Year-end report 2013

RATOS

Q4 January – December

- Profit before tax SEK 1,083m (767)
- Earnings per share before dilution SEK 2.13 (1.90)
- Proposed dividend SEK 3 per share (3)
- Steady improvement in the holdings
- Acquisition of Aibel, HENT, Nebula, merger of SF Bio and Finnkino and add-on investment in Jøtul completed during the year
- Stofa divested – exit gain SEK 895m
- Issue of preference shares carried out in June
- Total return on Ratos shares -2%

Ratos in summary

SEKm	2013 Q 4	2012 Q 4	2013	2012
Profit/share of profits	353	-205	602	-29
Exit gains			895	978
Impairment	-308	-100	-308	-375
Profit from holdings	**45**	**-305**	**1,189**	**574**
Central income and expenses	-34	16	-106	193
Profit before tax	**11**	**-289**	**1,083**	**767**

Important events

Events in fourth quarter

- A refinancing of SB Seating was carried out in December, whereby Ratos received a payment of SEK 405m. The refinancing was made possible by SB Seating's favourable development and cash flow in recent years
- Capital contributions were provided to DIAB totalling SEK 61m during the year, of which SEK 44m in the fourth quarter, and to Euromaint totalling SEK 100m during the year, of which SEK 25m in the fourth quarter. In February 2014 a capital contribution was provided to Jøtul of approximately SEK 40m
- During the quarter impairments were recognised of the consolidated value of Ratos's holding in DIAB of SEK 234m to SEK 674m and in Jøtul of SEK 74m to SEK 164m

Events in the first to third quarters

- In July, the acquisition of the Norwegian construction company HENT was completed. The seller was Heimdal Gruppen and a number of financial investors. Enterprise value for 100% of the company amounted to approximately NOK 450m (approximately SEK 510m), of which Ratos provided equity of NOK 307m (SEK 347m) for 73% of the shares
- In July, Ratos increased its ownership in Jøtul from 61% to 93% by acquiring Accent Equity's shares. The purchase price amounted to NOK 12m (SEK 13m)
- In June, a directed new issue was made of 830,000 preference shares at SEK 1,750 per preference share with a total value of SEK 1,452.5m excluding issue costs. The issue was made to finance the acquisition of Nebula and HENT as well as part of the acquisition of Aibel. The new issue was oversubscribed and approximately 6,000 investors received an allocation. The first day of trading was 28 June 2013
- In May, the merger of the cinema groups SF Bio and Finnkino was completed. The new group, Nordic Cinema Group, is owned 58% by Ratos and 40% by Bonnier. The merger did not involve a capital contribution and Ratos received a payment of SEK 38m in the fourth quarter as an effect of the adopted purchase price allocation
- In April, the acquisition of Nebula, Finland's leading provider of cloud services to small and medium-sized companies, was completed. The purchase price (enterprise value) for 100% of the company amounted to EUR 82.5m (approximately SEK 700m), of which Ratos provided equity of EUR 34m (SEK 284m) for a holding corresponding to 72%. A possible earn-out payment is contingent on certain profitability milestones being achieved
- The acquisition of Aibel announced in December 2012 was completed in April. Enterprise value for 100% of Aibel amounted to NOK 8,600m. Ratos acquired 32% of the company and provided equity of NOK 1,429m (SEK 1,676m)
- In February, the sale was completed of the subsidiary Stofa for DKK 1,900m (approximately SEK 2,200m) (enterprise value). The sale generated a capital gain for Ratos of SEK 895m and an average annual return (IRR) of 54%
- In January, the sale of the remaining subsidiary in Contex Group, Contex A/S, was completed. The selling price (enterprise value) amounted to USD 41.5m (approximately SEK 275m). The winding up of Contex Group is completed and Ratos received a payment of SEK 164m. Ratos's average annual return (IRR) on the entire investment in Contex Group was -16%
- In January, Arcus-Gruppen completed the acquisition of the brands Aalborg, Brøndums, Gammel Dansk and Malteserkreuz. The purchase price (enterprise value) amounted to EUR 103m (approximately SEK 880m) and Ratos provided a net amount of SEK 24m. As required by the competition authorities, Brøndums was sold in June for EUR 11m (approximately SEK 95m) which generated a capital gain in Arcus-Gruppen of approximately SEK 40m
- Capital contributions were provided in the first nine months of 2013 to AH Industries amounting to SEK 40m and to Jøtul amounting to SEK 39m

More information about important events in the holdings is provided on pages 9-15.

Performance Ratos's holdings *)

	2013		2013 Q 4	
	100%	Ratos's share	100%	Ratos's share
Sales	+3%	+1%	-2%	+1%
EBITA	+12%	+18%	+7%	+10%
EBITA, excluding items affecting comparability	-3%	+2%	-6%	+1%
EBT	0%	+23%	-24%	+14%
EBT, excluding items affecting comparability	-19%	-9%	-23%	-2%

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

To facilitate analysis, an extensive table is provided on page 15 with key figures for Ratos's holdings. A summary of income statements, statements of financial position, etc., for Ratos's associates and subsidiaries is available in downloadable Excel files at www.ratos.se.

CEO comments on performance in 2013

Another step in the right direction

The cautiously positive development trend we have seen in the holdings during 2013 continued in the fourth quarter. Completed action programmes are the main reason for the underlying earnings improvements in many companies, but the fact that many markets are more stable compared with one year ago is also helping to make these effects visible. Overall, we have a good starting point for 2014, with many lean companies, although we do expect that the pace of recovery in many markets will be relatively slow. We continue to spend most of our time on our holdings and to focus on change programmes, but at the same time we are maintaining high pressure on the transaction side, where a recovery could help to make 2014 an interesting year.

Stabilised markets with a growing number of bright spots

The market stabilisation many of our holdings noted towards summer 2013, continued during the latter part of the year. A growing number of markets levelled out and in some cases activity increased somewhat. In the fourth quarter as well, however, the picture was mixed with considerable variations between individual months and weeks. Even so, our scenario is that overall development is slowly heading in the right direction and we expect a steady recovery in many markets during 2014.

Continued improvement in the holdings

For many of Ratos's holdings the fourth quarter marked another step in the right direction which confirms the underlying positive earnings trend we have had during the year. It is primarily all the action taken which is having an effect but a more stable market situation in the second half of the year meant that these measures are now also reflected in earnings. We continue to maintain high pressure in the change process and we are far from finished in many holdings.

Among the holdings which performed better in the fourth quarter we have DIAB which had another profitable quarter helped by significantly lower costs after completed action programmes, combined with slightly better markets; Inwido which, despite a slight fall in sales during the quarter, had higher profits and an operating margin that was over one percentage point higher than in the same period last year; Arcus-Gruppen which delivered strong earnings and rising margins despite the problems in the Vectura logistics operations which are still unsolved; HL Display which maintained its strong margin trend and increased its adjusted operating margin from 7.4% in the fourth quarter of 2012 to 9.8%; and KVD which ended the year on a strong note due among other things to rising market shares in the private car market. It is also really gratifying that several of our recent acquisitions performed at or above our plan: HENT, Nordic Cinema Group and Nebula ended their first year in Ratos's portfolio well.

Of course, as always we have some challenges to manage. For example, our holding Hafa Bathroom Group had a weak end to the year. Aibel's earnings were also weaker compared with the previous year (excluding items affecting comparability), due to the previously announced lower contract activity in the Norwegian offshore market. 2014 will be a year when Aibel focuses on cost efficiency, against the background among other things of cost-cutting at Statoil. However, our long-term positive view of the market and prospects for this company is unchanged.

If we remove the portfolio company Aibel from the analysis, since the company's sales growth and margins do not give a completely true picture due to a couple of specific projects, the operating margin for Ratos's holdings in the full year 2013 rose from 5.2% to 6.6% and the adjusted operating margin (adjusted for items affecting comparability) from 7.1% to 7.6%. This emphasises the excellent work carried out in many places and the leverage which is currently built into our portfolio.

Better momentum in the transaction market in 2014?

Ratos had a high level of transaction activity in 2013. In general, however, the transaction market in the Nordic countries was relatively sluggish, despite good access to bank financing. With continued stable markets, however, this picture can change and conditions exist which could make 2014 a more active year in the transaction market overall, among other things as an effect of the currently well-functioning IPO market.

Future prospects

The first signals we have received for 2014 indicate that the market stabilisation continues. Our scenario is that overall market development is moving in the right direction and we expect a steady, slow recovery in 2014. In view of this and the extensive measures implemented in many of our holdings to strengthen margins and reduce break-even levels, our assessment is that conditions exist for higher operating profits (adjusted for the size of Ratos's holdings) in the Ratos companies in 2014.

