

Interim Report

JANUARY – SEPTEMBER 2013

- 2012 Year-end numbers included into this interim report were adjusted to conform to the Company's Audited Annual report published on 5 July 2013.
- Net turnover for the interim period amounted to SEK 28.4 m (30.2).
- The result after tax was 12.1 m (-180.6). The result is directly attributable to revaluation of the investment properties as a result of subsequent bond restructuring, partly off-set by high legal and consulting costs related to the on-going negotiations with the creditors and increase of exchange rate of SEK to RUB.
- Earnings per share amounted to SEK 0.12 (-1.73).
- Vacancy rate in the three business centres increased because of some tenants left Oscar and Gustaf. As of 30 September it was 5.1 (1.9 as of 31 December 2012) per cent.
- The valuation of properties was adjusted to SEK 466.3 m (407.9) as of 30 September on the basis of valuation performed by CBRE as of 30 June 2013 and sale of Apraksin Dvor from real estate projects. Increase is mainly explained by the switch from liquidation values back to fair values on the basis of the agreement on Bond restructuring, reached with the Bondholders on 22 November 2013. Changes in the fair value of the investment properties amounted to SEK 52.0 m (-24.2) and in the value of project properties amounted to SEK 49.0 (-277.6). The net effect was SEK 101.0 m (-301.8). Effect of changes in exchange rates amounted to SEK -32.9 (-51.8).
- 1 February 2013 Ruric has finalised the chain of transactions to sell LLC Incom and LLC Crocus, which were the parties in the investment contract for Apraksin Dvor with the City for USD 1.5 m / SEK 9.8 m, payable within 12 months subsequent to the deal closure. Transaction has been completed on market terms with an independent third party. During the years 2009-2012 Inkom LLC and Crocus LLC were financed by the Group through loans granted by the other Group companies. As part of sale in 2013 of Apraksin Dvor project, the Group committed to transfer the rights on aforementioned loans receivable to the buyer (Gledecco Assets Limited). Consideration price for 100% share (Group share of 65.5% and non-controlling interest share of 34.5%) in LLC Incom and LLC Crocus and loans transfer was equal to SEK 9.8 m. The transfer in 2013 resulted in dilution of non-controlling interest for 34.5% of loans receivable. As a result the related debit balance of non-controlling interest in the amount of SEK 122.8 m was transferred to retained losses.
- 10 October 2013 the Information Memorandum containing the restructuring plan has been published on the Ruric webpage and disclosed by the Bond Agent.
- 7 November 2013, an extraordinary general meeting was held in Ruric. The extraordinary general meeting resolved on, among other things, certain amendments to the Articles of Association, approval of the restructuring plan, transfer of certain receivables, transfer of shares in St Petersburg Property Company AB (publ) in exchange for bonds issued by the Company and on a directed new issue of shares.
- 7 November 2013 the Bond Agent has published the results of the voting procedure in writing on the approval of the Restructuring plan. The bondholders has approved the proposed restructuring, in particular:
 - the extinguishment of the bond in exchange of shares in SPPC and 20 per cent shares of Ruric AB;
 - waiving the coupon payment, which is due in November 2013;
 - waiving of any and all existing violations by Ruric of the Terms and Conditions and the Pledge agreement dated 6 June 2010 as amended and restated on 6 May 2011;
 - waiving any and all of the provisions of the Terms and Conditions and the Pledge agreement which prevent Ruric from finalization of the Restructuring plan

The approval is valid only if the shares of SPPC with all relevant shareholdings and claims to the Property Group are delivered to the Bondholders by 30 November 2013 and that Ruric shareholders on the EGM also approve transaction on 7 November 2013.
- 22 November 2013 Ruric has completed restructuring. Principal elements of the Restructuring are as follows:
 - Ruric has established a 100% subsidiary SPPC AB (Saint-Petersburg Property Company). The entire share capital in SPPC consists of 619,750,000 shares of one class. The shares in SPPC are dematerialised and affiliated with Euroclear Sweden AB. Ruric has contributed SEK 0.5 m as share capital in SPPC which has subsequently granted a loan to back Ruric in the same amount.
 - Ruric has made an unconditional equity contribution to SPPC in the amount of SEK 512 m.
 - Ruric has transferred all shares in, and all of its claims on, the Property Group (four Swedish and four Russian subsidiaries of Ruric AB, which owns Oscar, Gustaf, Magnus business centers and Strelina land plot) to SPPC for a consideration equal to their value as set out in the 2012 annual report of Ruric. The consideration was paid by way of setting off
 - (i) part of the receivable created under the undertaking of unconditional equity contribution amounting to SEK 460 m and

