

Interim Report

JANUARY – SEPTEMBER 2012

- Net turnover in third quarter was SEK 9.8 m (9.4). For nine months it amounted to SEK 30.2 m (29.7).
- The result after tax was -180.6 m (8.7). For nine months it amounted to SEK -331.7 m (-1.3).
- Earnings per share amounted to SEK -1.73 (0.08) in the quarter. For nine months it was SEK -3.18 (-0.01). The weakness is due mainly to revaluation of development projects.
- Vacancy rate in the three business centres continued to decline. As of 30 September it was 6.1 (12.6) per cent.
- The valuation of properties was adjusted to SEK 609.9 m (911.8) in Q3 on the basis of new valuation performed by CBRE as of 30 June 2012.
- The valuation of Apraksin Dvor was adjusted to SEK nil (78.2) in Q3 to reflect the current estimation of the amount recoverable from rescinding the project. Management's assessment reflects the specific risks, attributable to the project.
- Several attempts were made to purchase the 50% share of Fontanka 57 from Scorpio Real Estate, but were not completed. Ruric later had a first-right-of-refusal after Scorpio received a bid of SEK 38.3 m (USD 5.5 m) in cash from a third party. The agreement had to be approved by the bondholders of Scorpio. Ruric received a proposal from the bondholders to waive the first ranking pledge on Fontanka 57 and try to raise funds to acquire Scorpio's 50% share using its value as collateral. Ruric tried to extend the time to execute the first-right-of-refusal to be able to raise the funds to finance it. This was not successful, and the first-right-of-refusal was not exercised. In Q4 2012 Ruric received notification from Scorpio that Highton Limited has acquired Scorpio investment in Fontanka 57. The deal was closed in Q4 2012.
- In Q4 2012 Ruric received qualified audit report on the 2011 statutory financial statements of one of its subsidiaries, Ruric 1 (Sweden) AB for 2011.
- On 31 October Mr. Denis Martyushev left the position as General Director of Ruric Management in Russia. Mr. Vyacheslav Balabaev has been appointed new General Director of Ruric Management on 1 November 2012. Mr. Martyushev has also decided to resign from his position in the Board of Directors in Ruric AB and its subsidiaries on 9 November 2012.
- In August 2012 Ruric signed a contract with Alfa Bank to be the exclusive financial advisor for restructuring. Alfa Bank estimated the collateral values of Ruric properties, which in their view are substantially lower than fair market values reflected in Ruric financial statements.
- On 20 November Ruric filed with the Swedish police about a suspected case of bribery in Russia.
- On 21 November Ruric received the letter from Ministry of Defense of Russian Federation with the information on cancellation of the investment contract for Moika-Glinki. By the time of publication of this report the Board was not aware of the legal grounds for this cancellation.
- In November Ruric management and the Board evaluated the Company ability to act on going concern basis. With interest levels twice as high as its Net Operating Income, the company has to find a way to refinance its debt. Two scenarios are anticipated: either the bondholders convert all or some of their bonds to equity in the company or the bonds are refinanced by bank debt. Alfa Bank, being appointed the exclusive financial advisor of Ruric, has undertaken the independent review and estimated the potential collateral values of Ruric asset, which are substantially lower comparing to the fair market values of Ruric assets as per CBRE valuation. In case the value of Moika-Glinki will be reduced following the cancellation of the investment contract, the bond loan is likely to exceed 80% of the total assets of the Group, which is not in compliance with the terms of the bond agreement. In addition, there is a significant coupon payment in November 2013 and the existence of investment properties, which bear no income but instead require substantial rental payments and maintenance costs. These facts raise doubts that Ruric will be able to perform as going concern. Ruric Board is currently in negotiations with bondholders to secure funding in the short term and working on a solution to enable Ruric to act on a going concern basis.

Key Events

January

Adam Fischer is appointed CEO of Ruric.

March

Ruric agrees with Scorpio to buy Scorpio's share in Fontanka 57. The bondholders of Ruric did not approve the agreement.

May

Nomination committee proposes a new board of directors.

June

The Annual General Shareholders meeting appointed a new Board of Directors and changed the auditor from E&Y to KPMG. Ingvar Ljungqvist replaced Adam Fischer as Ruric CEO.

Ruric signed an additional agreement, which allows the sublease of Fontanka 57 with the City.