Susanna Campbell

Additional CEO comments at www.ratos.se

Ratos's results

Profit before tax for the full year 2013 amounted to SEK 1,083m (767). The higher reported result is mainly due to improved share of profits from the holdings. Earnings include profit/share of profits from the holdings of SEK 602m (-29) and exit gains of SEK 895m (978).

SEKm	2013	2012
Profit/share of profits before tax [1]		
AH Industries (69%)	-78	-72
Aibel (32%) [2]	141	
Anticimex (85%) [3]		51
Arcus-Gruppen (83%)	75	-73
Biolin Scientific (100%)	-13	14
Bisnode (70%)	9	-31
Contex Group (100%)		-150
DIAB (96%)	-109	-287
Euromaint (100%)	-76	-49
GS-Hydro (100%)	57	44
Hafa Bathroom Group (100%)	-13	5
HENT (73%) [4]	28	
HL Display (99%)	106	70
Inwido (97%)	220	246
Jøtul (93%)	-89	-160
KVD (100%)	29	25
Lindab (11%) [5]		4
Mobile Climate Control (100%)	68	67
Nebula (72%) [6]	40	
Nordic Cinema Group (58%) [7]	120	82
SB Seating (85%)	86	97
Stofa (99%) [8]	1	88
Total profit/share of profits	**602**	**-29**
Exit Anticimex		897
Exit Lindab		81
Exit Stofa	895	
Total exit result	**895**	**978**
Impairment DIAB	-234	
Impairment Jøtul	-74	-100
Impairment AH Industries		-275
Profit from holdings	**1,189**	**574**
Central income and expenses		
Management costs	-240	-222
Capital gain/loss within central income and expenses [9]		168
Financial items	134	247
Consolidated profit before tax	**1,083**	**767**

1) Subsidiaries' profits included with 100% and associates' profits with respective holding percentage.
2) Aibel is included in consolidated profit from 11 April 2013.
3) Anticimex is included in consolidated profit through June 2012. The entire holding was sold in July 2012.
4) HENT is included in consolidated profit from July 2013.
5) Lindab is included in consolidated profit through June 2012. The entire holding was sold in August 2012.
6) Nebula is included in consolidated profit from May 2013.
7) 2012 relates solely to Finnkino. Earnings for 2013 consist of Finnkino solely until 30 April and subsequently relate to the entire Nordic Cinema Group.
8) Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.
9) Relates to an earlier intra-group sale of a group company where the gain was recognised when this company left the Group in 2012.

Central income and expenses

Ratos's net central income and expenses amounted to SEK -106m (+193), of which personnel costs in Ratos AB amounted to SEK 130m (119). The variable portion of personnel costs amounted to SEK 35m (27). Other management costs amounted to SEK 110m (103). In 2012 a capital gain of SEK 168m was reported within central income and expenses which relates to an earlier intra-group sale of a group company where the gain was recognised when the company left the Group in 2012. Net financial items amounted to SEK +134m (+247).

Tax

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

Financial position

Cash flow from operating activities and investing activities was SEK -81m (3,520) and consolidated cash and cash equivalents at the end of the period amounted to SEK 3,337m (3,203), of which short-term interest-bearing investments accounted for SEK 0m (499). Interest-bearing liabilities including pension provisions amounted to SEK 12,882m (10,796).

Parent company

The parent company's loss before tax amounted to SEK 633m (+606). The parent company's cash and cash equivalents, including short-term interest-bearing investments, amounted to SEK 1,273m (1,823). Taking into account financial transactions agreed but not yet carried out, at 20 February 2014 Ratos has a net liquidity of approximately SEK 1,200m. In addition, there is an existing credit facility of SEK 3.2 billion, authorisation from the 2013 Annual General Meeting to issue a maximum of 35 million Ratos B shares in conjunction with agreements on acquisitions and an authorisation to issue a maximum of 1,250,000 preference shares in conjunction with agreements on acquisitions, of which 420,000 are unutilised in the existing mandate which applies until the 2014 Annual General Meeting.

Risks and uncertainties

A description of the Group's and parent company's material risks and uncertainties is provided in the Directors' report and in Notes 31 and 38 in the 2012 Annual Report. An assessment for the coming months is provided in the *CEO comments on performance in 2013* section on page 3.

Related-party transactions

The parent company received dividends and repayments of shareholder contributions from subsidiaries of SEK 454m (1,524). Capital contributions have been provided during the year to DIAB, Euromaint, AH Industries and Jøtul totalling SEK 240m.

Ratos B shares

Earnings per share before dilution amounted to SEK 2.13 (1.90). The total return on Ratos B shares in 2013 amounted to -2%, compared with the performance of the SIX Return Index which was +28%.

Ratos preference shares

The closing price for Ratos's Class C preference shares on 31 December was SEK 1,895. The dividend is regulated by the Articles of Association and amounts to SEK 25 per share, and a maximum of SEK 100 per year and is paid quarterly. A dividend with record date 15 August was paid on 20 August, at a total of SEK 21m. A dividend with record date 15 November was paid on 20 November, at a total of SEK 21m. The record date for the most recent dividend was 14 February 2014 with payment date 19 February 2014.

Treasury shares and number of shares

No shares were repurchased and no call options were exercised in 2013. 4,660 shares were transferred to administrative employees in accordance with an Annual General Meeting resolution. At year-end, Ratos owned 5,134,877 B shares (corresponding to 1.6% of the total number of shares), at a cost of SEK 69.

A directed new issue of 830,000 preference shares was made in June with a total value of SEK 1,452.5m excluding issue costs. As a result of the issue, Ratos's share capital increased by SEK 2.6m and subsequently amounts to approximately SEK 1,024m. The first trading day was 28 June 2013.

At 31 December the total number of shares in Ratos (A and B shares as well as preference shares) amounted to 324,970,896 and the number of votes was 108,670,443.6. The number of outstanding A and B shares was 319,006,019 and outstanding preference shares 830,000. The average number of B treasury shares in Ratos in the full year 2013 was 5,135,696 (5,140,203 in the full year 2012).

Total return

1 January 2009 – 31 December 2013

Ratos's equity 1)

At 31 December 2013 Ratos's equity (attributable to owners of the parent) amounted to SEK 13,778m (SEK 13,780m at 30 September 2013), corresponding to SEK 38 per outstanding share (SEK 38 at 30 September 2013).

SEKm	31 Dec 2013	% of equity
AH Industries	317	2
Aibel	1,585	12
Arcus-Gruppen	559	4
Biolin Scientific	328	2
Bisnode	1,274	9
DIAB	674	5
Euromaint	670	5
GS-Hydro	47	0
Hafa Bathroom Group	163	1
HENT	343	3
HL Display	1,130	8
Inwido	2,459	18
Jøtul	164	1
KVD	276	2
Mobile Climate Control	864	6
Nebula	326	2
Nordic Cinema Group	651	5
SB Seating	618	5
Total	**12,448**	**90**
Other net assets in central companies	1,330	10
Equity (attributable to owners of the parent)	**13,778**	**100**
Equity per ordinary share, SEK 2)	**38**	

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

2) Equity attributable to owners of the parent with a deduction for total Preference capital divided by the number of outstanding ordinary shares at the end of the period. Preference capital per preference share amounted to SEK 1,837.50 which corresponds to the redemption amount after the 2017 Annual General Meeting.

Credit facilities

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

Proposals to 2014 Annual General Meeting

Annual General Meeting

Ratos's Annual General Meeting will be held on 27 March 2014 at 16.30 CET at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm. Shareholders who wish to participate in the meeting must be recorded in the register of shareholders kept by Euroclear Sweden no later than 21 March 2014, and notify their intention to attend no later than 21 March. Notice of attendance may be made via www.ratos.se, by writing to Ratos, Box 1661, 111 96 Stockholm or by telephone +46 8 700 17 00. The Annual Report in Swedish and other company documentation will be available at www.ratos.se from 3 March 2014. The notice of the Annual General Meeting will be published on 24 February 2014.

Proposal for dividend on Class A and Class B shares

The Board proposes an ordinary dividend for 2013 of SEK 3 (3) per Class A and Class B share. The proposed record date for the dividend is 1 April 2014 and payments from Euroclear Sweden are expected to be made on 4 April 2014.

Proposal for dividend on preference shares

The Board proposes that a dividend on outstanding Class C preference shares before the 2015 Annual General Meeting, in accordance with the Articles of Association, shall be paid quarterly in an amount of SEK 25 per Class C preference share, although a maximum of SEK 100.

