

YEAR-END REPORT

2014



# Year-end Report 2014

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 250 per share, compared to SEK 212 per share at the beginning of the year. This is an increase of 21.1 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 15.8 per cent. The net asset value was SEK 278 per share at 17 February.<sup>1</sup>
- The total return on the Latour share was 22.1 per cent for 2014, which is better than the SIXRX index for the ninth consecutive year.
- The Board of Directors proposes an increase of the annual dividend to SEK 6.00 (5.50) per share.

## INDUSTRIAL OPERATIONS

### Fourth quarter

- The industrial operations' incoming orders increased to SEK 1,994 m (1,800), which means a 1 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The industrial operations recorded net sales of SEK 2,018 m (1,839), which represents a 2 per cent decrease for comparable entities adjusted for foreign exchange effects.
- The operating profit before restructuring and non-recurring expenses increased to SEK 229 m (180), which corresponds to an adjusted operating margin of 11.4 (9.8) per cent for continuing operations. Restructuring and non-recurring expenses amounted to SEK 0 m (10) during the quarter.
- Hultafors acquired Tradeport AB. The company has 23 employees and generates an annual turnover of approximately SEK 70 m. Tradeport develops and markets premium safety footwear and workwear.

### Full year

- The industrial operations' incoming orders increased to SEK 7,663 m (6,988), which means an unchanged level for comparable entities adjusted for foreign exchange effects.
- The industrial operations recorded net sales of SEK 7,581 m (6,897), which means an unchanged level for comparable entities adjusted for foreign exchange effects.
- The operating profit before restructuring and non-recurring expenses increased to SEK 796 m (686), which corresponds to an adjusted operating margin of 10.5 (9.9) per cent for continuing operations. Restructuring and non-recurring expenses amounted to SEK 41 m (37) during the year.
- The annual sales of the seven acquisitions made for the industrial operations during the year add up to approximately SEK 730 m. SEK 300 m of this have been consolidated in 2014.

## GROUP

- The Group's profit after financial items was SEK 2,064 m (1,658).
- The Group's profit after tax was SEK 1,874 m (1,483), which is equivalent to SEK 11.75 (9.31) per share.
- Net debt at the end of December was SEK 3,516 m (1 787) and is equivalent to 8.1 per cent of the market value of total assets.

## INVESTMENT PORTFOLIO

- During the year, the value of the investment portfolio increased by 26.4 per cent adjusted for dividends. The comparable index (SIXRX) increased by 15.8 per cent.

<sup>1</sup> The calculation of the net asset value at 17 February 2015 was based on the value of the investment portfolio at 1 p.m. on 17 February and the same values at 31 December were used for the unlisted portfolio.

### LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of nine substantial holdings that had a market value of about SEK 31 billion as at 31 December 2014. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco. The wholly-owned industrial operations are grouped into five business areas: Hultafors Group, Latour Industries, Nord-Lock, Specma Group and Swegon. The wholly-owned industrial operations generated a turnover of approximately SEK 7.6 billion in 2014.

## Comments from the CEO

"We are very pleased to be able to report yet another quarter with excellent performance. And this is despite the fact that volume growth is still slow. This reaffirms that we are maintaining a high level of efficiency and good cost control in our operations.

Growth remains weak in European markets, but the picture is not uniform. The UK, Irish and Scandinavian markets are showing good growth. Russia, Finland, France and southern Europe are weak markets and there are many uncertainties surrounding growth in the all-important German market.

For the whole of the industrial operations, it has been a year in which both incoming orders and invoiced sales were unchanged, when adjusted for foreign exchange effects and acquisitions. A decrease of 1 per cent in incoming orders and 2 per cent in invoiced sales was reported for the fourth quarter. The picture across the business areas is still mixed, just as it was earlier in the year. All of the business areas, with the exception of Swegon, continue to report organic growth in both the full year and fourth quarter. Growth has been especially good in Nord-Lock, despite a slight slow-down towards the end of the year. Our largest business area Swegon is exhibiting negative growth, adjusted for acquisitions. Nevertheless, growth during 2014, including acquisitions, was 9 per cent.

Incoming orders increased during the fourth quarter overall by 11 per cent to SEK 1,994 m (1,800). This is equivalent to a 1 per cent organic decline when adjusted for foreign exchange effects and acquisitions. Invoicing increased by 10 per cent to SEK 2,018 m (1,839). The adjusted operating profit was SEK 229 m (180), which corresponds to an adjusted operating margin of 11.4 (9.8) per cent. Nord-Lock and Hultafors Group continue to show a strong earnings trend. Latour Industries has stabilised and Swegon is reporting healthy margins set in relation to the weak growth in volumes. Thanks to the measures that we have undertaken and the acquisitions that we have made, we now have favourable conditions for a continuation of the positive earnings trend in the industrial operations. However, it still remains uncertain whether market developments will give us any other help.

Although there was less acquisition activity in the fourth quarter, we made a very interesting addition to Hultafors through the acquisition of the footwear company Tradeport AB, which markets and develops premium safety footwear and workwear.

Acquisition activity was relatively high in the previous quarters in 2014. This mainly took place in Swegon, where we made a total of four acquisitions, P. Lemmens in Belgium to Commercial Ventilation, Econdition in Germany in Cooling, Luftmiljö in Home Solutions and Vibro-Acoustics® in North America. Furthermore, Latour Industries acquired Elvaco and Bastec in 2014. In total this year's acquisitions adds SEK 730 m I annual sales and 350 employees. More details about the acquisitions can be found later on in this interim report. The coming period will be marked by the integration of the acquisitions that we have made, and Swegon, above all, has a period of consolidation ahead. At the same time, we are focusing again on compiling a list of potential new acquisitions.