July

Ruric received notification from Scorpio that a third party proposed to buy out their share in F-57 project for USD 5.5 m cash. Ruric was given 30 days first-right-of-refusal to buy out Scorpio share on the same conditions.

August

First-right-of-refusal was lapsed by Ruric due to lack of funds to finance the acquisition and development of F-57 project. Ruric appointed Alfa-Bank as an exclusive financial advisor of the Company for restructuring.

September

Several discussions on financing of Fontanka 57 and divesting of Apraksin Dvor were held. On September 17th the appellate court decided in favor of Ruric and rejected the City Property Management Committee's call for immediate termination of the contract with Ruric's LLC Incom. This means a return to the state of where these issues were three years ago. To fulfill Ruric's obligations there is a need for infrastructure investments of 30-60 million rubles. Due to lack of correct building permits there is currently no legal possibility to rent out commercial premises at Apraksin Yard.

October

Ruric lost four cases on Apraksin Dvor in the Arbitration Court of Saint Petersburg. Three cases refer to the confirmation of the title to the building 33 in Apraksin Yard, and compensation of losses related to delay in registration of title to the buildings 15, 16, 33. The fourth case refers to Glavstroy who signed the term sheet to buy out Ruric's part but has not completed this action. □Ruric will continue its attempts to push the stated matters through the Russian courts. The next resolutions on the issue are not expected to be until 2013.

LLC Glinki 2, a Ruric group company, filed a claim against the Ministry of Defence with the request to cancel its investment contract regarding Moyka-Glinki complex where the Military Transport University was located. The final purpose of the case filing is either changing of the investment contract conditions, or getting more stable rights on property development or compensation of expenses.

On 31 October 2012 Mr. Denis Martyushev left the position of General Director in Ruric Management in Saint Petersburg.

November

On 1 November 2012 Mr. Vyacheslav Balabaev has taken the position of General Director of Ruric Management in Saint Petersburg.

On 9 November 2012 Mr. Denis Martyushev has decided to resign from his Board position.

On 14 November Ruric AB withdrew its claim against CJSC Grifon, a subsidiary of Storm Real Estate ASA, regarding Grifon House business centre. The case was started on 9 July 2012.

In November 2012 Scorpio has informed Ruric that they have closed the deal on selling of their investment in Fontanka 57 to Highton Limited. The deal was closed early in Q4 2012. Ruric is looking forward to work with the new partner on Fontanka.

On 20 November Ruric filed with the Swedish police about a suspected case of bribery in Russia. The board of directors of Ruric has taken measures to prevent new or similar acts taking place in the future. The board of directors has inter alia adopted an Ethical Policy and the implementation thereof has been speeded up.

On 21 November Ruric received a letter from Ministry of Defense of Russian Federation with information of cancellation of the investment contract for Moika-Glinki. At the time of publication of this report the Board was not aware of the legal grounds for this cancellation.

Description of Ruric AB

Business concept, overall goal and strategy

The company's business concept is to acquire, develop, let and manage real estate in St Petersburg, Russia with a focus on commercial premises of high class in attractive locations that thereby contribute positively to the business of the tenants.

The company has the goal of becoming a leading real estate company in the St Petersburg region within its segment.

The strategy is to manage properties in the central parts of St. Petersburg. In addition to that, Ruric shall acquire properties and carry out value creating add on investments to attractive terms. Through professional management and tenant relationship commercial premises of the high class are offered to tenants that are looking for premises in attractive locations and are willing to pay for it. Ruric offers primarily office and retail space.

Real estate stock

Ruric owns, disposes of or has interests in six properties in central St Petersburg at the close of the period. Three are completed and operating and the other three are in a planning, design renovation phase. There is also a land plot outside the city centre. During the period, the real estate stock*) has developed as shown below:

SEK, m	Q1	Q2	Q3
Opening balance	911.8	771.5	811.4
Acquisitions	0.0	0.0	0.0
Investments in investment properties	0.0	0.0	0.0
Investments in real estate projects	2.6	0.4	9.2
Divestments	0.0	0.0	0.0
Changes in value	-103.1	0.0	-158.9
Changes in exchange rates	-39.8	39.5	-51.8
Closing balance	771.5	811.4	609.9

*) The table shows the investment property and the project properties

Acquisitions

No acquisitions have been carried out during the period.

Divestment

No divestments have been made during the interim period.