The following dates are proposed as record dates, before the next Annual General Meeting, for payment of quarterly dividends on outstanding Class C preference shares: 15 May 2014, 15 August 2014, 14 November 2014 and 13 February 2015. Payments are expected to be made by Euroclear Sweden on 20 May 2014, 20 August 2014, 19 November 2014 and 18 February 2015.

Incentive programme

The Board proposes that the Annual General Meeting resolves on the issue of a maximum of 800,000 call options on Class B Ratos treasury shares be transferred at a market premium to key people at Ratos. The purchase of options is intended to be partly subsidised. The exercise price will correspond to 125% of the average of the for each trading day during the period 15-19 September 2014 calculated average volume-weighted price paid for Ratos B shares on Nasdaq OMX Stockholm. The exercise period runs through 20 March 2019.

In addition, the Board proposes that the Annual General Meeting resolves to introduce a cash-based option programme related to Ratos's investments in the holdings. It is proposed that the programme is carried out through the issue of synthetic options for which a market price will be paid.

The Board further proposes that the Annual General Meeting resolves on the transfer of a maximum, of 16,000 Ratos Class B shares to administrative personnel at Ratos.

Proposal for authorisation for a new issue of Class B shares to be used for acquisitions

The Board proposes that the Annual General Meeting, as in previous years, authorises the Board in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from the pre-emptive rights of shareholders, for a cash payment, through set-off or non-cash, to make a decision on a new issue of shares in the company. This authorisation shall comprise a maximum of 35 million Class B shares in the company, which corresponds to 9.7% of the shares and 3.1% of voting rights (after full utilisation of the mandate) and applies until the next Annual General Meeting.

Proposal for authorisation for a new issue of preference shares

The Board proposes that the Annual General Meeting resolves, for the period until the next Annual General Meeting, to authorise the Board to decide on a new issue of a maximum total of 1,250,000 Class C and/or Class D preference shares in the company in conjunction with agreements on company acquisitions, on one or several occasions, with or without deviation from preemptive rights of shareholders, for a cash payment, through set-off or non-cash.

Main terms for Class C preference shares (corresponding terms for outstanding Class C shares):

- Ratos is entitled to redeem Class C shares at 115% of the initial subscription price before 15 May 2017 and at 105% of the initial subscription price thereafter
- Quarterly dividend of SEK 25 per share, although a maximum of SEK 100 per year until the 2017 Annual General Meeting and thereafter SEK 30 per quarter, although a maximum of SEK 120 per year

Main terms for Class D preference shares:

- Ratos is entitled to redeem Class D shares at 115% of the initial subscription price before 15 May 2018 and at 100% of the initial subscription price thereafter
- Quarterly dividend of SEK 25 per share, although a maximum of SEK 100 per year until the 2018 Annual General Meeting and thereafter SEK 32 per quarter, although a maximum of SEK 128 per year

Motives and background to new issue authorisation

Ratos has had a mandate to utilise newly issued Class B shares to finance acquisitions since the 2009 Annual General Meeting. In order to provide greater flexibility in the choice of financing form and thus be able to optimise shareholders' returns, in 2013 the Board also applied for a mandate from the Annual General Meeting to be able to issue preference shares in conjunction with acquisitions. This mandate was utilised and well received. The Board is therefore applying to the 2014 Annual General Meeting for a renewed mandate which is extended with an additional share class (D). The new issue mandate is an essential instrument for Ratos's liquidity planning since Ratos's business model involves large liquidity inflows (divestments) and outflows (acquisitions) at times which are difficult to predict. By issuing Class B shares or preference shares, Ratos can ensure that acquisitions can be made when this can be done on the right terms rather than when liquidity is available, which would have a negative effect on returns. It is the Board's opinion that the new issue mandate is of strategic importance for ensuring that Ratos can continuously take advantage of acquisition opportunities that arise.

The motivation for an open mandate is that (i) it is not possible to decide when and to what extent it may be necessary to make an acquisition with shares as payment, (ii) that the long time it takes to carry out a new issue otherwise makes it impossible to use Ratos shares for this purpose. The mandate applies solely to possible acquisitions and if no acquisitions are completed where all or part of financing is provided through newly issued shares, no issue of either Class B shares or preference shares will be made and the mandate will thus not be utilised.

Proposal for purchase of treasury shares

The Board has decided to propose that the Annual General Meeting gives the Board renewed authorisation, during the period until the next Annual General Meeting, to purchase treasury shares. Acquisition must take place on Nasdaq OMX Stockholm and is restricted so that the company's holding of treasury shares does not at any time exceed 4% of all shares in the company. The purpose of the purchase of treasury shares is to give the Board more room for manoeuvre in its work to create value for Ratos's shareholders. This includes hedging of call options issued within the framework of Ratos's incentive programme.

Other

Extraordinary General Meeting

Ratos held an Extraordinary General Meeting on 25 April in order, according to "the Leo rules", to obtain approval to transfer all the shares in the subsidiary BTJ Group AB to Per Samuelson, Chairman of the Board of BTJ Group. The purchase price for all the shares amounted to SEK 1. Taking the company's net debt into account, the purchase price corresponds to an enterprise value of approximately SEK 43m. The Meeting resolved to approve the transfer which was completed in May. The sale did not have any earnings impact on Ratos.

Holdings

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

AH Industries

- Sales SEK 1,018m (1,062) and EBITA SEK -39m (-45)
- Restructuring of the production in Denmark initiated in the fourth quarter and will be completed in 2014
- Adjusted for costs affecting comparability relating to, among other things, the restructuring, EBITA increased to SEK 14m (-7), despite continued weak development within parts of Wind Solutions
- Focus on cost-cutting programmes due to continued uncertain market prospects for the wind energy industry in the short term

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

Ratos's holding in AH Industries amounted to 69% and the consolidated book value in Ratos was SEK 317m at 31 December 2013.

Aibel

- Sales SEK 14,029m (12,709) and EBITA SEK 839m (892)
- Strong growth driven by extensive additional work in the final phase of older contracts with lower margins within Field Development. Final delivery of the three-year Gudrun project to Statoil during the year. Sales and earnings can vary substantially between individual periods depending on where the projects are in the project cycle
- Overall stable sales development during the year within maintenance and upgrading services (MMO and Modification)
- EBITA for the full year adjusted for provisions and other items affecting comparability amounted to SEK 691m (892)
- Temporarily lower activity within MMO, Modification and for new contracts mean substantially lower sales and earnings in 2014 compared with 2013. Action programmes are underway to adjust operations and will result in restructuring costs. Towards the end of 2014 and in 2015 contract activity is expected to increase again. Continued positive market prospects in the long term
- Order book at 31 December amounted to approximately NOK 17 billion plus options for an additional approximately NOK 14 billion. In the fourth quarter, Statoil exercised an option to extend an existing MMO contract. A modification contract for Det norske oljeselskap was also received

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

Ratos's holding in Aibel amounted to 32% and the consolidated book value in Ratos was SEK 1,585m at 31 December 2013.

Arcus-Gruppen

- Sales SEK 2,516m (2,278) and EBITA SEK 274m (5)
- Strong sales growth, +16% in reporting currency, organic growth +4%. Good sales and earnings growth within Spirits due, among other things, to the acquisition of Aalborg with several brands
- Acquisition of the brands Aalborg, Brøndums, Gammel Dansk and Malteserkreuz was completed in January 2013. Brøndums was sold, as required by the competition authorities, in June for EUR 11m (approximately SEK 95m) which generated a capital gain of approximately SEK 40m
- EBITA adjusted for the capital gain from the sale of Brøndums and other items affecting comparability amounted to SEK 246m (205)
- Extensive restructuring of the distribution operations Vectura is underway with the aim of achieving profitability by the end of 2015. Vectura's sales amounted to NOK 287m (307) and adjusted EBITA was NOK -79m (-69) for 2013

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

Ratos's holding in Arcus-Gruppen amounted to 83% and the consolidated book value in Ratos was SEK 559m at 31 December 2013.

Biolin Scientific

- Sales SEK 233m (235) and EBITA SEK 23m (23)
- Sales growth +1% adjusted for currency effects
- EBITA adjusted for items affecting comparability amounted to SEK 26m (23)
- Good development for Dental Diagnostics (Osstell) and stable development for Drug Discovery (Sophion). Weak development for Analytical Instruments

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

Ratos's holding in Biolin Scientific amounted to 100% and the consolidated book value in Ratos was SEK 328m at 31 December 2013.