In all essential respects, our listed holdings are continuing to show very good progress. The value of the investment portfolio rose 26.4 per cent, adjusted for dividends, during 2014. This is significantly higher than the comparable index (SIXRX), which rose 15.8 per cent. Several of our listed companies have been active and have made acquisitions and, it should be pointed out, that the underlying earnings growth has been consistently very positive.

In 2014, the net asset value in Latour increased by 21.1 per cent, adjusted for paid dividends. Overall, 2014 delivered a very strong performance and consequently the Board is able to propose an increase in the dividend to SEK 6.00 (5.50) per share."

*Jan Svensson  
President and Chief Executive Officer*

## Industrial operations

### *Order intake, invoicing and earnings*

#### *Fourth quarter*

The total order intake increased to SEK 1,994 m (1,800) during the fourth quarter. Invoicing increased to SEK 2,018 m (1,839), which is equivalent to a 2 per cent organic decline when adjusted for foreign exchange effects and acquisitions. The adjusted operating profit in the wholly-owned industrial operations increased by 27 per cent to SEK 229 m (180) in the fourth quarter. The adjusted operating margin was 11.4 (9.8) per cent. The reported operating profit including non-recurring expenses increased to SEK 229 m (170), which corresponds to a reported operating margin of 11.4 (9.2) per cent.

#### *Full year*

The total order intake in continuing operations increased to SEK 7,663 m (6,988) during the year. Invoicing increased to SEK 7,581 m (6,897), which means an unchanged level of invoicing when adjusted for foreign exchange effects and acquisitions. The adjusted operating profit in the wholly-owned industrial operations increased by 16 per cent to SEK 796 m (686). The adjusted operating margin was 10.5 (9.9) per cent. The reported operating profit including non-recurring expenses increased to SEK 755 m (649), which corresponds to a reported operating margin of 10.0 (9.4) per cent.

Please refer to pages 5-8 for more details about developments in each business area.

### *Acquisitions and divestitures*

Hultafors Group acquired the footwear company Tradeport in the fourth quarter. The acquisition complements the brand portfolio in Hultafors with premium products of safety footwear, workwear and accessories. Tradeport's range is based on its own brands, Solid Gear, Toe Guard and Dunderdon, which are complemented by Puma safety footwear to be able to offer the best product mix in the market. Tradeport generates a turnover of approximately SEK 70 m and a level of profitability very much in line with Hultafors Group's levels. The company has 23 employees and mainly operates in the Swedish market.

In early July, Swegon acquired 90 per cent of the shares in P. Lemmens, a leading manufacturer of air handling units in Belgium. P. Lemmens, which has its headquarters in Gembloux in Belgium, has 59 employees and reported a turnover of EUR 26 m in 2013. Its largest product area is compact air handling units with built-in controls. The product range also includes fans, air curtains and products for heat recovery. The acquisition will have a positive impact on the Latour Group's earnings per share from the very start. Swegon holds an option to purchase the remaining outstanding 10 per cent at a price in the range of SEK 47-73 m (in March 2019 at current exchange rates for SEK/EUR) depending on the sales growth in the business. This acquisition increases the net debt of the Latour Group by approximately SEK 720 m. This figure includes full additional purchase price as the acquisition is fully consolidated from day one.

Swegon took a key step into the North American market in the second quarter via its acquisition of Vibro-Acoustics®,

a leading manufacturer of HVAC noise and vibration control products in North America. The company has 167 employees and generated a turnover in 2013 of CAD 28 m, which is equivalent to approximately SEK 170 m.

Swegon also acquired Econdition GmbH in Germany at the end of August. Econdition is a leading supplier of cooling systems and service for data centres and industrial applications. The company's head office is located in Munich and it employs 40 staff and reported a turnover of approximately EUR 14 m in 2013. The acquisition of Econdition is in line with Swegon's strategy to expand its presence in the German market and will increase Swegon's cooling systems sales, especially in the growing segment of data centre cooling. The products that are sold can also be produced at Blue Box, Swegon's Italian operations.

Swegon also acquired Luftmiljö AB in Lidköping in early September. Luftmiljö is a manufacturer of proprietary air handling units for residential buildings with integrated control equipment for air flows up to about 0.5 m<sup>3</sup>/s. The company was founded in 1999 with production and development in Lidköping and with sales offices in Stockholm and Gothenburg. It has annual sales of SEK 15 m and 14 employees.

Latour Industries acquired Bastec AB at the beginning of July. Bastec AB is an expanding Swedish company that develops and markets systems for building automation. It has a staff of 28 and a turnover in excess of SEK 45 m, with a focus on energy efficiency. Its main product is BAS2, which is primarily used to control and monitor ventilation, heating, cooling and other technical systems in buildings. BAS2 is based on proprietary hardware and software. Sales are mainly conducted through partners that independently implement customer projects and contracts based on BAS2. Bastec also conducts its own contracts and customer projects in the Malmö region. Bastec's products are currently installed in about 4,000 buildings which must comply with stringent requirements for reliability, ease of use and energy efficiency.

In the first quarter, Latour Industries acquired 80 per cent of the shares in Elvaco AB with an option to acquire the residual 20 per cent of the shares during the first quarter of 2017. Elvaco has 20 employees and annual sales in excess of SEK 60 m. Through the option, Elvaco is fully consolidated from day one.

The annual sales of the acquisitions announced so far this year add up to approximately SEK 730 m. SEK 300 m of this have been consolidated in the financial statements during the year.