Changes in value

With the exception of Apraksin Dvor, the Board of Directors have chosen to base the valuation per 30 September 2012 on CBREs valuations as per 30 June 2012, however the Board adjusted the valuation of Apraksin Dvor to zero because of the specific risks attributable to this project and the estimated recoverable amount Ruric can derive from it. In Q3 2012 all other assets values has been adjusted to CBRE valuation as of 30 June 2012. Subject to the cancellation of Moika Glinki investment contract with Russian Ministry of Defence additional downward adjustment on CBRE valuation of Moika Glinki may become necessary. At the time of publication of this report the Board was not aware of the legal grounds for this cancellation.

As per CBRE valuations as of 30th of June 2012 Ruric investment properties portfolio was as follows:

INVESTMENT PROPERTIES

The value of the investment property portfolio per 30 September 2012 amounts to SEK 290.1 m (314.3), which is equivalent to 20,168 SEK per lettable sq m.

Property	Lettable area	Operating income at	External valuation	External valuation
		full tenancy (6.9 SEK/USD)	30 June 2012	31 December 2011
R. Fontanki nab. 13 (Oscar)	2,976	7.4	80.8	86.5
9-ya V.O.i. 34 (Magnus)	6,463	9.3	104.1	113.2
Sredny Prospekt 36/40 (Gustaf)	4,943	11.3	105.2	116.4
Investment properties	14,382	28.0	290.1	316.1

DEVELOPMENT PROPERTIES

The development portfolio consists of the property with address Moika 96-98/ul. Glinky 2, and the jointly owned properties at Apraksin Dvor (65%) and on Fontanka 57 (50%). Ruric also owns a land plot of 33 hectares in Strelna, southwest of the city centre. The Moika/Glinky asset and Apraksin Dvor asset, which are both regulated in investment agreements, as well as the Strelna project, are recorded as project properties, whereas the Fontanka 57 is recorded as financial assets - shares and participations.

During the third quarter SEK 9.2 m (0.2) was invested in the property portfolio, mainly on current repairs of Moika/Glinky project.

Apraksin Dvor:

The valuation of Apraksin Dvor deviates from that of 31st December 2011 and of 30th June 2012. During the period negotiations have been held with Glavstroy – the company owning most of the surrounding properties – to sell Ruric's interests in the properties to Glavstroy. However, after these negotiations, Glavstroy informed representatives of Ruric that Glavstroy would not buy any of Ruric's properties before Ruric has made significant additional investments into construction and documentation, as well as registering the title to the objects. This seems too risky given the current investment environment at the location. Ruric will try to identify other potential buyers for the properties, but holds the chances to succeed for limited.

The City, Glavstroy and Ruric have been unable to amicably settle outstanding issues regarding the development of the territory, such as infrastructure, electricity, construction permits and so on. Meetings with the city to amicably settle Ruric's issues separately have also been inconclusive so far.

Furthermore, during 2012 Ruric has lost several court cases on registering the title for Apraksin Dvor bld. 33.

Therefore, Ruric estimates that the best option for Ruric is to rescind the Investment Agreement for the properties in Apraksin Dvor to the City. The major part of Ruric's expenses for improving the properties on Apraksin Dvor will most probably not be acknowledged by the city, as these renovations were made without proper documentation, so management best estimate of the potential recovery from Apraksin Dvor is zero.

Fontanka 57:

Ruric has been notified by Scorpio Real Estate, who owned 50 per cent of the holding company for Fontanka 57, that they received a bid from a third party to buy their share for SEK 38.3 m (USD 5.5 m) in cash. As per the current shareholders agreement Ruric had so called first-right-of-refusal, which is a pre-emptive right to buy-out the Scorpio share on the same conditions as any other third party offers. This first-right-of-refusal was valid for 1 month. In August Ruric lapsed the first-right-of-refusal due to uncertainty to obtain sufficient funds for acquisition and development of Fontanka 57. In November 2012 Scorpio informed Ruric that Highton Limited has completed the acquisition of Scorpio's share in the holding company for Fontanka 57. The deal was closed in early Q4 2012. Ruric is willing to contact Highton Limited to discuss the future cooperation on development of the property.

The property could be developed into A-class offices. As it is possible to construct a parking garage at the back of the building this could be a very attractive office project in the City. The building is well suited for tenants in need of high profile offices in St Petersburg. The rent paid for true A-class projects in St Petersburg are at attractive levels.