Bisnode

- Sales SEK 3,724m (3,869) and EBITA SEK 328m (339) (pro forma 2012, adjusted for Product Information business area)
- Organic sales development adjusted for currency effects -1%. The decline in sales is due to an overall weak market as well as the effects on an internal change programme
- Positive effects of a more cohesive Bisnode. EBITA adjusted for items affecting comparability amounted to SEK 440m (416), corresponding to an operating margin of 11.8% (10.7)
- Growth in Credit Solutions, stable development in Business Information while sales for Marketing Solutions were weak
- Subsidiaries Lundalogik and Bisnode Applicate divested in January 2014

Bisnode is a leading European provider of decision support within business, credit and market information. The customer base is companies and organisations throughout Europe which use Bisnode's services to convert data into knowledge for both day-to-day issues and major strategic decisions. Bisnode has approximately 3,000 employees in 19 countries.

Ratos's holding in Bisnode amounted to 70% and the consolidated book value in Ratos was SEK 1,274m at 31 December 2013.

DIAB

- Sales SEK 864m (1,003) and EBITA SEK -50m (-217)
- Adjusted for currency effects sales fell 12% mainly due to a very weak wind energy market in China and the US in the first half of the year. Sales to the transport, industry and aviation segments continued to show positive development
- Some growth in the wind energy segment in China in the second half of the year provides support for expectations of an improved sales development in 2014
- Completed cost-cutting and sales growth contributed to EBITA adjusted for items affecting comparability reaching SEK 9m (-24) in the fourth quarter
- A SEK 61m capital contribution was provided during the year, of which SEK 44m in the fourth quarter

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

Ratos's holding in DIAB amounted to 96% and the consolidated book value in Ratos was SEK 674m at 31 December 2013.

Euromaint

- Sales SEK 2,416m (2,484) and EBITA SEK 25m (60)
- A weak market and loss of volume from a customer in Germany had a highly negative impact on profitability and sales
- Adjusted for costs affecting comparability related to a lost contract dispute and action programmes, EBITA amounted to SEK 67m (90)
- Additional action programmes to strengthen competitiveness and profitability are underway in both Sweden and Germany
- SEK 100m capital contribution was provided during the year, of which SEK 25m in the fourth quarter

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

Ratos's holding in Euromaint amounted to 100% and the consolidated book value in Ratos was SEK 670m at 31 December 2013.

GS-Hydro

- Sales SEK 1,237m (1,352) and EBITA SEK 83m (123)
- Lower sales within offshore during the second half, a stable development in land-based segments and weak development, but with signs of a recover, for marine
- Growth initiatives related to the development of the aftermarket offering and business systems charged against earnings
- Lower EBITA margin, 6.7% (9.1) mainly due to lower sales and growth initiatives

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

Ratos's holding in GS-Hydro amounted to 100% and the consolidated book value in Ratos was SEK 47m at 31 December 2013.

Hafa Bathroom Group

- Sales SEK 238m (268) and EBITA SEK -13m (7)
- Weak consumer market had negative impact on sales
- Lower earnings due to lower volumes, an unfavourable sales mix and project-specific non-recurring costs
- Action taken to improve profitability

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

Ratos's holding in Hafa Bathroom Group amounted to 100% and the consolidated book value in Ratos was SEK 163m at 31 December 2013.

HENT

- Sales SEK 4,213m (3,360) and EBITA SEK 120m (113)
- Very good sales growth driven by a strong order book and favourable development in projects in progress
- Strong order booking during the year. In the fourth quarter HENT orders included a contract to develop pre-planning for a new hospital in Gardermoen. The order book at 31 December 2013 amounted to approximately NOK 7.5 billion
- Adjusted for acquisition costs EBITA amounted to SEK 134m (113)

HENT is a leading Norwegian construction company with projects throughout the country, primarily new construction of public and commercial properties. The company focuses on project development, project management and procurement. The projects are to a large extent carried out by a broad network of quality assured sub-contractors.

Ratos's holding in HENT amounted to 73% and the consolidated book value in Ratos was SEK 343m at 31 December 2013.

HL Display

- Sales SEK 1,596m (1,657) and EBITA SEK 128m (104)
- Good sales growth in the fourth quarter, +5% adjusted for currency effects, in all regions except Eastern Europe. Sales for the full year decreased by 1% adjusted for currency effects
- Significant improvement in margins, 8.0% (6.3), due to completed action programmes which resulted among other things in more efficient production and good control of costs

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

Ratos's holding in HL Display amounted to 99% and the consolidated book value in Ratos was SEK 1,130m at 31 December 2013.

Inwido

- Sales SEK 4,300m (4,476) and EBITA SEK 299m (328) (2012 pro forma for the sale of Home Improvement)
- Organic sales development -3% (adjusted for currency effects)
- More stable sales in the second half of the year, but a weak trend in Norway during the fourth quarter had a negative impact on sales development
- Higher EBITA margin in the fourth quarter due to completed efficiency improvements, 10.5% (9.4), adjusted for costs affecting comparability related among other things to closure of operations in Norway. Continued restructuring is planned. Relocation of manufacture of Lyssand windows initiated

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

Ratos's holding in Inwido amounted to 97% and the consolidated book value in Ratos was SEK 2,459m at 31 December 2013.

Jøtul

- Sales SEK 930m (913) and EBITA SEK -15m (-52)
- Sales adjusted for currency effects rose 7%, 4% in the fourth quarter
- Improved earnings in the fourth quarter, adjusted EBITA SEK 32m (26), due to higher sales and reduced costs. Continued efficiency improvements are underway
- The production and delivery problems that disturbed the business in 2011 and 2012 have now been remedied
- Eskil Zapffe took over as the new CEO at the beginning of 2014
- SEK 39m capital contribution provided in 2013. An additional amount of approximately SEK 40m was provided in February 2014

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

Ratos's holding in Jøtul amounted to 93% and the consolidated book value in Ratos was SEK 164m at 31 December 2013.

KVD

- Sales SEK 297m (287) and EBITA SEK 44m (41)
- Higher sales despite weak market for company cars and construction machinery
- Sharply rising volumes of cars owned by private individuals which in 2013 accounted for approximately 7% (1%) of the total volume of cars
- Establishment costs in Norway charged against earnings with SEK 14m (9)

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

Ratos's holding in KVD amounted to 100% and the consolidated book value in Ratos was SEK 276m at 31 December 2013.

Mobile Climate Control (MCC)

- Sales SEK 978m (1,250) and EBITA SEK 97m (108)
- Adjusted for currency effects sales decreased by 19% (-22% in the fourth quarter), mainly due to low volumes in the defence vehicle segment in North America. Taking into account a major defence order in 2012, sales decreased by 4% adjusted for currency effects
- Stronger adjusted EBITA margin, 10.5% (8.9), despite lower sales, due to completed profitability improvement measures. Lower adjusted EBITA margin in the fourth quarter, 3.6% (7.1), due to lower sales volumes and product mix

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

Ratos's holding in Mobile Climate Control amounted to 100% and the consolidated book value in Ratos was SEK 864m at 31 December 2013.

Nebula

- Sales SEK 228m (211) and EBITA SEK 87m (70)
- Very good growth in cloud services and stable development for operating and connection services
- Costs for growth initiatives had a negative impact on adjusted EBITA
- EBITA in the fourth quarter was positively affected by a reversed reserve related to an earn-out payment of approximately SEK 23m. Adjusted for this and acquisition costs EBITA for the full year amounted to SEK 75m (70)

Nebula is a market-leading provider of cloud services, IT infrastructure and network services to small and medium-sized companies in the Finnish market. The company has four data centres, of which two are located in Finland, one in London and one in Singapore, as well as its own leased fibre network between the largest cities in Finland. Nebula has a total of about 34,000 customers. 90% of sales are subscription based.

Ratos's holding in Nebula amounted to 72% and the consolidated book value in Ratos was SEK 326m at 31 December 2013.

Nordic Cinema Group

- Sales SEK 2,425m (2,577) and EBITA SEK 305m (324) (2013 and 2012 pro forma for the merger between SF Bio and Finnkino)
- Adjusted EBITA, adjusted for transaction costs and items affecting comparability amounted to SEK 312m (329)
- The number of cinemagoers was 7% lower than in the record year 2012. Over Christmas and New Year holidays, however, the record was broken due to several premieres and favourable weather
- Strong growth in concession sales per visitor, +8%

Nordic Cinema Group is the Nordic region's largest cinema group with 66 wholly owned movie theatres with 444 screens and approximately 65,000 seats in six countries – Sweden, Finland, Norway, Estonia, Latvia and Lithuania. Several strong local brands are part of the group: SF Bio, SF Kino, Finnkino and Forum Cinemas. Nordic Cinema Group was established in 2013 through a merger of SF Bio and Finnkino.