- (ii) the loan from SPPC to Ruric referred to above amounting to SEK 0.5 m. Following such set off there will be no outstanding claims from Ruric and its remaining subsidiaries against the Property Group and SPPC.
- All shares in SPPC were transferred to the Bondholders as consideration for the cancellation of the Bonds (including both principal and Accrued Interest). The value of the transfer represented SEK 460.5 m. Each Swedish krona of nominal amount under the Bonds was exchanged for one share in SPPC. The Bondholders own the shares in SPPC pro rata to their holding of Bonds. At the same time as the SPPC Shares were transferred to the Bondholders, the Bonds were extinguished in full amount, including the accumulated coupon.
 - Ruric made a directed issue of New Shares to SPPC, being 26,037,139 Class B shares representing 20 per cent of the total share capital, and 18.3 per cent of the votes, in Ruric following the issue of the New Shares. As consideration for the New Shares, SPPC has set off of the remainder of the equity contribution undertaking (amounting to SEK 52,074,278).

Key Events

January

15 January 2013 Ingvar Ljungqvist left the position as CEO in Ruric AB.
16 January 2013 Tatiana Ottestig has taken the position of CEO in Ruric AB.

February

1 February 2013 Ruric finalised the sale of 100% in LLC Incom and LLC Crocus, approved by the Board of Directors in December 2012 to Gledeco Assets Ltd for USD 1.5 m / SEK 9.8 m payable within 12 months following the closing date.
7 February 2013 Aleksandrs Tralmaks resigned from the Board in Ruric AB and its subsidiaries.
7 February 2013 the court hearing on Moika Glinki against Russian Ministry of Defense was postponed to 18 March 2013.
8 February 2013 the Board of Directors of Ruric AB called an extraordinary meeting of shareholders to be held on 12 March 2013.
28 February 2013 Ruric won the case against AUIPIK (Russian governmental agency in charge for historical buildings), who tried to increase the rental payments for Fontanka 57 since September 2012.

March

12 March 2013 EGM did not elect any new Directors due to the absence of candidates. Liquidation balance sheets were not approved as they were not finalised.
18 March 2013 Moscow Arbitration Court has postponed until 24 April 2013 the hearing of the claim on compensation for Moika Glinki investment agreement expenses against Russian Ministry of Defense.

April

19 April 2013 the extraordinary general shareholders meeting introduced further changes in the Board of Directors of Ruric. Vadim Gurinov resigned as Chairman and Board member in Ruric AB, while Ilya Sosnov has taken the Chairman responsibility. Roger Stuart Poppleton and Elizabeth Woollam both reside in the UK were appointed new Board members.
22 April 2013 the Arbitration Court of Saint-Petersburg and Leningrad region has recognised the right of Litera LLC (Ruric 50% owned company) to set-off SEK 17.3 m against rental payments for the use of the building at the Fontanka 57, lit. A under the lease agreement with the Russian governmental agency AUIPIK.
24 April 2013 as per the request of the defendant Moscow Arbitration Court postponed the hearing on compensation of claim from LLC Glinki 2 to the Ministry of Defense of the Russian Federation until 10 June. The counsel of the defendant did not accept the claim on compensation at the court.