In June 2012 Ruric signed the sublease addendum to the rent agreement with local authorities, which has been officially registered in Q3 2012.

The Fontanka 57 property is one of the key assets for Ruric with good potential for growth. As this project is closest of all development projects to become income producing, it is crucial that Ruric can develop the property, on its own or with new partners. Therefore, it is very important that Ruric is able to buy out or come to an agreement with the current partners.

Moika/Glinky:

On the valuation of Moika Glinki

Ruric's Investment Agreement for the Moika Glinki project indicated that Ruric shall be able to develop "indicatively" 95 000 sq m in total on the site. The contract is signed between Ruric, the Federal Property Agency and the Transportation University of the Railway Forces.

However, what can be developed on the site is subject to urban planning regulations, which are determined by the city of St Petersburg. In 2008 the city issued a document called "Temporary Territory Development Regulations", which gave the limits for developing the site. These regulations indicate that Ruric would have been able to add further buildings to the site, but unfortunately they expired in 2009 when the final territory development regulations were adopted within the Saint Petersburg Urban Planning Regulations.

As the Temporary Territory Development Regulations are not valid, all construction activities on the land plots are regulated by and subject to the limitations stated in the Saint Petersburg Urban Planning Regulations and Saint Petersburg Law on Cultural Monument Protection Zones. The active versions of those Saint Petersburg laws prohibits all new construction in the OZ 1-1 zone other than restoring the historical and urban planning environment

of a cultural monument. Effectively, this means that Ruric is prohibited from constructing new properties on the Moika Glinki territory.

As given by the Annual Report for 2010 and 2011 Year End Reports, Ruric has realized that it is under current legislation not possible to develop as much as indicated in the Investment Agreement for the site. At the time of the Annual Report Ruric expected to be able to add some 10-20 000 sq m to the existing building volume, on the basis that this volume could be considered to be restoration of the historical and urban planning environment of cultural monuments. However, based on recent discussions with reputable law firms Ruric today finds it fairer not to make this assumption. Therefore, the valuation of Moika Glinki is based on the development of current buildings only. As of 30 June 2012 CBRE revised the valuation of Moika Glinki to USD 26 m / SEK 169.7 m.

It should be stressed that Ruric will spare no effort in trying to get an exemption from the prohibition to construct new buildings on the site. This is expected to be a lengthy process, and the outcome is very unpredictable particularly given the narrow time limits given in the Investment Agreement.

On 29 October Ruric filed a claim towards Russian Ministry of Defence for cancellation of Moika Glinki investment contract. The final purpose of the case is either changing of the investment conditions or getting more stable rights on property development or compensation of expenses.

On 21 November 2012 Ruric received notification from Ministry of Defence of Russian Federation with the information on cancellation of the investment contract for Moika-Glinki. The conditions for cancellation are not known to Ruric, however additional haircut to CBRE valuation may be deemed necessary based on the fact of cancellation. As long as no additional information before the court hearing on 12 December 2012 is available the Board decided to stick to the CBRE valuation as of 30 June 2012.

Strategy for Moika Glinki

Currently Ruric plans several activities on Moika Glinki, which includes either extending the investment contract with Russian Ministry of Defense and changing its provisions to more favorable for Ruric or cancelling the investment contract to avoid additional future financial obligations.

Alternative strategy is to try to swap Moika Glinki to another asset, which is either completed or close to completion, which has the legal title for ownership or long-term lease, and therefore bankable.

Ruric has by the request of Ministry of Defence undertaken substantial maintenance work for Moika Glinki in Q3 2012. If the contract is not cancelled, additional expenses, connected with snow removal, water and heating systems maintenance and current roof repairs are likely to be incurred in Q4 2012 and the beginning of 2013.

Land-Plot in Strelina:

Ruric believes that this area, together with two other areas in the proximity of St Petersburg, with good road and rail communication, are specifically attractive and will most certainly gain in attractiveness once the supply in capital markets is better. No development is currently conducted on the land-plot.

Before development is launched, Ruric has to agree with the authorities on removal of high voltage power line from the land plot, which may require substantial time and costs. Land plot development before the lines removal is unlikely. The Saint Petersburg land market is currently soft.

Future prospects – Financing

With high oil prices the Russian national budget remains strong. Even if Russia is also hit by the international financial turmoil and even if domestic political turmoil influences the perception of Russia, the economy is kept up by high commodity prices and high local consumption.