# Industrial operations summary

## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Hultafors Group	365	333	1,306	1,208	53	54	177	138	14.5	16.2	13.6	11.5
Latour Industries	286	264	1,055	982	29	17	68	67	10.2	6.6	6.4	6.8
Nord-Lock	169	154	722	624	45	21	211	123	26.7	13.9	29.3	19.8
Specma Group	328	306	1,294	1,152	5	-1	42	12	1.5	-0.2	3.2	1.0
Swegon	870	783	3,209	2,936	98	89	298	346	11.2	11.4	9.3	11.8
Eliminations	-	-1	-5	-5	-1	-	-	-	-	-	-	-
	<b>2,018</b>	<b>1,839</b>	<b>7,581</b>	<b>6,897</b>	<b>229</b>	<b>180</b>	<b>796</b>	<b>686</b>	<b>11.4</b>	<b>9.8</b>	<b>10.5</b>	<b>9.9</b>
expenses	-	-	-	-	-	-10	-41	-37	-	-	-	-
	<b>2,018</b>	<b>1,839</b>	<b>7,581</b>	<b>6,897</b>	<b>229</b>	<b>170</b>	<b>755</b>	<b>649</b>	<b>11.4</b>	<b>9.2</b>	<b>10.0</b>	<b>9.4</b>
Gain/loss from sale/purchase of businesses	-	-	-	-	-	-20	-13	-25				
Other companies and items <sup>2</sup>	-	5	-	47	-18	-13	4	-3				
	<b>2,018</b>	<b>1,844</b>	<b>7,581</b>	<b>6,944</b>	<b>211</b>	<b>137</b>	<b>746</b>	<b>621</b>				

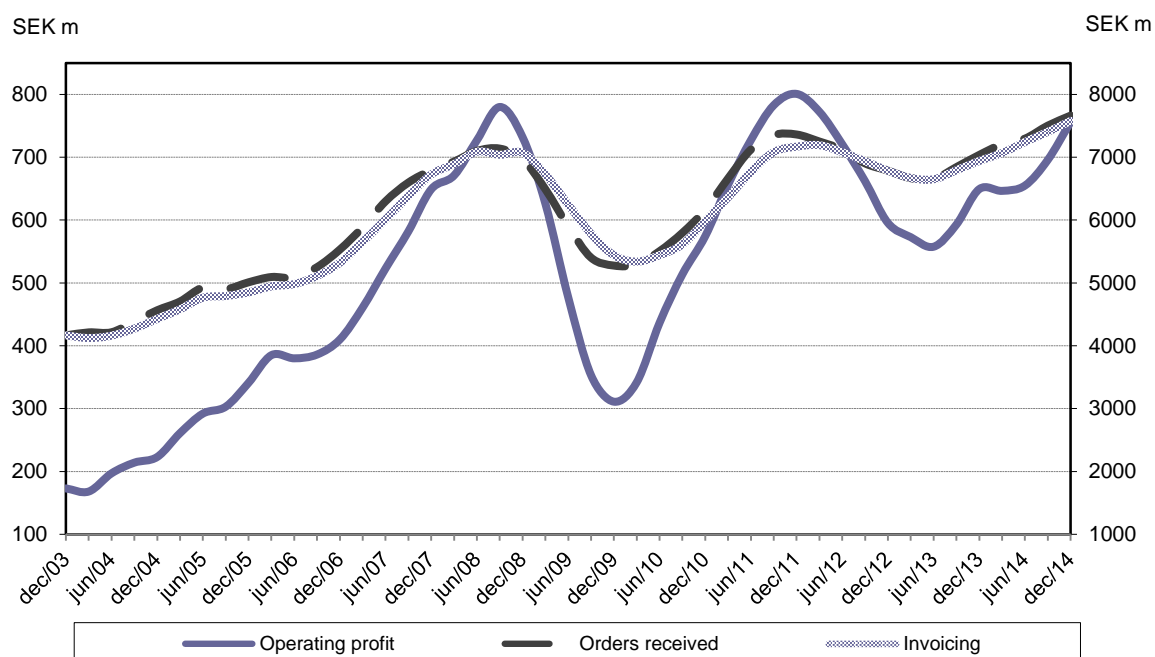
\* The comparative year have been adjusted to correspond to the existing structure

SEK m	Operating capital <sup>1</sup>		Return on operating capital %		Growth in net sales %		
	2014 Trailing 12	2013 Trailing 12	2014 Trailing 12	2013 Trailing 12	2014	Of which acquisitions	Of which currency
Hultafors Group	851	780	20.8	16.1	8.1	0.7	3.6
Latour Industries	873	723	7.8	8.8	7.5	3.1	1.0
Nord-Lock	562	529	37.6	21.6	15.8	-	4.9
Specma Group	588	572	0.1	-0.1	12.3	2.7	1.9
Swegon	1,744	1,155	17.1	30.0	9.3	13.8	3.0
Total	4,618	3,759	16.4	17.3	9.9	6.9	2.8

<sup>1</sup> Calculated as total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.

<sup>2</sup> Net sales refer to the operations (Brickpack) divested in 2013 previously presented as part of Latour Industries.