May

6 May 2013 the Bond Agent convened the bondholders meeting because of Ruric did not comply with certain provisions of the Bond Loan Agreement. The bondholders' meeting resolves that the breaches of these provisions may be materially detrimental to the interest of the Bondholders, however the bondholders' meeting decided to commission the Bondholders Committee, consisting of several major bondholders to continue negotiations with Ruric on restructuring. If it in the opinion of the Bondholders Committee is not possible to reach a reasonable negotiated solution within a reasonable period of time and provided an Event of Default is continuing, the Agent is authorized to accelerate the Bonds and enforce the security.
20 May 2013 Ruric received a letter from NASDAQ OMX Surveillance Stockholm regarding disclosure of information, unauthorized Board of Directors and control balance sheet. In the letter NASDAQ OMX expressed their concern about the level of corporate governance of the Company because of untimely disclosure of information, preparation of the control balance sheet and unauthorized Board of Directors during March 15 to April 19, 2013. NASDAQ OMX requested a statement of explanation from the Board of Directors, which was provided on 2 June 2013.
22 May, 2013 RURIC was informed by the Department of Property Relations of the Ministry of Defence that the provided documents evidencing the costs incurred by Glinky 2 LLC within the framework of the agreement #01-8/9/1 dated 27 March 2006 didn't meet requirements of the Town Planning Code of the Russian Federation and the Order of the Ministry of Defence #1700 of 6 July 2001.

June

4 June 2013 the Board of Directors agreed a preliminary term sheet on the restructuring of the existing bond loan with a total nominal amount outstanding of SEK 619.8 m with the Bondholders' Committee, which had been commissioned to negotiate with Ruric by the bondholders' meeting held on 6 May 2013.
6 June 2013, Denis Panovitsin was appointed as General Director of Ruric Management in Saint-Petersburg.
10 June 2013 at the request of the defendant Moscow Arbitration Court postponed the hearing on compensation of claim from LLC Glinki 2 to the Ministry of Defence of the Russian Federation until July 17. The counsel of the defendant did not accept the claim on compensation at the court.
13 June 2013 The Board of Directors has prepared a balance sheet for liquidation purposes in accordance with Chapter 25 Section 13 and 14 of the Swedish Companies Act and caused the Company's auditor to issue a statement thereon. The balance sheet for liquidation purposes evidences that the shareholders' equity in the Company is less than one-half of the registered share capital. As a consequence thereof, the Board of Directors has issued notice to attend an initial meeting for liquidation purposes in order to present the balance sheet for liquidation purposes to the meeting and for the meeting to determine whether the company shall go into liquidation.
28 June 2013 Ruric has held an Initial Meeting for Liquidation Purposes. The meeting has resolved that Ruric shall not go into liquidation, but continue its business operations.

July

5 July 2013 Ruric has published the Annual report for 2012.

17 July 2013 At the request of the defendant Moscow Arbitration Court postponed the hearing on compensation of claim from LLC Glinki 2 to the Ministry of Defence of the Russian Federation until September 11, 2013. The Ministry of Defence of the Russian Federation had no position for the case so they requested extra time to study the case materials. Representatives of the Ministry of Defence of the Russian Federation informed Ruric that amicable agreement is not possible and they will use the time to prepare their objections to challenge the full amount of the claim. The Court has asked the parties to prepare the final clarifications on the claim and objections to the claim by September 11, 2013.

17 July 2013 Litera LLC (Ruric 50% owned company) won the court of appeal to set-off the incurred capital expenses for restoration of the building at the Fontanka 57 lit. A in the amount of RUB 84 mln against rental payments for the use of the building under the lease agreement with the Russian governmental agency AUIPIK. This fact allows LLC Litera to effectively off-set future rental payments since August 2013.

26 July 2013 the Annual General shareholders meeting have approved the Annual report for 2013. It should be noted that the audit report for 2012 is modified and contains information from which it appears that, without that information affects the auditor's recommendation of the Annual Report, there is doubt about the Company will be able to operate as a going concern and states that the financial statements for fiscal year 2011 was vitiated by substantial errors, which however, been corrected in the 2012 annual Report. Furthermore, the Auditor did not make any recommendation on whether to release the Board of Directors from responsibility for the fiscal year 2012.

September

11 September 2013 at the request of the defendant Moscow Arbitration Court postponed the hearing on compensation of the claim from LLC Glinki 2 to the Ministry of Defense of the Russian Federation until 25 September 2013. The Ministry of Defense of the Russian Federation has requested to perform expertise of the case materials. The Court has asked the parties to prepare the list of documents subject to expertise by 25 September 2013.