The Company is focusing its attention on its financial difficulties. With interest payments twice as high as its Net Operating Income, the company has to find a way to refinance its debt. Two scenarios are anticipated: either the bondholders convert all or some of their bonds to equity in the company or the bonds are refinanced by bank debt. Alfa Bank, being appointed the exclusive financial advisor of Ruric, has undertaken the independent review and estimated the potential collateral values of Ruric asset, which are substantially lower comparing to the fair market values of Ruric assets as per CBRE valuation.

In case the value of Moika Glinki will be reduced following the cancellation of the investment contract, the bond loan is likely to exceed 80% of the total assets of the Group, which is not in compliance with the terms of the bond agreement. In addition, there is a significant coupon payment in November 2013 and the existence of investment

properties, which bear no income but instead require substantial rental payments and maintenance costs. These facts raise doubts that Ruric will be able to perform as going concern. The Ruric board is currently in negotiations with bondholders to secure funding in the short term and working on a solution to enable Ruric to act on a going concern basis.

It is Ruric strategy to divest, sell or swap the properties under development and focus on running the operational business centres, trying to maximize the net operating income and improve Ruric cash flow.

COMMENTS ON THE FINANCIAL DEVELOPMENT

Rental income

The rental income that includes the buildings at the 9-aya V.O. Linia 34 (Magnus), Fontanka 13 (Oscar) and Sredny Prospekt 36/40 (Gustaf) amounted to SEK 25.1 m (23.5) during the interim period and to SEK 8.2 m (8.5) for the third quarter. All other properties, except for a small part of Apraksin Dvor do not have any lettable space as of yet. The income from Apraksin Dvor amounted to SEK 2.6 m (5.2).

The demand for premises has increased comparing to 30 September 2011. As per 30 September 2012 6.1 (12.6) per cent of lettable space was vacant.

Real estate expenses

Direct real estate expenses and expenses for legal administration, marketing of premises, management fees etc. amounted to SEK -9.0 m (-8.5) for the interim period and -2.6 m (-2.3) for the third quarter.

Operating surplus

The operating surplus amounted to SEK 21.2 m (21.2) during the interim period and to SEK 7.2 m (7.1) for the third quarter.

Other operating income / (expenses)

Other operating expenses mainly referred to expenses for central administration that include expenses for group management as well as other central functions including personnel expenses. These expenses amounted to SEK -21.1 m (-19.4) during the interim period and to SEK 6.4 m (-7.0) for the third quarter due to reversal of impairment on investments of subsidiaries, recognized in Q1 2012.

Operating result

The operating result for the interim period amounted to SEK -266.6 m (25.3), which is mainly attributable to the revaluation of Moika-Glinki, Apraksin Dvor and Strelna assets. During the third quarter the operating result amounted to SEK -149.7 m (0.0).

Net financial income/expense

Net financial income and expenses amounted to SEK -49.4 m (-27.8) for the interim period. Results from participations are included with SEK -10.1 m (-9.8).

Result after financial items

The result after financial items amounted to SEK -326.1 m (-2.5) during the interim period and SEK -174.5 m (0.3) for the third quarter.

Taxes

Tax expenses amounted to SEK -5.5 m (1.2) during the interim period and mainly relate to deferred taxes.

Cash flow, liquidity and financial position

The cash flow during the interim period amounted to SEK -19.4 m (14.3), whereof SEK -4.1 m (25.4) was from operating activities. Approximately SEK 11.6 m (28) refers to reimbursement of construction VAT from Moika-Glinki and Fontanka 57. The equity ratio amounted to 18.8 (45.0) per cent at the end of the period. Equity amounted to SEK 155.5 m (516.6). Liquid funds amounted to SEK 22.4 m (41.8) and interest-bearing liabilities amounted to SEK 563.4 m (563.4).

Interest-bearing liabilities

Ruric's financing consists of a secured bond loan listed at OMX, amounting to SEK 563.4 m (563.4) with maturity 16 November 2014. The bond has a coupon of 10 or 13 per cent, where Ruric may elect to pay 10 per cent in a cash

coupon or elect to pay a 3 per cent cash coupon with a payment-in-kind of 10 per cent, accumulated to the bond. The second coupon was paid 16th November 2012 with 3 per cent cash plus 10 per cent payment-in-kind

Risk assessment

The risk factors that were presented in the annual report for 2011 are continuously assessed.

