1,089	1,488	22	-1	41	-27	-28
Jøtul	220	244	592	626	930	9	-4	-14	-57	-42
KVD	71	77	236	239	317	5	9	22	23	21
Ledil	100	82	275	225	297	29	30	83	62	65
Mobile Climate Control	333	340	976	985	1,264	51	46	109	91	108
Nebula	82	77	244	218	299	21	24	55	55	71
Total companies in portfolio all reported periods	5,778	5,449	17,231	16,406	22,569	137	192	250	458	502
airteam ²⁾	189		363			3		4		
Gudrun Sjödén Group ³⁾						1		1		
Oase Outdoors ⁴⁾	5		5			-12		-12		
Serena Properties ⁵⁾						10		41		
Speed Group ⁶⁾	141	51	426	51	203	-1	1	20	1	10
TFS ⁷⁾	191		553		203	12		30		-2
Total companies acquired during reported periods	526	51	1,347	51	406	12	1	83	1	8
Hafa Bathroom Group ⁸⁾		47		149	149		0		3	3
Inwido ⁹⁾							17		42	42
Nordic Cinema Group ¹⁰⁾				1,356	1,356				108	108
Total companies divested during reported periods		47		1,505	1,505		18		153	153
Total	6,305	5,546	18,579	17,962	24,480	149	211	332	611	664
Exit Nordic Cinema Group							905		905	905
Exit Inwido									236	290
Exit Hafa Bathroom Group										-93
Total exit gains							905		1,142	1,101
Impairment AH Industries						-92		-92		-85
Impairment Aibel						-1,692		-1,692		
Impairment Biolin Scientific						-314		-314		
Impairment Euromaint						-122		-122		-480
Impairment Hafa Bathroom Group							-84		-84	
Impairment Jøtul						-81		-81		
Companies total	6,305	5,546	18,579	17,962	24,480	-2,152	1,032	-1,968	1,669	1,200
Income and expenses in the parent company and central companies						-76	-61	-252	-247	-308
Group total	6,305	5,546	18,579	17,962	24,480	-2,227	971	-2,220	1,422	892

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

²⁾ airteam is included in consolidated profit as of April 2016.

³⁾ Gudrun Sjödén Group is included in consolidated profit with a holding of 30% as of September 2016.

⁴⁾ Oase Outdoors is included in consolidated profit as of September 2016.

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

⁶⁾ Speed Group is included in consolidated profit as of September 2015.

⁷⁾ TFS is included in consolidated profit as of October 2015.

⁸⁾ Hafa Bathroom Group is included in consolidated profit as a subsidiary until October 2015.

⁹⁾ Inwido is included in consolidated profit as an associate with a holding of 31% until April 2015 and 10% respectively until October 2015 when the entire holding was divested.

¹⁰⁾ Nordic Cinema Group is included in consolidated profit through June 2015. The entire holding was sold in July 2015.

Note6 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 30 September 2016, the total value of financial instruments measured at fair value in accordance with

level three amounts to SEK 626m (504 at 31 December 2015). Changes in the carrying amount since 31 December 2015, SEK 122m, mainly comprise the revaluation of and newly issued synthetic options.

In the statement of financial position at 30 September 2016 the net value of derivatives amounts to SEK -29m (-52), of which SEK 17m (3) is recognised as an asset and SEK 45m (55) as a liability.

Note7 Goodwill and impairment

Goodwill changed during the period as shown below.

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance			
1 January 2016	14,543	-1,872	12,671
Business combinations	1,151		1,151
Reclassifications	-81		-81
Impairments		-608	-608
Translation differences for the year	547	-91	456
Closing balance			
30 September 2016	16,160	-2,571	13,588

Impairment

Ratos makes continuous assessments of whether there is any indication that any company has declined in value. In the event that such an indication exists, the recovery value of the company is calculated, which comprises the higher of value in use and fair value less sales costs. If the recovery value is lower than the carrying amount, an impairment is made.

The Board of Ratos AB resolved on impairments in the third quarter attributable to the portfolio companies Aibel, AH Industries, Biolin Scientific, Euromaint and Jøtul. These companies operate under tough market conditions and show a weak earnings trend. The book values were adjusted to reflect the companies' market conditions. In total, the impairments impact Ratos's operating profit in an amount of SEK 2,300m, of which SEK 1,691m is attributable to the owners of the parent.