25 September 2013 Moscow Arbitration Court postponed the hearing on compensation of claim from LLC Glinki 2 to the Ministry of Defense of the Russian Federation until 2 October 2013. The reason to postpone the case was that Moscow Arbitration Court should have to prepare the list of questions, which will be submitted to the experts to perform the expertise of the case materials. Next hearing is to be commenced on 2 October 2013.

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. 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. In addition to that, Ruric shall 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.

Real estate stock

Ruric owns, disposes of or has interests in four properties in central St Petersburg at the end of the reporting period. Three are completed and operating and the remaining one is in a planning, design and 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	407.9	390.5	382.0
Divestments	-9.5	0.0	0.0
Changes in value	-0.2	-0.2	101.4
Changes in exchange rates	-7.7	-8.4	-17.1
Closing balance	390.5	382.0	466.3

* The table shows the investment property and the project properties

Acquisitions

No acquisitions have been carried out during the period.

Divestment

1 February 2013 Ruric has finalised the chain of transactions to sell LLC Incom and LLC Crocus, which were the parties in the investment contract for Apraksin Dvor with the city for USD 1.5 m / SEK 9.8 m, payable within 12 months subsequent to the deal closure. Transaction has been completed on market terms with an independent third party.

Changes in value

The Board of Directors have chosen to base the valuation per 30 September on CBREs valuations as of 30 June 2013. Because of the Bond loan restructuring completed on 22 November 2013 Ruric became going concern, so for the purpose of this quarterly report fair values of the properties were used, which are different to the liquidation value of properties, which were used for preparation of the Annual report and Q1-Q2 reports. Because of switch from the liquidation values to fair values SEK 101.4 m increase in the value of the Properties has been recognized in the third quarter 2013.

As per CBRE valuations as of 30 June 2013 Ruric investment properties portfolio was as follows:

INVESTMENT PROPERTIES

The value of the investment property portfolio per 30 September 2013 amounts to SEK 316.8 m (287.5), which is equivalent to 24,133 SEK per lettable sq m.

Property	Lettable area	Operating income at	External valuation	External valuation
		full tenancy (6.5 SEK/USD)	30 September 2013 (Fair values)	31 December 2012 (Fair values)
R. Fontanki nab. 13 (Oscar)	2,983	9.4	86.9	86.0
9-ya Liniya V.O. 34 (Magnus)	5,547	11.4	112.9	112.6
Sredny Prospekt 36/40 (Gustaf)	4,597	14.0	117.0	115.8
Investment properties	13,127	34.8	316.8	314.3

DEVELOPMENT PROPERTIES

The development portfolio as of 30 September 2013 is represented by jointly owned property on Fontanka 57 (50%). Ruric also owns a land plot of 33 hectares in Strelna, southwest of the city centre. Strelna land plot is recorded as project property, whereas the Fontanka 57 is recorded as financial assets - shares and participations.

Fontanka 57:

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.

Since 2013 Ruric started to earn rental income from sublease of Fontanka 57.

On 22 April 2013 the Arbitration Court of Saint-Petersburg and Leningrad region has recognised the right of Litera LLC (Ruric 50% owned company) to set-off SEK 17.3 m / RUB 84.2 m against rental payments. As of 30 September 2013 two tenants occupy 3,496 square meters, which represents 29% of lettable area.

Land plot in Strelina:

As a part of the restructuring, Strelina land plot has been transferred to the bondholders.

LONG-TERM RECEIVABLE

Moika / Glinki:

As of 31 December 2012 in line with the cancellation of Moika Glinki investment contract by the Russian Ministry of Defence Ruric reclassified the value of the investment into Moika Glinki into a receivable from the Russian Ministry of Defence. Based on an independent legal opinion prepared by international legal advisor as of 31 December 2012, the estimated recovery of the receivable is expected to be two years from the date of the hearing. Net present value of the receivable as of 30 September 2013 has been assessed to SEK 200.1 m.

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.

22 November 2013 Ruric Board has reached an agreement with the bondholders on restructuring of the Bond loan, which enables Ruric to act on a going concern basis.

Ruric further strategy will be to focus on finalization of the development of the Fontanka 57 property and professional management of litigation on Moika Glinki.