Exchange rate effects

The functional currency of the operation in Russia is the Russian rouble. Most of Ruric's income and expenses, except for interest expense, are incurred in Russian roubles. This provides a natural hedge against foreign currency deviations. Ruric uses no hedge against movement of the Swedish Krona against the Russian rouble.

Personnel and organisation

The Group had 18 employees at the end of the period, of which 16 are in the Russian subsidiary companies in St Petersburg, and 2 in the parent company.

The Parent Company

The Parent Company comprises the central management in Stockholm with overall responsibility for operational management as well as financing and reporting. The number of employees in the parent company amounts to 2 person at the end of the interim period.

The parent company's net turnover for the period amounted to SEK 0.8 m (1.4). The result after financial items amounted to SEK -61.9 m (-15.1). Liquid funds amounted to SEK 11.0 m (8.9) at the end of the period.

The share and the owners

The largest owner is Dancaft Limited with 22.3% of the votes. Second largest is Alecta with 12.2%. The Ruric series B-share is listed at First North on OMX Stockholmsbörsen. Erik Penser Bankaktiebolag is the certified advisor.

Related party transactions

During the reporting period repair and maintenance works under the request of Russian Ministry of Defense of SEK 9.2 m on Moika Glinki were commenced through the company LLC Glinki Expluatatcia, which used to be a former subsidiary of Ruric named LLC Technostroy, sold to a related party in December 2011. The former Board Member of Ruric AB has acquired former Ruric subsidiary LLC Ruric Service in 2012. No other significant related party transactions were commenced.

Events after the close of the period

Ruric lost four cases on Apraksin Dvor in the Arbitration Court of Saint Petersburg. Three cases refer to the confirmation of the title to the building 33 in Apraksin Yard, and compensation of losses related to delay in registration of title to the buildings 15, 16, 33. The fourth case refers to Glavstroy who signed the term sheet to buy out Ruric's part but has not completed this action. □Ruric will continue its attempts to push the stated matters through the Russian courts. The next resolutions on the issue are not expected to be until 2013.

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On 1 November 2012 Mr. Vyacheslav Balabaev has taken the position of General Director of Ruric Management in Saint Petersburg.

On 9 November 2012 Mr. Denis Martyushev has decided to resign from his Board position.

On 14 November Ruric AB withdrew its claim against CJSC Grifon, a subsidiary of Storm Real Estate ASA, regarding Grifon House business centre. Ruric has started the case on 9 July.

On November 16 Ruric has paid the 2nd coupon at 3 per cent interest rate with a payment in-kind of 10 per cent, accumulated to the bond.

In November 2012 Scorpio has informed Ruric that they have closed the deal on selling of their investment in Fontanka 57 to Highton Limited.

On 21 November Ruric has filed with the Swedish police about a suspected case of bribery in Russia.

On 21 November Ruric received a letter from Ministry of Defence of Russian Federation with information of cancellation of the investment contract for Moika-Glinki. At the time of publication of this report the Board was not aware of the conditions of cancellation.

In Q4 2012 Ruric received qualified audit report on the 2011 statutory financial statements of one of its subsidiaries, Ruric 1 Sweden AB for 2011.

On 28 November Ruric received a bid for 100% share in LLC Incom and LLC Crocus from Cyprus Company Gledeco Assets Ltd for USD 1.5m / SEK 9.8 m. The Board of Directors of Ruric will consider the offer on the next Board meeting.

Accounting principles

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS). This interim report is prepared in accordance with IAS 34 Interim reporting. The updated standard IAS 1 has been applied in this interim report. The group adopts the same accounting principles as the latest annual report.

Future reporting dates

Year-End Report January-December 2012

February 2013

For additional information

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This Interim Report has not been the subject of examination by the company's auditor.