## Group trailing 12 months



## Development per business area

### Hultafors Group



(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	365	333	1,306	1,208
EBITDA, adjusted*	58	59	195	157
EBITA, adjusted*	55	55	182	142
EBIT, adjusted*	53	54	177	138
EBIT, reported	53	54	177	126
EBITA %, adjusted*	15.0	16.4	14.0	11.8
EBIT %, adjusted*	14.5	16.2	13.6	11.5
Growth %	9.8	0.4	8.1	-3.9
Of which exchange effects	3.8	-0.3	3.6	-1.6
Of which acquisitions	2.4	-	0.7	-
Average number of employees	627	625	617	642

\* Excluding restructuring costs

### Highlights

- Tradeport AB, with a turnover of SEK 70 m, was acquired in the quarter. See page 4 for further information.
- Net sales rose 9.8 per cent during the quarter. Growth was 3.5 per cent when adjusted for foreign exchange effects and acquisitions.
- All product areas reported growth.
- Increased demand compared to last year, particularly in Italy, Ireland, Norway, Sweden and the Netherlands.
- Good operating profit as a result of last year's programme of measures to improve efficiencies and positive foreign exchange effects.

### Breakdown of net sales

(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Workwear	199	193	683	635
Tools	123	110	474	443
Ladders	33	29	135	125
New Business	1	1	5	5
Tradeport	9	-	9	-
	365	333	1,306	1,208

Pro forma adjustment<sup>1</sup>

Trailing 12 month pro forma 1,367

<sup>1</sup> Pro forma for completed acquisitions

**Hultafors Group** offers products in the categories of clothing for professionals, safety footwear, hand tools, ladders and scaffolding. The products are marketed through the brands that have strong positions in their respective markets: Snickers Workwear, Dunderdon, Solid Gear, Toe Guard, Hultafors and Wibe Ladders. Hultafors Group is also a distributor for the German manufacturing company Fein on the Swedish market.

### Latour Industries



(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	286	264	1,055	982
EBITDA, adjusted*	34	23	89	89
EBITA, adjusted*	30	18	70	69
EBIT, adjusted*	29	17	68	67
EBIT, reported	29	16	68	63
EBITA %, adjusted*	10.4	6.7	6.6	7.0
EBIT %, adjusted*	10.2	6.6	6.4	6.8
Growth %	8.2	22.5	7.5	28.5
Of which exchange effects	0.6	-0.1	1.0	-0.4
Of which acquisitions	5.2	5.9	3.1	17.2
Average number of employees	799	714	733	642

\* Excluding restructuring costs

### Highlights

- Net sales rose 8.2 per cent during the quarter. Growth was 2.5 per cent when adjusted for foreign exchange effects and acquisitions.
- The effects of cost reductions and a programme of measures have led to a significantly better fourth quarter than in 2013.
- All the companies in Latour Industries have reported positive results for the quarter.
- Elvaco and Bastec, the newly-acquired companies, have been developed according to plan.

### Breakdown of net sales

(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
LSAB Group	112	111	434	405
REAC	63	56	242	196
Kabona	35	39	126	128
Elvaco	23	-	55	-
Specma Seals	26	23	98	102
Bastec	13	-	22	-
AVT	14	21	57	92
Carstens	-	14	21	60
	286	264	1,055	982

Pro forma adjustment<sup>1</sup>

Trailing 12 month pro forma 1,079

<sup>1</sup> Pro forma for completed acquisitions

**Latour Industries** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area which can eventually become new business areas within Latour. The common denominator is that most customers are active in manufacturing.

## Nord-Lock



(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	169	154	722	624
EBITDA, adjusted*	50	26	229	139
EBITA, adjusted*	46	22	214	126
EBIT, adjusted*	45	21	211	123
EBIT, reported	45	13	211	114
EBITA %, adjusted*	27.1	14.3	29.6	20.2
EBIT %, adjusted*	26.7	13.9	29.3	19.8
Growth %	9.6	8.0	15.8	-2.5
Of which exchange effects	8.1	-1.8	4.9	-3.3
Of which acquisitions	-	-	-	-
Average number of employees	341	388	367	382

\* Excluding restructuring costs

### Highlights

- Net sales rose 9.6 per cent during the quarter. Organic growth was 1.5 per cent when adjusted for foreign exchange effects.
- Continued robust growth in Emerging Markets and Asia Pacific, particularly in China and South Korea.
- Strong earnings trend during the year attributable to growth in volumes and the implementation of measures to improve efficiencies. Adjusted EBIT increased by 72 per cent during the year, and sales per employee increased by 20 per cent.
- Incoming orders increased by 11 per cent in the quarter and by 17 per cent for the full year.

### Breakdown of net sales

(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Europe	87	84	394	348
North America	49	42	198	172
Asia Pacific	32	25	114	83
Emerging markets	4	3	24	16
Other	-3	-	-8	5
	169	154	722	624

Pro forma adjustment<sup>1</sup> -

Trailing 12 month pro forma 722

<sup>1</sup> Pro forma for completed acquisitions

**Nord-Lock** is a world leader in bolt securing systems. Its innovative products include wedge-locking technology and Superbolt tensioners which have been providing customers in all major industrial sectors with safe, reliable and effective bolt securing solutions for over 30 years. Nord-Lock optimises the most demanding types of applications using its extensive technical expertise.

## Specma Group



(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	328	306	1,294	1,152
EBITDA, adjusted*	10	4	61	30
EBITA, adjusted*	5	-1	42	12
EBIT, adjusted*	5	-1	42	12
EBIT, reported	5	-3	1	-
EBITA %, adjusted*	1.5	-0.2	3.2	1.1
EBIT %, adjusted*	1.5	-0.2	3.2	1.0
Growth %	7.4	14.2	12.3	-3.8
Of which exchange effects	2.3	0.1	1.9	-0.7
Of which acquisitions	-	4.9	2.7	3.5
Average number of employees	748	815	760	731

\* Excluding restructuring costs

### Highlights

- Net sales rose 7.4 per cent during the quarter. Organic growth was 5.1 per cent when adjusted for foreign exchange effects.
- The headcount has been reduced by 28 in the fourth quarter, compared to the beginning of the year and the third quarter. These measures produce an immediate effect.
- In addition to these measures, the drop in earnings in the quarter has been attributed to certain non-recurring costs and pricing pressures in the market.