COMMENTS ON THE FINANCIAL DEVELOPMENT

Rental income

The rental income that includes the buildings at the 9-aya Linia V.O. 34 (Magnus), Fontanka 13 (Oscar) and Sredny Prospekt 36/40 (Gustaf) amounted to SEK 28.4 m (30.2) during the first nine months of year. The income from Fontanka 57 is not recognised in the group accounts as Fontanka 57 is accounted for as equity accounted investee.

Real estate expenses

Direct real estate expenses and expenses for legal administration, marketing of premises, management fees etc. amounted to SEK -5.6 m (-9.0) for the interim period and -3.9 m (-2.6) for the third quarter.

Operating surplus

The operating surplus amounted to SEK 22.9 m (21.2) for the interim period and 14.3 m (7.2) 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 -21.2 m (-21.1) for the interim period and -14.3 m (6.4) for the third quarter.

Operating result

The operating result for the interim period amounted to SEK 63.1 m (-266.6) and 65.8 m (-149.7) for the third quarter.

Net financial income/expense

Net financial income and expenses amounted to SEK -53.8 m (-49.4) for the interim period and -18.9 m (-23.6) for the third quarter. Results from participations were SEK nil (-10.1).

Result after financial items

The result after financial items amounted to SEK 9.3 m (-326.1) for the interim period and SEK 46.9 m (-174.5) for the third quarter.

Taxes

Tax expenses amounted to SEK 2.7 m (-5.5) 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 -4.4 m (-19.4), whereof SEK -11.8 m (-4.1) was from operating activities. The equity ratio amounted to 1.5 (0.1) percent at the end of the reporting quarter. Equity amounted to SEK 11.2 m (0.9). Liquid funds amounted to SEK 0.8 m (5.1) and interest-bearing liabilities amounted to SEK 684.0 m (635.7) including accumulated coupon.

Interest-bearing liabilities

Ruric's financing consists of a secured bond loan listed at OMX with nominal amount of SEK 619.8 m (619.8) with maturity 16 November 2014. The bond has a coupon of 10 or 13 percent, where Ruric may elect to pay 10 percent in a cash coupon or elect to pay a 3 per cent cash coupon with a payment-in-kind of 10 percent, accumulated to the bond. The second coupon was paid 16th November 2012 with 3 percent cash plus 10 percent payment-in-kind. On November 22 Ruric has completed the restructuring of its bond loan as described in the key events section above.

Risk assessment

The risk factors presented in the annual report for 2012 are continuously assessed.

Exchange rate effects

The functional currency of the operation in Russia is the Russian rouble. Most of Ruric 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 29 employees at the end of the period, of which 28 are in the Russian subsidiary companies in St Petersburg, and 1 in the parent company.

The Parent Company

The Parent Company comprises the central management in Stockholm with overall responsibility for operational management. The number of employees in the parent company amounts to 1 person at the period end.

The parent company's net turnover for the interim period amounted to SEK 0.4 m (0.8). The result after financial items amounted to SEK -109.6 m (-61.9). Liquid funds amounted to SEK 0.4 m (0.5) at the end of the interim period.

The share and the owners

The largest owner is Gano Services with 20.03% of the votes. Second largest is Dancaif Limited with 14.32%. 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 maintenance works amounting to SEK 0.95 m on business centers 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. No other significant related party transactions were commenced.

Events after the close of the period

October

- 2 October 2013 the Moscow Arbitration Court approved the list of three expert organizations to choose from for expertise of the case materials and will request for their proposals on October 7, 2013. These expert organizations will submit their proposals to perform the expertise to the Court until the next hearing, which will

commence on October 24, 2013. Upon receiving of the proposals from the experts the court will choose the expert organization to study the case materials.