Stockholm, 30th November 2012
Russian Real Estate Investment Company AB (publ)

The Board of Directors

Ruric's business concept is to acquire, develop, let, manage, and divest real estate in St Petersburg, Russia, with a focus on commercial premises of the highest quality in attractive locations that can thereby contribute positively to the business of the tenants. The company has the vision of becoming a leading real estate company in central St Petersburg

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Corporate identity number: 556653-9705 Registered office: Stockholm

Consolidated income statement					
SEK m	Jul-Sept 2012	Jul-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Jan-Dec 2011
Rental income	9.8	9.4	30.2	29.7	40.6
Real estate expenses	-2.6	-2.3	-9.0	-8.5	-12.8
Operating surplus	7.2	7.1	21.2	21.2	27.8
Depreciation of equipment	0.0	-0.1	-0.2	-0.4	-0.5
Other operating income / (expenses)	6.4	-7.0	-21.1	-19.4	-34.9
Changes in value, real estate	-163.3	0.0	-266.5	23.9	53.9
Impairment	0.0	0.0	0.0	0.0	0.0
Operating profit/ (loss)	-149.7	0.0	-266.6	25.3	46.3
Income from participation in the associated companies	-5.6	-9.5	-10.1	-9.8	-26.3
Financial income	4.4	21.6	9.0	12.9	15.5
Financial expenses	-23.6	-11.8	-58.4	-30.9	-65.6
Profit/loss after financial items	-174.5	0.3	-326.1	-2.5	-30.1
Taxes	6.1	8.4	-5.5	1.2	-8.0
Profit/loss after tax	-180.6	8.7	-331.7	-1.3	-38.1
Currency translation differences	-22.8	50.3	-29.4	-2.5	1.8
Total result	-203.4	59.0	-361.1	-3.8	-36.3
Earnings per share. SEK	-1.73	0.08	-3.18	-0.01	-0.37
Earnings per share incl. dilution. SEK	n.a	0.08	n.a.	n.a.	n.a.
Number of shares at the close of the period	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555
Average number of shares	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555
Average number of shares. incl. dilution	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555

Consolidated balance sheet					
MSEK			30-09-2012	30-09-2011	31-12-2011
Fixed assets					
Investment property			290.1	219.4	314.3
Real estate projects			319.9	481.7	597.5
Equipment			2.6	1.5	2.0
Participations in the associated companies			19.0	101.1	19.0
Deferred tax assets			34.7	25.7	20.7
Other long-term receivables			71.2	173.2	80.3
Total fixed assets			737.5	1,002.6	1,033.8
Current assets					
Current receivables			68.8	77.3	58.6
Liquid funds			22.4	65.5	41.8
Total current assets			91.2	142.8	100.4
TOTAL ASSETS			828.8	1,145.4	1,134.2
EQUITY AND LIABILITIES					
Equity			155.5	549.1	516.6
Deferred tax liabilities			18.8	12.6	16.1
Interest-bearing liabilities			563.4	510.6	563.4
Accounts payable			0.5	2.8	3.1
Other liabilities			9.6	3.6	3.5
Accrued expenses and deferred income			81.0	66.7	31.5
TOTAL EQUITY AND LIABILITIES			828.8	1,145.4	1,134.2

Consolidated change in equity SEK m	Jul-Sept 2012	Jul-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Jan-Dec 2011
Equity at the start of the period	359.0	490.1	516.6	552.9	552.9
Preferential rights issue	0.0	0.0	0.0	0.0	0.0
Issue expenses	0.0	0.0	0.0	0.0	0.0
Revaluation	0.0	0.0	0.0	0.0	0.0
Profit/loss for the period	-203.5	59.0	-361.1	-3.8	-36.3
Equity at the close of the period	155.5	549.1	155.5	549.1	516.6
Consolidated cash flow statement SEK m					
	Jul-Sept 2012	Jul-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Jan-Dec 2011
Operating activities					
Profit/loss after financial items	-174.5	0.3	-326.1	-2.5	-30.1
Adjustment for items not included in the cash flow	200.0	-2.7	307.8	-16.5	24.0
Taxes paid	-16.2	0.4	-16.8	-0.5	-1.2
Cash flow from operating activities before change in working capital	9.3	-2.0	-35.2	-19.5	-7.3
Changes in working capital					
Change in operating receivables	-29.0	-7.4	-21.8	-12.1	-14.8
Change in operating liabilities	12.4	8.5	53.0	29.0	3.9
Total change in working capital	-16.5	1.1	31.2	16.9	-10.9
Cash flow from operating activities	-7.2	-0.9	-4.1	-2.6	-18.2
Investing activities					
Acquisition of participations	0.0	0.0	0.0	0.0	0.0
Acquisition of tangible fixed assets	-9.2	-0.1	-12.2	-4.3	-10.3
Sale of tangible fixed assets	0.0	0.4	0.0	0.4	0.4
Investments in other financial assets	0.0	-2.7	-14.8	-7.2	-9.3
Recovery of Input VAT on construction projects	2.0	0.0	11.6	28.0	28.0
Increase in short-term investments	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-7.2	-2.4	-15.4	16.9	8.8
Financing activities					
Preferential rights issue	0.0	0.0	0.0	0.0	0.0
Warrant settlement	0.0	0.0	0.0	0.0	0.0
Change in long-term borrowing	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0
Cash flow for the period	-14.4	-3.5	-19.4	14.3	-9.4
Opening liquid funds	36.8	38.4	41.8	51.2	51.2
Liquid funds at the close of the period	22.4	34.9	22.4	65.5	41.8