### Breakdown of net sales

(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Global Division	237	218	921	829
Nordic Division	91	88	373	323
	328	306	1,294	1,152
Pro forma adjustment <sup>1</sup>			-	-
Trailing 12 month pro forma			1,294	

<sup>1</sup> Pro forma for completed acquisitions

**Specma Group** is an industry leader and Nordic player with an international presence in application customised systems and components for hydraulics. The business is divided into a Global Division that serves major international OEM customers, and a Nordic Division that serves smaller OEM customers, offers industry an MRO concept and serves the after sales market in the Nordic region.





## Swegon



(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	870	783	3,209	2,936
EBITDA, adjusted*	116	107	373	415
EBITA, adjusted*	99	90	303	349
EBIT, adjusted*	98	89	298	346
EBIT, reported	98	89	298	346
EBITA %, adjusted*	11.4	11.4	9.4	11.9
EBIT %, adjusted*	11.2	11.4	9.3	11.8
Growth %	11.0	10.2	9.3	5.4
Of which exchange effects	3.3	-0.6	3.0	-1.5
Of which acquisitions	17.1	13.4	13.8	8.8
Average number of employees	1,807	1,515	1,674	1,461

\* Excluding restructuring costs

## Highlights

- Net sales rose 11 per cent during the quarter, corresponding to a 9.4 per cent organic decline when adjusted for foreign exchange effects and acquisitions.
- The picture for demand remains mixed across Europe; there are signs of improvement in Scandinavia, the UK and several export markets, while the markets in Finland and Russia, in particular, are weak.
- The business area Cooling salvaged two orders for projects amounting to SEK 22 m.
- Incoming orders increased significantly during the quarter for North American Vibro-Acoustics®, which was acquired during the year.
- Another quarter with an EBIT margin in excess of 10 per cent, despite negative organic growth.

## Breakdown of net sales

(SEK m)	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Sweden	180	211	712	784
Rest of Nordic region	200	180	767	752
Rest of world	490	392	1,730	1,400
	<b>870</b>	<b>783</b>	<b>3,209</b>	<b>2,936</b>
Pro forma adjustment <sup>1</sup>			294	
<b>Trailing 12 month pro forma</b>			<b>3,503</b>	

<sup>1</sup> Pro forma for completed acquisitions

**Swegon** provides components and innovative system solutions that create a good indoor climate and contribute to significant energy savings in all types of buildings. Swegon's products constitute a turnkey solution for the perfect indoor climate. Including foreign sales companies, Swegon has 1,800 employees and generates a turnover in excess of SEK 3 billion.



# The Latour share's net asset value

In order to facilitate the evaluation of Latour's net asset value, Latour provides an estimated range of the value (Enterprise Value) for each business area based on EBIT multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are reflected in the tables by valuing each business area in a range. Deductions are then made for the Group's net debt. The evaluation of comparable companies is based on the share price on the balance sheet date. Any price changes after the balance sheet date have not been taken into consideration.

A more detailed description can be found on pages 20–21 in Latour's Annual Report for 2013.

In some cases, the valuation multiples for comparable companies span over a very big range. For this reason the multiples may be adjusted in order to avoid unreasonable values. The valuation multiple EV/sales has been used for certain entities. The indicative value stated below is not a complete market valuation of Latour's holdings.

The net asset value increased to SEK 250 per share during the period from SEK 121 at the beginning of the year. The net asset value consequently increased by 21.1 per cent, adjusted for dividends, which can be compared to SIXRX which rose 15.8 per cent.

SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple or EV/sales multiple Range	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Hultafors Group	1,367	189	11 – 15	2,078 – 2,834	2,456	13 – 18
Latour Industries	1,079	79	11 – 15	864 – 1,178	1,021	5 – 7
Nord-Lock	722	211	12 – 16	2,536 – 3,381	2,958	16 – 21
Specma Group	1,294	41	0.4 – 0.6	518 – 776	647	3 – 5
Swegon	3,503	350	13 – 17	4,546 – 5,945	5,246	29 – 37
	<b>7,965</b>	<b>869</b>		<b>10,541 – 14,114</b>	<b>12,327</b>	<b>66 – 89</b>
Listed shares (see table on page 10 for breakdown)					<b>30,537</b>	<b>192</b>
<b>Unlisted part-owned companies</b>						
Academic Work <sup>4</sup> , 20.06 %					319	2
Diamorph <sup>5</sup> , 21.18 %					125	1
Oxeon <sup>6</sup> , 31.08 %					25	0
<b>Other assets</b>						
Short trading portfolio					79	0
Dilution effect of option programme					-38	0
Other					0	0
Consolidated net debt					-3,516	-22
<b>Estimated value</b>					<b>39,859</b>	<b>250</b>
					<b>(38 073 – 41 645)</b>	<b>(239 – 261)</b>

