
P R E S S R E L E A S E 27 May 2013

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Ratos announces preference share issue of up to SEK 1,452.5m

The Board of Directors of Ratos has resolved, based on the authorisation from the Annual General Meeting, to issue up to 830,000 Class C preference shares to a total value of up to SEK 1,452.5m.

Summary

- The Board of Directors of Ratos (“Ratos” or the “Company”) has resolved to increase the Company’s share capital by up to SEK 2,614,500 through a new issue of up to 830,000 Class C preference shares (“Preference shares”), directed to the general public in Sweden as well as institutional investors
- Ratos intends to finance the acquisitions of Nebula and HENT as well as part of the acquisition of Aibel through this issue
- The Preference shares will be issued at a subscription price of SEK 1,750 per Preference share.
- Effective annual yield¹⁾ is estimated at 6.8% given a subscription price in the offering of SEK 1,750 per Preference share
- If fully subscribed, Ratos’s proceeds from the issue will amount to approximately SEK 1,452.5m, before issue costs
- The application period for subscription for Preference shares is between 29 May and 13 June 2013 for institutional investors and between 29 May and 12 June 2013 for the general public in Sweden
- Estimated first day of trading in the Preference shares on Nasdaq OMX Stockholm is 28 June 2013

Background and reasons

Ratos is a private equity conglomerate that invests primarily in unlisted companies. Ratos’s mission is to generate, over time, the highest possible return through the professional, active and responsible exercise of its ownership role in a number of selected companies and investment situations, where Ratos provides stock market players with a unique investment opportunity. Added value is created in connection with acquisition, development and divestment of companies.

Ratos’s business model implies large liquidity flows in terms of divestments and acquisitions, at times that are difficult to predict. The ability to make acquisitions when opportunities arise and divestments when deemed optimal from a company and market point of view is of strategic importance to Ratos. Therefore, there is a need to have flexible access to capital to finance acquisitions even when the financial liquidity in Ratos’s parent company is limited. Similarly, Ratos has an interest in being able to

¹⁾ Average annual return on the Preference shares, calculated on the basis of the subscription price, a quarterly dividend of SEK 25 per Preference share (i.e. SEK 100 in total per year) up until the 2017 Annual General Meeting and an increase of the dividend totalling SEK 20 per Preference share on an annual basis after the 2017 Annual General Meeting and taking into account when in time dividend payments are estimated to occur.

repay or redeem capital during periods when the Company has surplus capital. Given the current economic and market conditions, it is also important to consider the overall financial risk in Ratos and ensure preparedness and freedom to act. It is the Board of Directors' and the Company's intention to maintain the financial strategy, including that the parent company normally shall be unleveraged.

Since the autumn of 2012, Ratos has identified an increasing number of attractive acquisition opportunities where conditions to achieve the Company's financial target of more than 20% average annual return (IRR) are deemed good. Through the issue of Preference shares, Ratos intends to fully finance the acquisitions of Nebula and HENT as well as part of the acquisition of Aibel. Ratos's primary focus is, and will continue to be, to develop current holdings, but value-adding investments will further improve the ability to continue long-term creation of high returns for shareholders.

The offering

In view of the above, the Board of Directors of Ratos resolved on 26 May 2013, based on the authorisation from the Annual General Meeting, to increase the Company's share capital by up to SEK 2,614,500 through an issue of up to 830,000 Preference shares at a subscription price of SEK 1,750 per Preference share. The right to subscribe for the Preference shares shall, with deviation from the pre-emptive rights of shareholders, be directed to the general public in Sweden as well as institutional investors. The Company is issuing the Preference shares to finance completed or signed acquisitions. The reason for the deviation from the pre-emptive rights is that the Board of Directors of Ratos believes that the terms of a preference share issue directed to the general public in Sweden and institutional investors are more favourable for the Company compared to other financing alternatives.

The effective annual yield is estimated at 6.8% based on an initial annual dividend of SEK 100 per Preference share as well as an increased dividend totalling SEK 20 per Preference share annually after the 2017 Annual General Meeting and a subscription price in the offering of SEK 1,750 per Preference share.

The application period for subscription for Preference shares runs between 29 May and 13 June 2013 for institutional investors and between 29 May and 12 June 2013 for the general public in Sweden. If fully subscribed, the total proceeds from Ratos's issue will amount to SEK 1,452.5m, before issue costs, which are estimated at approximately SEK 23m.

Upon full subscription of 830,000 Preference shares, the number of shares in the Company will increase by 830,000 to 324,970,896 and the number of votes will increase by 83,000 to 108,670,443.6, which corresponds to a dilution of 0.3% of the capital and 0.1% of the votes.

Ratos will apply for the Preference shares to be listed on Nasdaq OMX Stockholm. Provided that Nasdaq OMX Stockholm approves the Company's application, the first day of trading in the Company's Preference shares is expected to be 28 June 2013.

Preliminary timetable for the offering

Publication of prospectus	28 May 2013
Subscription period for the general public in Sweden	29 May – 12 June 2013
Subscription period for institutional investors	29 May – 13 June 2013
Announcement of outcome	14 June 2013
Settlement date	19 June 2013
First day of trading on Nasdaq OMX Stockholm	28 June 2013

Advisors

Handelsbanken Capital Markets and SEB Merchant Banking are financial advisors to Ratos in connection with the Offering. Mannheimer Swartling Advokatbyrå is legal advisor.

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IMPORTANT INFORMATION

The information in this press release is not an offer to acquire, subscribe or otherwise trade in shares or other securities in Ratos. Any invitation to the persons concerned to subscribe for preference shares in Ratos will only be made through the prospectus that Ratos expects to publish on or about 28 May 2013.

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This press release may contain forward-looking statements that reflect Ratos's current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome may differ materially from forward-looking statements.

Financial calendar from Ratos:

Interim Report January – June 2013

15 August 2013

Interim Report January – September 2013

8 November 2013

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, HL Display, Inwido, Jøtul, KVD Kvarndammen, Mobile Climate Control, Nebula, Nordic Cinema Group and SB Seating. Ratos is listed on Nasdaq OMX Stockholm and market capitalisation amounts to approximately SEK 18 billion.