Group key ratios	Jul-Sept 2012	Jul-Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Jan-Dec 2011
<i>Real estate related key ratios</i>					
Lettable area. m ²	26,400	26,400	26,400	26,400	26,400
Book value real estate	609.9	701.1	609.9	701.1	911.8
Occupancy ratio. area. %	93.9	90.8	93.9	90.8	87.4
<i>Financial ratios</i>					
Equity ratio. %	18.8	47.9	18.8	47.9	45.0
Liabilities/Assets. %	81.2	52.1	81.2	52.1	55.0
Interest coverage ratio. Times	0.53	0.91	Neg	0.15	Neg
Debt/equity ratio. Times	3.6	0.9	3.6	0.9	1.1
Return on equity. %	-73.30	1.66	-128.93	-0.25	-7.19
<i>Data per share and share data</i>					
Number of shares at the close of the period	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555
Average number of shares	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555
Average number of shares. incl. dilution	104,148,555	104,148,555	104,148,555	104,148,555	104,148,555
Earnings per share. SEK	-1.73	0.08	-3.18	-0.01	-0.37
Equity per share at the close of the period. SEK	1.5	5.3	1.5	5.3	4.9
Dividend. SEK	0	0	0	0	0
<i>Employees</i>					
Average number of employees	18	23	16	23	23
Number of employees at the end of the period	18	23	18	23	12

Parent company income statement MSEK	Jul-Sept 2012	Jul – Sept 2011	Jan-Sept 2012	Jan-Sept 2011	Jan-Dec 2011
Net income	0.3	0.3	0.8	1.4	1.8
Net income	0.2	0.3	0.8	1.4	1.8
Depreciation	-0.0	-0.0	-0.0	-0.1	-0.2
Other company cost	-3.1	-4.7	-10.8	-11.1	-21.4
Impairment	0.0	0.0	0.0	0.0	-94.7
Operating profit/(loss)	-3.1	-4.4	-10.0	-9.8	-114.5
Financial items	-50.0	33.6	-51.9	-5.3	19.6
Profit/loss before tax	-56.6	29.2	-61.9	-15.1	-94.9
Taxes	0.0	0.0	0.0	0.0	0.0
Profit / loss after tax	-56.6	29.2	-61.9	-15.1	-94.9

Parent company balance sheets MSEK	30-09-2012	30-09-2011	31-12-2011
Fixed assets			
Tangible fixed assets	0.1	0.1	0.1
Financial fixed assets	664.2	706.6	659.8
Total fixed assets	664.3	706.7	659.9
Current assets			
Short term receivables	382.2	368.3	360.8
Cash	11.0	28.8	8.9
Total current assets	393.2	397.1	369.7
TOTAL ASSETS	1,057.4	1,103.8	1,029.6
EQUITY AND LIABILITIES			
Share capital and reserves	444.3	444.3	444.3
Retained earnings	-37.0	84.8	-4.5
Total equity	407.3	529.1	439.8
Long term liabilities	563.6	510.8	563.6
Short term liabilities	86.6	63.9	26.2
TOTAL EQUITY AND LIABILITIES	1,057.4	1,103.8	1,029.6

Definitions

Return on equity

Profit/loss after tax in relation to average equity.

Loan-to-value ratio real estate

Interest-bearing liabilities concerning real estate in relation to the book value of the real estate.

Earnings per share

The profit/loss for the period in relation to the average number of shares.

Interest coverage ratio

The profit/loss after financial items plus financial expenses divided by financial expenses.

Debt/equity ratio

Interest-bearing liabilities in relation to equity.

Equity ratio

Reported equity in relation to reported total assets at the close of the period.

Equity per share

Reported equity in relation to the number of shares at the close of the period.