Ratos's holding in Nordic Cinema Group amounted to 58% and the consolidated book value in Ratos was SEK 651m at 31 December 2013.

SB Seating

- Sales SEK 1,112m (1,176) and EBITA SEK 222m (237)
- Sales in reporting currency decreased by 1% due to a weak market during most of 2013. Increased sales (+7% in reporting currency) and good order bookings in the fourth quarter
- Stronger adjusted EBITA margin, 21% (20), due to efficiency improvements. EBITA before items affecting comparability in reporting currency amounted to NOK 207m (204)
- Refinancing in December released SEK 405m to Ratos, made possible by the company's favourable development and cash flow in recent years. After the refinancing, Ratos's net investment in SB Seating amounts to SEK 39m

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

Ratos's holding in SB Seating amounted to 85% and the consolidated book value in Ratos was SEK 618m at 31 December 2013.

Ratos's holdings at 31 December 2013

SEKm	Net sales 2013 Q 4	Net sales 2012 Q 4	Net sales 2013	Net sales 2012	EBITA 2013 Q 4	EBITA 2012 Q 4	EBITA 2013	EBITA 2012
AH Industries	267	173	1,018	1,062	-51	-49	-39	-45
Aibel [1]	3,013	3,565	14,029	12,709	238	258	839	892
Arcus-Gruppen	789	691	2,516	2,278	130	74	274	5
Biolin Scientific [2]	72	74	233	235	14	15	23	23
Bisnode [3]	1,002	1,071	3,724	3,869	146	134	328	339
DIAB	228	218	864	1,003	-21	-54	-50	-217
Euromaint [4]	622	614	2,416	2,484	22	22	25	60
GS-Hydro	320	337	1,237	1,352	16	25	83	123
Hafa Bathroom Group	63	65	238	268	-8	-4	-13	7
HENT [5]	1,210	882	4,213	3,360	18	27	120	113
HL Display	421	409	1,596	1,657	34	24	128	104
Inwido [6]	1,193	1,243	4,300	4,476	80	111	299	328
Jøtul	337	323	930	913	30	26	-15	-52
KVD	78	79	297	287	21	10	44	41
Mobile Climate Control	205	268	978	1,250	2	19	97	108
Nebula [7]	61	57	228	211	42	16	87	70
Nordic Cinema Group [8]	741	798	2,425	2,577	150	143	305	324
SB Seating	323	325	1,112	1,176	70	73	222	237
Total 100%	**10,944**	**11,192**	**42,354**	**41,168**	**929**	**869**	**2,759**	**2,461**
Change	-2%		3%		7%		12%	
Total adjusted for holding	**7,586**	**7,546**	**28,250**	**28,100**	**623**	**569**	**1,827**	**1,542**
Change	1%		1%		10%		18%	

SEKm	Adjusted EBITA [A] 2013 Q 4	Adjusted EBITA [A] 2012 Q 4	Adjusted EBITA [A] 2013	Adjusted EBITA [A] 2012	Depre-ciation 2013	Invest-ments [B] 2013	Cash-flow [C] 2013	Interest-bearing net debt 31 Dec 13	Consoli-dated value 31 Dec 13	Ratos's holding 31 Dec 13
AH Industries	-1	-14	14	-7	62	20	5	356	317	69%
Aibel [1]	144	258	691	892	177	–	–	3,797	1,585	32%
Arcus-Gruppen	130	110	246	205	52	28	10	1,179	559	83%
Biolin Scientific [2]	14	15	26	23	9	–	–	169	328	100%
Bisnode [3]	161	170	440	416	120	127	281	1,862	1,274	70%
DIAB	9	-24	-11	-75	97	25	-55	731	674	96%
Euromaint [4]	23	33	67	90	42	–	–	542	670	100%
GS-Hydro	16	25	83	123	22	26	39	433	47	100%
Hafa Bathroom Group	-8	-4	-13	7	3	3	1	61	163	100%
HENT [5]	18	27	134	113	5	–	–	-420	343	73%
HL Display	41	30	140	125	38	36	91	296	1,130	99%
Inwido [6]	125	117	350	347	108	88	301	971	2,459	97%
Jøtul	32	26	-8	-52	59	39	-23	557	164	93%
KVD	21	10	44	44	2	7	18	203	276	100%
Mobile Climate Control	7	19	103	111	15	8	92	464	864	100%
Nebula [7]	19	16	75	70	18	–	–	320	326	72%
Nordic Cinema Group [8]	149	147	312	329	156	–	–	1,647	651	58%
SB Seating	72	73	230	237	33	68	77	947	618	85%
Total 100%	**973**	**1,035**	**2,921**	**2,999**						
Change	-6%		-3%							
Total adjusted for holding	**714**	**704**	**2,038**	**2,003**						
Change	1%		2%							

A) EBITA excluding items affecting comparability.
B) Investments excluding business combinations.
C) Cash flow from operating activities and investing activities before acquisition and disposal of companies.

1) Aibel's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition, new financing, final purchase price allocation and amortisation of intangible assets.
2) Biolin Scientific's earnings for 2013 are pro forma taking into account discontinued operations Farfield.
3) Bisnode's earnings for 2012 are pro forma taking into account discontinued operation Product Information.
4) Euromaint's earnings for 2013 and 2012 are pro forma taking into account discontinued operations in Germany and Belgium.
5) HENT's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.
6) Inwidos earnings for 2012 are pro forma taking into account sale of Home Improvement.
7) Nebula's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.
8) Nordic Cinema Group's earnings for 2013 and 2012 are pro forma taking into account Ratos's acquisition and new financing.

Financial statements

Consolidated income statement

SEKm	2013 Q 4	2012 Q 4	2013	2012
Net sales	7,952	6,796	26,084	27,100
Other operating income	154	31	362	171
Change in inventories	-43	-45	-66	-32
Raw materials and consumables	-3,820	-2,698	-11,151	-10,918
Employee benefit costs	-2,217	-2,171	-8,033	-8,644
Depreciation and impairment of property, plant and equipment and intangible assets	-591	-675	-1,225	-1,942
Other costs	-1,157	-1,254	-4,859	-5,391
Capital gain/loss from the sale of group companies	1	-4	864	1,179
Capital gain/loss from the sale of associates				81
Share of profits of associates	67	5	183	18
Operating profit/loss	**346**	**-15**	**2,159**	**1,622**
Financial income	16	19	90	154
Financial expenses	-351	-293	-1,166	-1,009
Net financial items	**-335**	**-274**	**-1,076**	**-855**
Profit before tax	**11**	**-289**	**1,083**	**767**
Tax	-141	-136	-281	-224
Profit/loss for the period	**-130**	**-425**	**802**	**543**
Profit/loss for the period attributable to:				
Owners of the parent	-195	-363	742	606
Non-controlling interests	65	-62	60	-63
Earnings per share, SEK				
– before dilution	-0.68	-1.14	2.13	1.90
– after dilution	-0.68	-1.14	2.13	1.90

Consolidated statement of comprehensive income

SEKm	2013 Q 4	2012 Q 4	2013	2012
Profit/loss for the period	**-130**	**-425**	**802**	**543**
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit pension obligations, net	42	-33	42	-33
Tax attributable to items that will not be reclassified to profit or loss	-11	12	-11	12
	31	-21	31	-21
Items that may be reclassified subsequently to profit or loss:				
Translation differences for the period	206	157	28	-157
Change in hedging reserve for the period	-2	43	26	40
Tax attributable to items that may be reclassified subsequently to profit or loss	0	-12	-7	-11
Other comprehensive income for the period	**204**	**188**	**47**	**-128**
Total comprehensive income for the period	**105**	**-258**	**880**	**394**
Total comprehensive income for the period attributable to:				
Owners of the parent	1	-224	828	483
Non-controlling interests	104	-34	52	-89