Impairment of investments recognised according to the equity method

Aibel

The impairment of Aibel amounted to SEK 1,692m, of which SEK 1,083m was attributable to the owners of the parent, and was caused by a lower level of activity combined with overcapacity in the industry and pressure on margins. Ratos does not assume a return to the market situation that prevailed before the drop in the price of oil. After impairment, the carrying amount for Aibel totalled SEK 690m. The amount corresponds to the recovery value established through calculation of value in use, with a discount rate after tax of 7% being applied (7% at 31 December 2015). The discount rate before tax amounts to 8% (9% at 31 December 2015). In addition to other key assumptions about sales growth and the adjusted EBITA margin, Ratos includes a value in use calculation that assumes future profit multiples on exit. Aibel is recognised in the Ratos Group in accordance with the equity method and the impairment carried out

resulted in a reduction in the item Investments recognised according to the equity method.

Impairment of Goodwill

Biolin Scientific

The impairment of Biolin Scientific amounted to SEK 314m. Changed consumer behavior among customers within the business area Drug Discovery, has affected the sales of instruments negatively, which led to failure to achieve earlier forecasts. Recognised consolidated value after impairment amounted to SEK 31m, corresponding to the recovery value established by calculating fair value after deduction of sales costs. Key assumptions for the valuation are profit multiple at exit and profit forecast. Profit multiple is on a level with listed comparable companies.

Euromaint

In October, Ratos signed an agreement to divest 100% of the shares in Euromaint. The company was impaired to an anticipated exit value and the carrying amount at the end of the third quarter amounted to SEK 68m, following an impairment of SEK 122m.

Jøtul

The impairment of Jøtul amounted to SEK 81m and was mainly attributable to continued weak demand for cast-iron stoves and fireplaces and low sales volumes, which led to failure to achieve earlier forecasts. Recognised consolidated value after impairment amounted to SEK 0m, corresponding to the recovery value established by calculating fair value after deduction of sales costs. Key assumptions for the valuation are profit multiple at exit and profit forecast. Profit multiple is on a level with listed comparable companies.

AH Industries

The impairment of AH Industries amounted to SEK 92m. Continued weak market in cement and minerals industry and high competition in the wind segment has led to development in the company which do not correspond to Ratos's earlier forecasts. After impairment, the carrying amount for AH Industries totalled SEK 37m. The amount corresponds to the recovery value established through calculation of value in use, with a discount rate after tax of 8% being applied (8% at 31 December 2015). The discount rate before tax amounts to 10% (10% at 31 December 2015). In addition to other key assumptions about sales growth and the adjusted EBITA margin, Ratos includes a value in use calculation that assumes future profit multiples on exit.

Note8 Related party disclosures

Transactions with related parties are made on market terms.

Parent company

The parent company has a related party relationship with its group companies, for more information see Note 33 in the 2015 Annual Report. The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 492m (378). 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 income and expenses in relation to its 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		Interest expenses	Interest income	Dividend
2016 Q1-3			0	
2015 Q1-3		-8		551
2015		-8	0	995

SEKm	Receivable	Provision	Liability	Capital contribution	Contingent liability
2016-09-30	4	144	879	746	492
2015-09-30	40	328	2,569	141	378
2015-12-31	88	309	2,594	270	400

In conjunction with a new financing agreement, Ratos contributed SEK 319m (NOK 316m) to Aibel. During the quarter, Ratos provided a capital contribution to Bisnode in the amount of SEK 71m (DKK 56m) and to KVD in the amount of SEK 15m. Earlier in the year, Ratos provided contributions of SEK 175m to Bisnode, SEK 46m (EUR 5m) to GS-Hydro and SEK 120m to Euromaint.

Stockholm, 10 November 2016
Ratos AB (publ)

Lars Johansson



CEO

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

Introduction

We have reviewed the condensed interim financial information (interim report) of Ratos AB (publ) as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other

review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

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

Stockholm, 10 November 2016
PricewaterhouseCoopers AB

Peter Clemedtson
Auditor in Charge

Helena Kaiser de Carolis
Public Authorised Accountant

Telephone conference

10 November at 10:00 a.m. SVE +46 8 566 425 09
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US +1 855 831 5945

Financial calendar

2016
10 November Interim report January-September

2017
17 February Year-end Report 2016

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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 person set out above, at 8:00 a.m. CET on 10 November 2016.



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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 21 medium-sized Nordic companies and the largest segments in terms of sales are Construction, Consumer goods/Commerce and Industrials. Ratos is listed on Nasdaq Stockholm and has approximately 16,000 employees.