Statement by the Board of Directors pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act (item 11)

Nature, extent and risks of operations

The nature and scope of the Company's operations are specified in the Articles of Association and published annual reports. The operations conducted in the Company and group companies do not give rise to risks in addition to what occurs or can be expected to occur in the sectors concerned or the risks that are in general inherent when conducting business activities. With regard to significant events, reference is made to what is stated in the directors' report in the most recent annual report. In addition to this, no events have occurred that have a negative impact on the Company's ability to transfer values to its shareholders. The Company's dependence on the business cycle does not deviate from that which exists within the sectors concerned.

Financial position of the Company and the Group

The financial position of the Company and the Group at 31 December 2012 is presented in the most recent annual report. Furthermore, the principles applied for valuation of assets, provisions and debt are presented in the annual report.

In the proposed distribution of profit the Board proposes an ordinary dividend of SEK 3 per Class A share and SEK 3 per Class B share. The Board further proposes a dividend on Class C preference shares which may be issued by the Board pursuant to the authorisation for a new issue proposed to the Annual General Meeting as follows[1].

For each Class C preference share, which may be issued prior to the 2014 Annual General Meeting, a dividend shall be paid quarterly in an amount of SEK 25, although a maximum of SEK 100 per Class C preference share. The following dates are proposed as record dates, for the quarterly dividends on Class C preference shares: 15 May 2013, 15 August 2013, 15 November 2013 and 14 February 2014. Newly issued Class C preference shares, a maximum of 1,250,000, will carry entitlement to a dividend from and including the date they are recorded in the share register kept by Euroclear Sweden AB. Dividends on Class C preference shares, in the event of maximum utilisation of the proposed new issue authorisation, will amount to a maximum of SEK 125 million.

In addition, the Board proposes authorisation for the Board to purchase treasury shares of Class A or Class B. The proposed ordinary dividend, dividend on Class C preference shares in the event of maximum utilisation of the proposed new issue authorisation, and full utilisation of the repurchase mandate (at the share price on 1 March 2013) amount to a total of SEK 1,594 million which comprises 14 per cent of the Company's equity and 13 per cent of consolidated equity.

Presentations in the annual report include that the Company's equity ratio amounts to 94 per cent (92) and consolidated equity to 37 per cent (37). The Company has, including agreed credit limits, access to substantial cash and cash equivalents. The financial position of the

[1] The issue of Class C preference shares pursuant to the new issue authorisation is conditioned on the Annual General Meeting resolving in accordance with the Board's proposal on both the new issue authorisation and amendments to the Articles of Association to enable the issue of Class C preference shares.

Company and the Group is strong. The proposed value transfers (dividend and possible repurchase) do not jeopardise the completion of investments regarded as necessary.

Unrealised gains form an insignificant part of the equity of the Company and the Group.

The value transfers do not affect the ability of the Company and the Group to meet existing and anticipated payment obligations at the right time. The liquidity forecasts of the Company and the Group include preparedness to manage variations in current payment obligations.

The financial position of the Company and the Group does not give rise to any assessment other than that the Company and the Group can continue their operations and the Company and the Group can be expected to meet their obligations in the short and long term.

In the opinion of the Board, the size of equity as reported in the most recent annual report is in reasonable proportion to the scope of the Company's activities and the risks inherent with conducting the business taking the value transfers now proposed into account.

Defensibility of the proposed dividend

With reference to the above, and to other information that has come to the knowledge of the Board of Directors, it is the opinion of the Board that the financial position of the Company and the Group means that the proposed value transfers are defensible with reference to the demands that the nature, scope and risks, including effects of the macroeconomic situation, of the Company's operations place on the size of the Company's and the Group's equity, and on the Company's and the Group's consolidation needs, liquidity and position in general.

Stockholm, March 2013
Ratos AB (publ)
Board of Directors