<sup>1</sup> Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

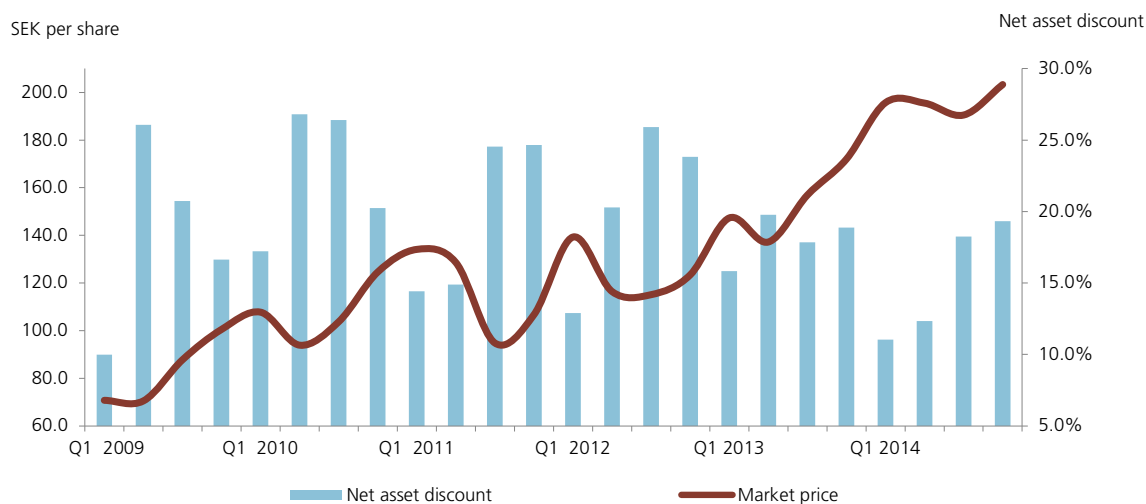
<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 31 December 2014 for comparable companies in each business area.

<sup>3</sup> Calculated on the basis of the number of outstanding shares.

<sup>4</sup> Valued according to the latest statement made by an independent valuer.

<sup>5</sup> Valued according to the latest transaction.

<sup>6</sup> Valued according to Latour's latest acquisition price.



# Investment portfolio 31 December 2014

In the year as a whole, the aggregate value of the investment portfolio increased by 26.4 per cent, adjusted for dividends, while the comparable index (SIXRX) increased by 15.8 per cent.

870,000 more shares were acquired in Tomra in the fourth quarter. 4,370,000 shares were acquired in Tomra earlier in the year.

Aktie	Number	Cost SEK m	Listed share price <sup>1</sup> SEK	Market value SEK m	Share of votes %	Share of equity %
Assa Abloy <sup>2 3</sup>	35,165,243	1,697	415	14,587	29.5	9.5
Fagerhult <sup>3 4</sup>	18,620,400	571	138	2,566	49.0	49.2
HMS Networks <sup>3</sup>	3,027,322	250	149	451	26.7	26.7
Loomis <sup>2 3</sup>	7,538,328	108	226	1,704	28.6	10.0
Nederman <sup>3</sup>	3,512,829	306	168	588	30.1	30.1
Nobia	23,100,000	469	70	1,605	13.8	13.8
Securitas <sup>2 3</sup>	39,732,600	1,081	94	3,751	29.6	10.9
Sweco <sup>2 3</sup>	28,997,760	152	106	3,074	22.8	31.9
Tomra <sup>3 5</sup>	36,560,000	1,795	60 NOK <sup>6</sup>	2,211	24.7	24.7
<b>Total</b>		<b>6,429</b>		<b>30,537</b>		

<sup>1</sup> Purchase price at the end of the report period.

<sup>2</sup> The shareholdings in Assa Abloy, Loomis, Securitas and Sweco consist of class A and class B shares. Due to the limited trading in class A shares in Sweco, and the fact that the other three companies' class A shares are unlisted, the shares are reported together and have been given the same listed share price.

<sup>3</sup> Shown as associated companies in the balance sheet.

<sup>4</sup> At the end of December 2014, 90,000 shares were loaned out and are therefore not counted in Latour's share of votes.

<sup>5</sup> At the end of the report period, the listed share price was NOK 57.50 which has been translated to SEK at the exchange rate on the balance sheet date.

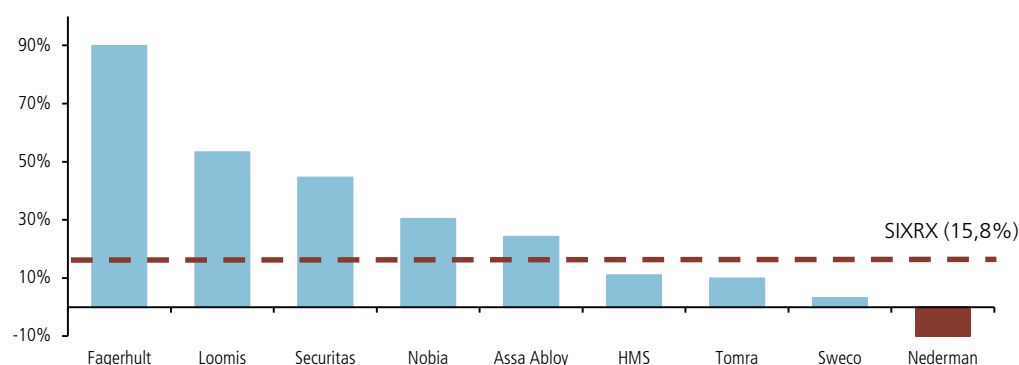
<sup>6</sup> The last price paid is used as the listed share price.

## Movements in investment portfolio values



Movements in investment portfolio values (SEK billion). These figures include acquired cost but not dividend payments for the period.

## Total return for the portfolio companies



The total return, including share price development and dividends, for each portfolio company.

# Result and financial position

## Group

The Group's profit after financial items was SEK 2,064 m (1,658). Profit after tax was SEK 1,874 m (1,483), which is equivalent to SEK 11.75 (9.31) per share.