Summary consolidated statement of financial position

SEKm	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets		
Goodwill	18,800	15,502
Other intangible assets	1,645	1,292
Property, plant and equipment	3,581	3,461
Financial assets	2,970	225
Deferred tax assets	550	557
Total non-current assets	**27,546**	**21,037**
Current assets		
Inventories	2,374	2,387
Current receivables	5,909	4,906
Cash and cash equivalents	3,337	3,203
Assets held for sale		2,054
Total current assets	**11,620**	**12,550**
Total assets	**39,166**	**33,587**
EQUITY AND LIABILITIES		
Equity including non-controlling interests	**16,163**	**13,141**
Non-current liabilities		
Interest-bearing liabilities	10,160	7,937
Non-interest bearing liabilities	707	760
Pension provisions	416	370
Other provisions	154	179
Deferred tax liabilities	478	396
Total non-current liabilities	**11,915**	**9,642**
Current liabilities		
Interest-bearing liabilities	2,306	2,489
Non-interest bearing liabilities	8,421	6,413
Provisions	361	138
Liabilities attributable to assets held for sale		1,764
Total current liabilities	**11,088**	**10,804**
Total equity and liabilities	**39,166**	**33,587**

Summary statement of changes in consolidated equity

	31 Dec 2013			31 Dec 2012		
SEKm	**Owners of the parent**	**Non-controlling interest**	**Total equity**	**Owners of the parent**	**Non-controlling interest**	**Total equity**
Opening equity	**12,353**	**788**	**13,141**	**13,658**	**997**	**14,655**
Changed accounting principle				-36	-9	-45
Adjusted equity	**12,353**	**788**	**13,141**	**13,622**	**988**	**14,610**
Total comprehensive income for the year	828	52	880	483	-89	394
Dividend	-1,019	-42	-1,061	-1,754	-75	-1,829
New issue	1,431	16	1,447		17	17
Sale of treasury shares in associates				6		6
Option premiums	7		7	5		5
Acquisition of shares in subsidiaries from non-controlling interests	50	46	96	-9	-7	-16
Sale of shares in subsidiaries to non-controlling interests	128	419	547			
Non-controlling interests at acquisition		1,125	1,125		1	1
Non-controlling interests in disposals		-19	-19		-47	-47
Closing equity	**13,778**	**2,385**	**16,163**	**12,353**	**788**	**13,141**

Consolidated statement of cash flows

SEKm	2013	2012
Operating activities		
Profit before tax	1,083	767
Adjustment for non-cash items	401	927
	1,484	1,694
Income tax paid	-255	-260
Cash flow from operating activities before change in working capital	**1,229**	**1,434**
Cash flow from change in working capital:		
Increase (-)/Decrease (+) in inventories	100	120
Increase (-)/Decrease (+) in operating receivables	86	416
Increase (+)/Decrease (-) in operating liabilities	-283	-861
Cash flow from operating activities	**1,132**	**1,109**
Investing activities		
Acquisition, group companies	-626	-53
Disposal, group companies	1,392	2,915
Acquisition, shares in associates	-1,676	-2
Disposal, shares in associates		386
Acquisition, other intangible/tangible assets	-710	-898
Disposal, other intangible/tangible assets	376	65
Investment, financial assets	-32	-37
Disposal, financial assets	63	35
Cash flow from investing activities	**-1,213**	**2,411**
Financing activities		
New issue	1,431	
Non-controlling interests' share of issue/capital contribution	15	
Redemption of options	-91	-13
Option premiums	18	17
Acquisition of shares in subsidiaries from non-controlling interests	-48	-21
Dividend paid	-999	-1,754
Dividend paid/redemption, non-controlling interests	-42	-75
Borrowings	3,155	1,596
Amortisation of loans	-3,229	-3,025
Cash flow from financing activities	**210**	**-3,275**
Cash flow for the year	**129**	**245**
Cash and cash equivalents at beginning of the year	3,203	3,042
Exchange differences in cash and cash equivalents	-67	-10
Cash and cash equivalents attributable to assets held for sale	72	-74
Cash and cash equivalents at the end of the year	3,337	3,203

Consolidated key figures [1)]

SEKm	2013 Q 4	2012 Q 4	2013	2012
Return on equity, %			6	5
Equity ratio, %			41	39
Key figures per share [2)]				
Total return, %			-2	-17
Dividend yield, %			5.2	4.8
Market price, SEK			58.15	62.50
Dividend, SEK			3	3
Equity attributable to owners of the parent, SEK [1)]			38	39
Earnings per share before dilution, SEK [3)]			2.13	1.90
Average number of ordinary shares outstanding				
– before dilution	319,016,722	319,012,506	319,005,200	319,000,693
– after dilution	319,016,722	319,012,506	319,005,200	319,008,267
Total number of registered shares			324,970,896	324,140,896
Number of shares outstanding			319,836,019	319,001,359
– of which A shares			84,637,060	84,637,060
– of which B shares			234,368,959	234,364,299
– of which C shares			830,000	

1) Equity attributable to owners of the parent with a deduction for Preference capital divided by the number of outstanding ordinary shares at the end of the period. Preference capital amounted to SEK 1,837.50 per preference share which corresponds to the redemption amount after the 2017 Annual General Meeting.

2) Relates to B shares unless otherwise specified.

3) Per ordinary share.

Parent company income statement

SEKm	2013 Q 4	2012 Q 4	2013	2012
Other operating income	1	0	12	2
Other external costs	-19	-23	-76	-82
Personnel costs	-18	-41	-130	-119
Depreciation of property, plant and equipment	-2	-1	-5	-5
Operating profit/loss	**-38**	**-65**	**-199**	**-204**
Capital gain from sale of interests in group companies				830
Dividends from group companies			49	382
Impairment of shares in group companies	-477	-480	-477	-796
Capital gain from sale of interests in associates				266
Dividends from associates				14
Impairment of interests in associates				-5
Result from other securities and receivables accounted for as non-current assets	35	46	133	137
Other interest income and similar profit/loss items	8	14	18	33
Interest expenses and similar profit/loss items	-25	-12	-157	-51
Profit/loss after financial items	**-497**	**-497**	**-633**	**606**
Tax				
Profit/loss for the period	**-497**	**-497**	**-633**	**606**

Parent company statement of comprehensive income

SEKm	2013 Q 4	2012 Q 4	2013	2012
Profit/loss for the period	**-497**	**-497**	**-633**	**606**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Change in fair value reserve for the period	0	-14	14	-13
Other comprehensive income for the period	**0**	**-14**	**14**	**-13**
Comprehensive income for the period	**-497**	**-511**	**-619**	**593**

Summary parent company balance sheet

SEKm	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets		
Property, plant and equipment	73	78
Financial assets	11,948	10,235
Total non-current assets	**12,021**	**10,313**
Current assets		
Current receivables	54	20
Short-term investments		499
Cash and cash equivalents	1,273	1,324
Total current assets	**1,327**	**1,843**
Total assets	**13,348**	**12,156**
EQUITY AND LIABILITIES		
Equity	**11,185**	**11,385**
Non-current provisions		
Pension provisions	1	1
Other provisions	7	7
Non-current liabilities		
Interest-bearing liabilities, group companies	552	442
Non-interest bearing liabilities	30	29
Current provisions	**10**	**28**
Current liabilities		
Interest-bearing liabilities, group companies	1,477	174
Non-interest bearing liabilities	86	90
Total equity and liabilities	**13,348**	**12,156**
Pledged assets and contingent liabilities	none	none

Summary statement of changes in parent company's equity

SEKm	31 Dec 2013	31 Dec 2012
Opening equity	**11,385**	**12,541**
Total comprehensive income for the period	**-619**	**593**
Dividend	-1,019	-1,754
New issue	1,431	
Option premiums	7	5
Closing equity	**11,185**	**11,385**

Parent company cash flow statement

SEKm	2013	2012
Operating activities		
Profit before tax	-633	606
Adjustment for non-cash items	415	-700
	-218	-94
Income tax paid	–	–
Cash flow from operating activities before change in working capital	**-218**	**-94**
Cash flow from change in working capital:		
Increase (-)/Decrease (+) in operating receivables	-18	-23
Increase (+)/Decrease (-) in operating liabilities	26	-21
Cash flow from operating activities	**-210**	**-138**
Investing activities		
Investment, shares in subsidiaries	-2,649	-381
Disposal and redemption, shares in subsidiaries	529	2,740
Disposal, shares in associates and other holdings		385
Acquisition, property, plant and equipment		-1
Investment, financial assets	-141	-145
Disposal, financial assets	26	103
Cash flow from investing activities	**-2,235**	**2,701**
Financing activities		
New issue	1,431	
Option premiums	11	5
Redemption incentive programme	-21	-5
Dividend paid	-999	-1,754
Loans raised in group companies	1,473	117
Cash flow from financing activities	**1,895**	**-1,637**
Cash flow for the year	**-550**	**926**
Cash and cash equivalents at the beginning of the year	1,823	897
Cash and cash equivalents at the end of the year	1,273	1,823

Note 1 Accounting principles in accordance with IFRS

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

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

IFRS requires uniform accounting principles within a group. The accounting principles and basis of calculation are the same as those applied for the Group and the parent company in preparation of the most recent annual report, with the exception of the introduction of amended IAS 19, Employee Benefits.