- 10 October 2013 the Agent has issued a notice on convening the voting procedure in writing to approve the Bond restructuring plan.
- 10 October 2013 Ruric has announced an extraordinary shareholders meeting to vote for the Bond restructuring plan.
- 10 October 2013 the Information Memorandum containing the restructuring plan has been published on the Ruric webpage and disclosed by the Bond Agent.
- Principal element of the Restructuring are as follows:
 - establishing a new 100% subsidiary of Ruric AB, named SPPC AB (Saint-Petersburg Property Company). The entire share capital in SPPC consists of 619,750,000 shares of one class. The shares in SPPC are dematerialised and affiliated with Euroclear Sweden AB. Ruric has contributed SEK 0.5 m as share capital in SPPC which has subsequently granted a loan to back Ruric in the same amount.
 - Ruric has undertaken to provide an unconditional equity contribution to SPPC in the amount of SEK 512 m. The undertaking is documented under Swedish law.
 - Ruric transfers all shares in, and all of its claims on, the Property Group (four Swedish and four Russian subsidiaries of Ruric AB, which owns Oscar, Gustaf, Magnus business centers and Strelina land plot) to SPPC for a consideration equal to their value as set out in the 2012 annual report of Ruric. The consideration will be paid by way of setting off
 - (i) part of the receivable created under the undertaking of unconditional equity contribution amounting to SEK 460 m and
 - (ii) the loan from SPPC to Ruric referred to in Step 1 above amounting to SEK 0.5 m. Following such set off there will be no outstanding claims from Ruric and its remaining subsidiaries against the Property Group and SPPC.
 - All shares in SPPC will be transferred to the Bondholders as consideration for the cancellation of the Bonds (including both principal and Accrued Interest). The value of the transfer shall represent SEK 460.5 m. Each Swedish krona of nominal amount under the Bonds will be exchanged for one (1) share in SPPC. Consequently the Bondholders will own the shares in SPPC pro rata to their holding of Bonds. At the same time as the SPPC Shares are transferred to the Bondholders, the Bonds will be transferred to an account with Erik Penser Bankaktiebolag where the Bonds will be held on behalf of the Bondholders. After all restructuring is done the Bond is extinguished in full amount, including the accumulated coupon.
 - Ruric will make a directed new issue of New Shares to SPPC, being 26,037,139 Class B shares representing 20 per cent of the total share capital, and 18.3 per cent of the votes, in Ruric following the issue of the New Shares. As consideration for the New Shares, SPPC will set off of the remainder of the equity contribution undertaking (amounting to SEK 52,074,278).
- On 24 October the Moscow Arbitration Court declined the expert organisation proposed by Ruric and selected for the expertise of the case materials OJSC Regionalnoe upravlenie otsenki, proposed by the Ministry of Defence of Russian Federation. The Ministry of Defence of the Russian Federation will pay expertise costs. Further court hearing is postponed until receipt of results of the expertise. Date of the next hearing was not announced.

November

- 7 November 2013, an extraordinary general meeting was held in Ruric. The extraordinary general meeting resolved on, among other things, certain amendments to the Articles of Association, approval of the restructuring plan, transfer of certain receivables, transfer of shares in St Petersburg Property Company AB (publ) in exchange for bonds issued by the Company and on a directed new issue of shares.
- 7 November 2013 the Bond Agent has published the results of the voting procedure on the approval of the Restructuring plan. The bondholders has approved the proposed restructuring, in particular:
 - the extinguishment of the bond in exchange of shares in SPPC and 20 per cent shares of Ruric AB;
 - waiving the coupon payment, which is due in November 2013;
 - waiving of any and all existing violations by Ruric of the Terms and Conditions and the Pledge agreement dated 6 June 2010 as amended and restated on 6 May 2011;
 - waiving any and all of the provisions of the Terms and Conditions and the Pledge agreement which prevent Ruric from finalization of the Restructuring plan

The approval is valid only if the shares of SPPC with all relevant shareholdings and claims to the Property Group are delivered to the Bondholders by 30 November 2013 and that Ruric shareholders on the EGM also approve transaction on 7 November 2013.

- 12 November 2013 Ruric has issue a notice to the bondholders, that in order to facilitate the completion of the restructuring of the Bonds, trading in the Bonds has been blocked in the systems of Euroclear Sweden AB and suspended in the systems of NASDAQ OMX Stockholm until the completion of the restructuring. Also Ruric disclosed that completion of the bond restructuring would take place between 18 and 22 November 2013.