The Group's cash in hand and liquid investments reached SEK 428 m (472). Interest-bearing debt, excluding pension liabilities, was SEK 3,951 m (2,121). The Group's net debt, including pension liabilities, was SEK 3,516 m (1,787). The equity ratio was 85 (88) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

In the second quarter, a financial strategy decision was taken to buy out all the Swedish pension liabilities within the FPG/PRI pension system. A total of SEK 148 m in pension liabilities was bought out and incurred a non-recurring expense of SEK 10 m which is reported in net financial items.

There have been no transactions with related parties that have had a material effect on the results or financial position of the Group.

## Investments

During the period, SEK 197 m (162) was invested in property, plant and equipment, of which SEK 129 m (128) was machinery and equipment, SEK 30 m (20) vehicles and 38 m (14) buildings. Out of total investments for the year, SEK 46 (30) m refers to fixed assets in new acquisitions.

## Parent company

The parent company's profit after financial items was SEK 816 m (805). The parent company's equity ratio was 85 (88) per cent.

Not including repurchased shares, the number of outstanding shares at 30 December 2014 amounted to 159,493,000. At the end of the period, Latour held 467,000 repurchased class B shares. The total number of outstanding call options is 730,000.

The allocation of issued shares is 11,931,278 class A shares and 148,028,722 class B shares.

## Events after the reporting period

There were no material events subsequent to the end of the reporting period.

## Dividends

The Board of Directors proposes an increase of the regular dividend of SEK 6.00 (5.50) per share. In absolute terms, this is equivalent to SEK 957 m in dividends.

## Risks and uncertainties

The main risk to which the Group and the parent company are exposed is the risk attributable to adverse changes in the values of financial instruments, including a general decline in the stock market or in the value of an individual holding. This includes uncertainties relating to changes in exchange rates and interest rates. Latour has a well-diversified holding of shares, spread across nine listed holdings and five wholly-owned business areas. This means that the development and performance of an individual holding will not have a drastic impact on the portfolio as a whole. As the wholly-owned industrial operations have increased in size, Latour as a whole is influenced to a greater degree by changes attributable to these operations. On the whole, Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a certain emphasis on sectors linked to the construction industry. Construction can also be divided into several dimensions, such as new builds or government-subsidised repair, conversion or extension work, locally or globally, and housing, office and industrial premises or infrastructure projects. No other material risks in addition to those described in Note 34 of Latour's Annual Report 2013 are deemed to have arisen.

## Audit and accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting in respect of the Group and in accordance with the Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

New accounting standard requirements that came into effect on 1 January 2014 have not had any impact on the Group's or parent company's accounting as at 31 December 2014.

In other respects, the accounting policies adopted by the Group and parent company are consistent with those used in the preparation of the most recent annual report.

This report has not been audited by the company's auditors.

## Nomination Committee

The Nomination Committee for the Annual General Meeting on 5 May 2015 comprises the following members: Gustaf Douglas (Chairman, main owner)  
Björn Karlsson (Bertil Svensson's family and trust)  
Johan Strandberg (SEB funds)

The Nomination Committee can be contacted through Latour's website [www.latour.se](http://www.latour.se) under Corporate Governance, Board of Directors, Nominating Committee.

Gothenburg, 18 February 2015  
Jan Svensson  
*President and CEO*

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**For further information please contact:**

Jan Svensson, President and CEO, tel. +46 (0)705-77 16 40.

Anders Mörck, Chief Financial Officer, tel. +46 (0)706-46 52 11 or +46 (0)31-89 17 90.

**Conference call**

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörck commencing at 11 a.m. today.

The number to call is +46 (0)8 566 426 61. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, [www.latour.se](http://www.latour.se).

*The interim report for the period January – March 2015 will be published on 29 April 2015*

*The General Annual Meeting will be held on 5 May at Radisson Blu Scandinavia Hotel in Gothenburg.*

*The interim report for the period January – June 2015 will be published on 18 August 2015*

*The interim report for the period January – September 2015 will be published on 6 November 2015*

<p>The information contained in this report constitutes information which the company is required to disclose under the Swedish Securities Market Act. The information was submitted for publication on 18 February 2015, at 8:30 a.m.</p>
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## Consolidated income statement

SEK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Net sales	2,018	1,844	7,581	6,944
Cost of goods sold	-1,257	-1,173	-4,757	-4,399
<b>Gross profit</b>	<b>761</b>	<b>671</b>	<b>2,824</b>	<b>2,545</b>
Sales costs	-396	-381	-1,472	-1,382
Administrative costs	-122	-104	-523	-422
Research and development costs	-50	-40	-155	-156
Other operating income	18	9	88	64
Other operating expenses	-	-18	-16	-28
<b>Operating profit</b>	<b>211</b>	<b>137</b>	<b>746</b>	<b>621</b>
Income from interests in associates	426	287	1,347	1,060
Income from portfolio management	-	-1	36	43
Management costs	-4	-3	-15	-14
<b>Profit before financial items</b>	<b>633</b>	<b>420</b>	<b>2,114</b>	<b>1,710</b>
Finance income	43	13	105	33
Finance expense incl redemption of pension liability	-69	-17	-155	-85
<b>Profit after financial items</b>	<b>607</b>	<b>416</b>	<b>2,064</b>	<b>1,658</b>
Taxes	-55	-36	-190	-175
<b>Profit for the period</b>	<b>552</b>	<b>380</b>	<b>1,874</b>	<b>1,483</b>
		-	-	-
<b>Attributable to:</b>				
Parent company shareholders	552	380	1,874	1,483
Non-controlling interests	-	-	-	-
Earnings per share regarding profit attributable to parent company shareholders				
Basic share	3.46	2.38	11.75	9.31
Diluted share	3.45	2.37	11.70	9.27
Average number of basic shares outstanding	159,493,000	159,378,000	159,445,425	159,357,121
Average number of diluted shares outstanding	160,223,000	160,097,000	160,121,214	159,986,921
Number of outstanding shares	159,493,000	159,378,000	159,493,000	159,378,000