Preference shares

Ratos issued preference shares in 2013. Ratos recognises these as equity in accordance with IAS 32, since Ratos does not have an undertaking to redeem outstanding preference shares. Ratos's Board of Directors is able to make decisions on redemption of preference shares. Dividends to preference shareholders require a general meeting resolution.

New accounting principles for 2013

The revised IFRS standards which came into force in 2013 are not assessed overall as having had any material effect on the performance, financial position or disclosures of the Group or parent company.

IAS 19 – Employee Benefits

New IAS 19 represents changes relating to recognition of defined benefit pension plans. The amendments mean that the present value of the defined benefit obligations are in their entirety booked in the statement of financial position since the possibility to defer actuarial gains and losses over time as part of the so-called corridor rule may no longer be applied. Going forward these are to be reported in other comprehensive income. The net pension liability will in future be calculated on the basis of the discount rate for pension provisions. Previously the anticipated return on plan assets and the discount rate were used to calculate the interest expense related to pension obligations.

The net amount affects equity as a change in accounting principles as per 1 January 2012. Subsequently actuarial gains and losses are recognised in other comprehensive income. The total effect on the Ratos Group's equity amounts to SEK -66m after tax, which is divided among adjustment of opening balance of SEK -45m after tax and SEK -21m after tax in other comprehensive income in 2012. The difference from the previously stated amount, SEK -114m, is mainly due to effects of sold companies and a transfer to defined contribution pension plans.

IAS 1 – Presentation of Financial Statements

The consolidated statement of comprehensive income has been divided into items that in future may, or will not, be reclassified to profit or loss. The statement also includes, following introduction of amended IAS 19, a separate line for remeasurement of defined benefit pensions.

IFRS 13 – Fair Value Measurement

This standard defines fair value when another IFRS requires fair value measurements. It also provides guidance on valuation techniques and a requirement for more detailed disclosures. The introduction of this standard is not expected to have a significant effect on Ratos's fair value calculation where this is used in the financial statements or where disclosures on fair value are to be made. For disclosures on financial instruments which must be provided quarterly from 2013, see Note 4.

IAS 34 – Interim Financial Reporting

The amendment entails a requirement for disclosures according to changed standards as set out above as well as disclosures on financial instruments according to IFRS 7 which were previously provided annually, see Note 4.

IFRS 7 – Financial Instruments: Disclosures

The amendment relates to disclosure requirements relating to offsetting of financial assets and liabilities as well as potential netting effects in the event of binding master agreements.

Note 2 Business combinations

Acquisitions

HENT

In May, an agreement was signed to acquire 73% of the shares in the Norwegian construction company HENT from Heimdal Gruppen and a number of financial investors. The transaction was carried out via a subsidiary wholly owned by Ratos. HENT is a leading Norwegian construction company which mainly focuses on new construction of public and commercial properties. The company conducts projects throughout Norway. The main reasons for the acquisition of HENT are the company's strong position in the Norwegian construction market as well as a focused business model with a flexible cost structure.

The acquisition was completed in July, when Ratos also acquired control. The total consideration transferred from Ratos amounted to SEK 347m, divided into consideration transferred of SEK 302m and shareholder loan of SEK 45m. Ratos has prepared a preliminary purchase price allocation for HENT in which goodwill amounts to approximately SEK 984m. The change in goodwill between quarter 3 and quarter 4 is due to remeasurement of non-current assets and liabilities. The goodwill recognised for HENT represents a smooth-functioning organisation with a strong culture and the ability to continuously develop and improve the efficiency of operations, the company's customer offering and expertise, a business model that generates strong cash flows and a leading position in the Norwegian construction market. Since the acquisition, HENT is included in consolidated sales with SEK 2,243m and in profit before tax (EBT) with SEK 28m. For the full year 2013 pro forma sales amounted to SEK 4,213m and EBT to SEK 109m. The acquisition company's interest expenses are stated pro forma to correspond to the full year. Acquisition-related costs amounted to approximately SEK 12m in 2013 and are recognised as other operating expenses in consolidated profit for the period.

Preliminary purchase price allocation (PPA)

HENT SEKm	PPA on acquisition date	New measure-ment	Preliminary PPA 31 Dec 2013
Intangible assets	2		2
Property, plant and equipment	24	6	30
Financial assets	14		14
Current assets	656		656
Cash and cash equivalents	463		463
Non-controlling interests	-113		-113
Non-current liabilities and provisions	-608		-608
Deferred tax liability	-23		-23
Current liabilities	-1,078	-25	-1,103 [2]
Net identifiable assets and liabilities	-663	-19	-682
Consolidated goodwill	965	19	984
Consideration transferred [1]	302		302
[1] Cash	302		302
Additional shareholder loan	45		45

[2] Includes promissory note with SEK 113m

The purchase price allocation is preliminary, which means that fair value is not finally identified for all items. Non-controlling interests are measured at a proportional share of identifiable net assets.

Nordic Cinema Group

In March, Ratos signed an agreement with Bonnier on a merger of SF Bio and Finnkino. SF Bio is the largest cinema player in Sweden. The merger took place through a newly formed company, Nordic Cinema Group, acquiring all the shares in SF Bio and Finnkino. In conjunction with completion of the acquisition at the beginning of May, Ratos transferred its shares in the holding in Finnkino. Subsequently, Nordic Cinema Group is owned to 58% by Ratos and 40% by Bonnier. Ratos acquired control when the acquisition was completed.

The main reason for the merger of Finnkino and SF Bio is to increase competitiveness by enabling value creation which the companies cannot be expected to achieve as separate units. SF Bio, like Finnkino, is the leader in its market. For Ratos, the operations conducted by Finnkino in Finland, Estonia, Latvia and Lithuania are expanded with SF Bio's operations in Sweden and Norway.

Ratos has prepared a preliminary purchase price allocation for SF Bio since the final figures for the transaction have not been determined. The entire difference between consideration transferred and carrying amounts of assets and liabilities has been allocated to goodwill of approximately SEK 1,900m. The change in goodwill and non-controlling interests between quarter 3 and quarter 4 are due to adjustment of the purchase price.

The goodwill recognised for SF Bio mainly reflects the company's growth, profitability, market position and stability. Since the acquisition SF Bio is included in consolidated net sales including other income with SEK 1,131m and in operating profit (EBITA) with SEK 167m. For the full year 2013 pro forma net sales including other income amounted to SEK 1,679m and EBITA to SEK 197m. The acquisition company's interest expenses have been stated pro forma to correspond to the full year. Acquisition-related costs amounted to approximately SEK 30m in 2013 and are recognised as other operating expenses in consolidated profit for the period.

Preliminary purchase price allocation (PPA)

SF/NCG [2] SEKm	PPA on acquisition date	New measure-ment	Preliminary PPA 31 Dec 2013
Property, plant and equipment	379		379
Financial assets	171		171
Deferred tax assets	8		8
Current assets	239		239
Cash and cash equivalents	326	9	335
Non-controlling interests	-256	38	-218
Non-current liabilities and provisions	-1,917		-1,917
Deferred tax liability	-29		-29
Current liabilities	-483		-483
Net identifiable assets and liabilities	-1,562	47	-1,515
Consolidated goodwill	1,900	-9	1,891
Consideration transferred [1]	338	38	376
[1] Cash			38
Transfer Finnkino	338		338

[2] Relates to SF Bio including newly formed company Nordic Cinema Group

The purchase price allocation is preliminary, which means that fair value is not finally identified for all items. Non-controlling interests are measured at a proportional share of identifiable net assets.

Nebula

In March, Ratos, together with Rite Ventures and the company's management, signed an agreement to acquire Nebula Oy, a market-leading provider of cloud services, IT infrastructure and network services to small and medium-sized companies in the Finnish market, which is also the main reason for the acquisition. The acquisition was completed in April when Ratos also acquired control.

The transaction was carried out via a subsidiary wholly owned by Ratos. Consideration transferred amounted to EUR 34m (SEK 284m) for a holding corresponding to 72%. A contingent consideration falls due in 2013 and 2014 if certain profitability milestones are achieved. At the acquisition date this was recognised as a liability in Nebula. The combined result for the two years may be a minimum of EUR 0 and a maximum of EUR 20m. In addition, there is an option which entitles the sellers, if Ratos's average annual Return (IRR) at exit exceeds 20%, to receive a small part of this surplus return.