- 22 November 2013 Ruric in accordance with the information memorandum published on 10 October 2013, completed the restructuring of its outstanding bond loan and accumulated but unpaid coupon. All payment obligations of the Company under the Bonds have accordingly been extinguished. The Bonds have been cancelled and deregistered in the systems of Euroclear Sweden AB and a request for delisting has been submitted to NASDAQ OMX Stockholm.

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.

Dividend

The Annual meeting resolved that no dividend should be distributed.

Annual report

The report is available on the Company website www.ruric.com.

Annual meeting

The annual meeting was held 26 July 2013. The minutes of meeting are available on corporate website www.ruric.com.

Change of address

The company has changed its post address for correspondence to the following:

Russian Real Estate Investment Company AB
Visma services AB
Box 34212
100 26 Stockholm
Sweden

Future reporting dates

Year-End Report January-December 2013 31 March 2014

For additional information

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This Interim Report has not been the subject of examination by the Company's Auditor.

Stockholm, 29 November 2013
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 2013	Jul - Sept 2012	Jan - Sept 2013	Jan-Sept 2012	Jan-Dec 2012 (adjusted)
Rental income	18.2	9.8	28.4	30.2	40.3
Real estate expenses	-3.9	-2.6	-5.6	-9.0	-12.3
Operating surplus	14.3	7.2	22.9	21.2	28.0
Depreciation of equipment	-0.3	-0.0	-0.5	-0.2	-0.5
Other operating income / (expenses)	-14.3	6.4	-21.2	-21.1	-35.5
Changes in value, real estate	101.2	-163.3	101.0	-266.5	-306.4
Impairment	-35.2	0.0	-39.1	0.0	0.0
Operating profit / (loss)	65.8	-149.7	63.1	-266.6	-314.4
Income from participation in the associated companies	-	-5.6	-	-10.1	-19.0
Financial income	0.1	4.4	-	9.0	7.8
Financial expenses	-18.9	-23.6	-53.8	-58.4	-132.4
Profit/loss after financial items	46.9	-174.5	9.3	-326.1	-457.9
Taxes	-0.7	6.1	2.7	-5.5	14.5
Profit/loss after tax	46.3	-180.6	12.1	-151.6	-443.4
Non-controlling interest	-	-	-	-	-23.9
Currency translation differences	3.4	-22.8	-2.6	-29.4	2.0
Total result	49.7	-203.4	9.5	-361.1	-417.5
Earnings per share. SEK	0.44	-1.73	0.12	-3.18	-4.03
Earnings per share incl. dilution. SEK	n.a	n.a	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					
			30-09-2013	30-09-2012	31-12-2012 (adjusted)
Fixed assets					
Investment property			316.8	290.1	297.5
Real estate projects			149.5	319.9	110.4
Equipment			1.5	2.6	2.0
Participations in the associated companies			30.9	19.0	0.0
Deferred tax assets			0.0	34.7	0.0
Other long-term receivables			212.3	71.2	213.1
Total fixed assets			711.0	737.5	623.0
Current assets					
Current receivables			56.7	68.8	76.5
Liquid funds			0.8	22.4	5.1
Total current assets			57.5	91.2	81.6
TOTAL ASSETS			768.6	828.8	704.6
EQUITY AND LIABILITIES					
Equity			11.2	155.5	1.7
Deferred tax liabilities			44.2	18.8	45.1
Interest-bearing liabilities			684.0	563.4	635.7
Accounts payable			8.4	0.5	8.2
Other liabilities			1.8	9.6	5.0
Accrued expenses and deferred income			19.0	81.0	8.9
TOTAL EQUITY AND LIABILITIES			768.7	828.8	704.6