The purchase price allocation is determined. Goodwill amounts to SEK 689m, which is motivated by a strong market position and continued growth, strong cash flows, a scalable business model and relatively cyclically insensitive services.

From the acquisition date Nebula is included in consolidated sales with SEK 155m and in profit before tax (EBT) with SEK 40m. For the full year 2013 pro forma sales amounted to SEK 228m and EBT to SEK 58m. The acquisition company's interest expenses have been stated pro forma to correspond to the full year. Acquisition-related costs amounted to approximately SEK 12m for 2013 and are recognised as other operating expenses in consolidated profit for the period.

Definitive purchase price allocation (PPA)

Nebula SEKm	Preliminary PPA	New measure-ment	Definitive PPA 31 Dec 2013
Intangible assets	93	-89	4
Property, plant and equipment	50		50
Current assets	16	-2	14
Cash and cash equivalents	26	1	27
Non-controlling interests	-108		-108
Non-current liabilities and provisions	-311	-11	-322
Deferred tax liability	-26	26	
Current liabilities	-83	13	-70
Net identifiable assets and liabilities	-343	-62	-405
Consolidated goodwill	627	62	689
Consideration transferred [1)]	284		284

1) Cash 284 284

Acquisition of associated companies

The acquisition of Aibel announced in December 2012 was completed in April. Enterprise value for 100% of Aibel amounted to NOK 8,600m. Ratos and the Sixth AP Fund acquired Aibel via a jointly owned company where Ratos owns 64%. The jointly owned company owns 49% of Aibel. Ratos's holding in Aibel therefore amounts to 32%. Ratos provided equity of NOK 1,429m (SEK 1,676m) to the jointly owned company. Ratos reports its participation as an associate. In the adopted purchase price allocation order backlog is valued at NOK 266m, customer relations at NOK 140m and provisions at NOK 138m. Amortisation of intangible assets are charged against earnings from the acquisition date.

Acquisitions in subsidiary

In July 2012, Arcus-Gruppen signed an agreement to acquire the brands Aalborg, Brøndums, Gammel Dansk and Malteserkreuz from Pernod Ricard. The purchase price (enterprise value) amounted to EUR 103m (approximately SEK 880m). The acquisition was completed in January 2013. In the purchase price allocation trademarks amount to SEK 447m and goodwill to SEK 380m. The change in goodwill between quarter 3 and quarter 4 is mainly due to remeasurement of non-current assets. Brøndums was sold in June 2013. The purchase price (enterprise value) amounted to EUR 11m (approximately SEK 95m) and generated a capital gain in Arcus-Gruppen of approximately SEK 40m.

Definitive purchase price allocation (PPA)

Arcus-Gruppen SEKm	Preliminary PPA	New measure-ment	Definitive PPA 31 Dec 2013
Intangible assets	447		447
Property, plant and equipment	121	-19	102
Current assets	42	2	44
Cash and cash equivalents	130		130
Deferred tax liability	-122	6	-116
Current liabilities	-53	-8	-61
Net identifiable assets and liabilities	565	-19	546
Consolidated goodwill	361	19	380
Consideration transferred [1)]	926		926

1) Cash 926 926

Total reconciliation goodwill

SEKm	Accumulated cost	Accumulated impairment	Total
Opening balance	16,873	-1,371	15,502
Business combination	3,955		3,955
Disposal of companies	-721	453	-268
Impairment		-308	-308
Reclassification	18		18
Exchange differences for the year	-119	20	-99
Closing balance	20,006	-1,206	18,800

Disposals

In October 2012, Ratos signed an agreement on the sale of all the shares in the subsidiary Stofa to the Danish energy and telecom group SE (Syd Energi). The sale was completed in February 2013. Consideration transferred amounted to SEK 1,204m and the capital gain for Ratos (exit gain) amounted to SEK 895m.

Disposals in subsidiaries

Ratos's subsidiary Contex Group sold its subsidiary Contex A/S to the private equity fund Procuritas. The sale was completed in January 2013. Consideration transferred amounted to SEK 219m and the capital gain for Contex Group amounted to SEK 0m.

Note 3 Operating segments

SEKm	Sales				EBT 1)			
	2013 Q 4	2012 Q 4	2013	2012	2013 Q 4	2012 Q 4	2013	2012
Holdings								
AH Industries	268	173	1,018	1,062	-70	-56	-78	-72
Aibel 2)					44		141	
Anticimex 3)				1,009				51
Arcus-Gruppen	789	691	2,516	2,278	86	49	75	-73
Biolin Scientific	72	74	233	235	-15	9	-13	14
Bisnode	1,001	1,051	3,724	3,935	57	-95	9	-31
Contex Group		52		286		-166		-150
DIAB	227	218	864	1,003	-34	-72	-109	-287
Euromaint	622	615	2,419	2,489	-9	-6	-76	-49
GS-Hydro	320	338	1,237	1,352	11	-18	57	44
Hafa Bathroom Group	63	64	238	268	-8	-4	-13	5
HENT 4)	1,230		2,243		17		28	
HL Display	421	409	1,596	1,657	29	19	106	70
Inwido	1,193	1,242	4,300	4,607	60	111	220	246
Jøtul	338	323	930	913	10	-56	-89	-160
KVD	78	79	296	287	17	-2	29	25
Lindab 5)								4
Mobile Climate Control	205	268	978	1,250	1	10	68	67
Nebula 6)	60		155		36		40	
Nordic Cinema Group 7)	741	239	1,895	862	95	24	120	82
SB Seating	323	325	1,112	1,176	26	36	86	97
Stofa 8)		417	131	1,572		12	1	88
Total	**7,951**	**6,578**	**25,885**	**26,241**	**353**	**-205**	**602**	**-29**
Exit Anticimex								897
Exit Lindab								81
Exit Stofa							895	
Exitresult							**895**	**978**
Impairment AH Industries								-275
Impairment DIAB					-234		-234	
Impairment Jøtul					-74	-100	-74	-100
Holdings total	**7,951**	**6,578**	**25,885**	**26,241**	**45**	**-305**	**1,189**	**574**
Central income and expenses 9)	1	218	199	859	-34	16	-106	193
Group total	**7,952**	**6,796**	**26,084**	**27,100**	**11**	**-289**	**1,083**	**767**

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

2) Aibel is included in consolidated profit from 11 April 2013.

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

4) HENT is included in consolidated profit from July 2013.

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

6) Nebula is included in consolidated profit from May 2013.

7) 2012 relates solely to Finnkino. Earnings for 2013 consist of Finnkino solely through April and subsequently relate to the entire Nordic Cinema Group.

8) Stofa is included in consolidated profit through January 2013. The entire holding was sold in February 2013.

9) Central income and expenses 2012 include a SEK 168m capital gain which relates to an earlier intra-group sale of a group company where the gain was recognised when this company left the Group in 2012.

Note 4 Financial instruments

Valuation techniques are unchanged during the period.

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

In the statement of financial position at 31 December 2013 the net value of derivatives amounts to SEK 70m, of which SEK 6m recognised as an asset and SEK 76m as a liability. In addition, a SEK 133m liability is recognised for synthetic options. Earnings for the period have been charged with SEK 17m for derivatives and SEK 16m for synthetic option programmes.

Ratos's assessment is that the carrying amounts of both trade receivables and trade payables comprise the fair values on the balance sheet date, as is the case with consolidated cash and cash equivalents.

Ratos measures its interest-bearing liabilities at amortised cost according to the effective interest method. Ratos's assessment is that this value, among other things depending on loan terms, corresponds to fair value on the balance sheet date

Telephone conference

20 February 10.00 CET
+46 8 505 201 10
Code: Ratos

CEO's comments

Listen to CEO Susanna Campbell's comments on the year-end report at www.ratos.se

Financial calendar 2014

27 March	AGM 2014
8 May	Interim report January-March
14 Aug	Interim report January-June
7 Nov	Interim report January-September

Stockholm, 20 February 2014
Ratos AB (publ)

Susanna Campbell
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Ratos is a private equity conglomerate. The company's mission is to maximise shareholder value over time through the professional, active and responsible exercise of its ownership role in primarily medium to large unlisted Nordic companies. Ratos's holdings include AH Industries, Aibel, Arcus-Gruppen, Biolin Scientific, Bisnode, DIAB, Euromaint, GS-Hydro, Hafa Bathroom Group, HENT, HL Display, Inwido, Jøtul, KVD, Mobile Climate Control, Nebula, Nordic Cinema Group and SB Seating. Ratos is listed on Nasdaq OMX Stockholm and market capitalisation amounts to approximately SEK 22 billion.