Consolidated change in equity SEK m	Jul-Sept 2013	Jul-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Jan-Dec 2012 (adjusted)
Equity at the start of the period	99.1	359.0	1.7	516.6	440.5
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	49.7	-203.5	9.5	-361.1	-438.3
Equity at the close of the period	148.7	155.5	11.2	155.5	1.7
Consolidated cash flow statement SEK m					
	Jul-Sept 2013	Jul-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Jan-Dec 2012
Operating activities					
Profit/loss after financial items	51.7	-174.5	9.3	-326.1	-457.9
Adjustment for items not included in the cash flow	-75.5	200.0	-38.1	307.8	431.2
Taxes paid	-2.5	-16.2	1.8	-16.8	-2.8
Cash flow from operating activities before change in working capital	-26.3	9.3	-27.0	-35.2	-29.5
Changes in working capital					
Change in operating receivables	22.5	-29.0	21.2	-21.8	12.1
Change in operating liabilities	-2.3	12.4	-5.7	53.0	8.5
Total change in working capital	20.2	-16.5	15.6	31.2	20.6
Cash flow from operating activities	-6.1	-7.2	-11.4	-4.1	-8.9
Investing activities					
Acquisition of participations	0.0	0.0	0.0	0.0	0.0
Acquisition of tangible fixed assets	-0.4	-9.2	-0.4	-12.2	-12.6
Sale of tangible fixed assets	0.0	0.0	9.3	0.0	0.0
Investments in other financial assets	0.0	0.0	0.0	-14.8	-15.2
Change in short term investments	4.4		-1.9		
Recovery of input VAT on construction projects	0.0	2.0	0.0	11.6	0.0
Cash flow from investing activities	4.8	-7.2	7.5	-15.4	-27.8
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	-1.3	-14.4	-4.3	-19.4	-36.7
Opening liquid funds	2.1	36.8	5.1	41.8	41.8
Liquid funds at the close of the period	0.8	22.4	0.8	22.4	5.1

Group key ratios	Jul-Sept 2013	Jul-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Jan-Dec 2012
<i>Real estate related key ratios</i>					
Lettable area. m ²	25,127	26,400	25,127	26,400	26,400
Book value real estate	466.3	609.9	466.3	609.9	407.7
Occupancy ratio. area. %	94.9	93.9	94.9	93.9	98.1
<i>Financial ratios</i>					
Equity ratio. %	1.5	18.8	1.5	18.8	0.1
Liabilities/Assets. %	98.5	81.2	98.5	81.2	99.8
Interest coverage ratio. Times	Neg	0.53	Neg	Neg	Neg
Debt/equity ratio. Times	61.1	3.6	61.1	3.6	673.4
Return on equity. %	749.9	-73.30	-86.57	-128.93	-201.8
<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	0.44	-1.73	0.12	-3.18	-5.00
Dividend. SEK	0	0	0	0	0
<i>Employees</i>					
Average number of employees	29	18	34	16	16
Number of employees at the end of the period	29	18	29	18	20

Parent company income statement MSEK	Jul-Sept 2013	Jul-Sept 2012	Jan-Sept 2013	Jan-Sept 2012	Jan-Dec 2012 (adjusted)
Net income	0.0	0.3	0.4	0.8	1.1
Net income	0.0	0.2	0.4	0.8	1.1
Depreciation	-0.1	-0.0	-0.1	-0.0	0.0
Other company cost	-3.5	-3.1	-11.2	-10.8	-18.3
Impairment	0.0	0.0	0.0	0.0	0.0
Operating profit/(loss)	-3.6	-3.1	-10.8	-10.0	-17.2
Financial items	-107.9	-50.0	-98.8	-51.9	-698.0
Profit/loss before tax	-111.4	-56.6	-109.6	-61.9	-715.2
Taxes	0.0	0.0	0.0	0.0	0.0
Profit / loss after tax	-111.4	-56.6	-109.6	-61.9	-715.2

Parent company balance sheets MSEK	30-09-2013	30-09-2012	31-12-2012 (adjusted)
Fixed assets			
Tangible fixed assets	0.0	0.1	0.1
Financial fixed assets	263.4	664.2	298.3
Total fixed assets	263.4	664.3	298.4
Current assets			
Short term receivables	99.1	382.2	97.4
Cash	0.4	11.0	0.5
Total current assets	99.5	393.2	97.9
TOTAL ASSETS	362.9	1,057.4	396.3
EQUITY AND LIABILITIES			
Share capital and reserves	441.3	444.3	444.3
Retained earnings	-806.9	-37.0	-699.6
Total equity	-365.6	407.3	-255.3
Long term liabilities	684.2	563.6	635.7
Short term liabilities	44.3	86.6	15.9
TOTAL EQUITY AND LIABILITIES	362.9	1,057.4	396.3

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.