## Consolidated statement of comprehensive income

SEK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Profit for the period	552	380	1,874	1,483
<b>Other comprehensive income</b>				
<b>Items that will not be recycled to the income statement</b>				
Restatement of net pension obligations	-3	6	-3	6
	-3	6	-3	6
<b>Items that may subsequently be recycled to the income statement</b>				
Change in translation reserve for the period	62	35	123	23
Change in fair value reserve for the period	150	68	343	629
Change in hedging reserve for the period	11	-8	5	-8
Change in associated companies' equity	22	-187	383	-256
	245	-92	854	388
<b>Other comprehensive income, net after tax</b>	<b>242</b>	<b>-86</b>	<b>851</b>	<b>394</b>
<b>Comprehensive income for the period</b>	<b>794</b>	<b>294</b>	<b>2,725</b>	<b>1,877</b>
<b>Attributable to:</b>				
Parent company shareholders	794	294	2,725	1,877
Non-controlling interests	-	-	-	-

## Consolidated cash flow statement

SEK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Operating cash flows before movements in working capital	249	194	781	636
Movements in working capital	17	60	-266	-17
<b>Operating cash flows</b>	<b>266</b>	<b>254</b>	<b>515</b>	<b>619</b>
Acquisitions of subsidiaries	-88	-9	-722	-266
Sale of subsidiaries	-	20	4	20
Other investments	-87	-75	-163	-152
Portfolio management	-103	-29	266	444
<b>Cash flow after investments</b>	<b>-12</b>	<b>161</b>	<b>-100</b>	<b>665</b>
Financial payments	31	33	14	-435
<b>Cash flow for the period</b>	<b>19</b>	<b>194</b>	<b>-86</b>	<b>230</b>

## Consolidated balance sheet

SEK m	2014/12/31	2013/12/31
<b>ASSETS</b>		
Goodwill	3,506	1,969
Other intangible assets	70	69
Property, plant and equipment	741	715
Financial assets	11,613	9,781
Inventories etc.	1,250	1,069
Current receivables	1,582	1,405
Cash and bank	428	472
<b>Total assets</b>	<b>19,190</b>	<b>15,480</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	13,523	11,658
Non-controlling interests	0	0
<i>Total equity</i>	<i>13,523</i>	<i>11,658</i>
Interest-bearing long-term liabilities	842	463
Non-interest-bearing long-term liabilities	221	185
Interest-bearing current liabilities	3,139	1,832
Non-interest-bearing current liabilities	1,465	1,342
<b>Equity and liabilities</b>	<b>19,190</b>	<b>15,480</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2013	133	-56	419	10,383	0	10,879
Total comprehensive income for the period			644	1,233		1,877
Gradual acquisition of associated companies			-338	23		-315
Issued call options				3		3
Exercise of call options		8		2		10
Dividends				-796		-796
Closing balance 31 Dec 2013	133	-48	725	10,848	0	11,658
Opening balance 1 Jan 2014	133	-48	725	10,848	0	11,658
Total comprehensive income for the period			471	2,254		2,725
Issued call options				3		3
Exercise of call options		10		4		14
Dividends				-877		-877
Closing balance 31 Dec 2014	133	-38	1,196	12,232	0	13,523

## Key ratios, Group

	2014/12/31	2013/12/31
Return on equity (%)	15	13
Return on total capital (%)	13	12
Adjusted equity ratio <sup>1</sup> (%)	85	88
Adjusted equity <sup>1</sup> (SEK m)	33,015	26,830
Surplus value in associated companies <sup>2</sup> (SEK m)	19,492	15,172
Net debt/equity ratio (%)	11	7
Net debt/EBITDA	3.8	2.3
Listed share price (SEK)	203	172
Repurchased shares	467,000	582,000
Average number of repurchased shares	514,575	629,575
Average number of employees	4,185	3,909
Outstanding convertible bonds	-	-
Issued warrants	-	-
Issued call options on repurchased shares	730,000	701,000

<sup>1</sup> Incl. fair value gain in associated companies

<sup>2</sup> The difference between the carrying amount and market value

## Parent company income statement

SEK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Income from interests i Group companies	-	-	330	325
Income from interest in associates	-	10	464	448
Income from portfolio management	-1	-	22	12
Management costs	-2	-2	-9	-8
<b>Profit before financial items</b>	<b>-3</b>	<b>8</b>	<b>807</b>	<b>777</b>
Interest income and similar items	10	15	48	61
Interest expense and similar items	-9	-9	-39	-33
<b>Profit after financial items</b>	<b>-2</b>	<b>14</b>	<b>816</b>	<b>805</b>
Taxes	-	-	-	-
<b>Profit for the period</b>	<b>-2</b>	<b>14</b>	<b>816</b>	<b>805</b>

## Parent company statement of comprehensive income

SEK m	2014 Q4	2013 Q4	2014 Full Year	2013 Full Year
Profit for the period	-2	14	816	805
Change in fair value reserve for the period	142	65	326	599
Total other comprehensive income	142	65	326	599
<b>Comprehensive income for the period</b>	<b>140</b>	<b>79</b>	<b>1,142</b>	<b>1,404</b>

## Parent company balance sheet

SEK m	2014/12/31	2013/12/31
<b>ASSETS</b>		
Financial assets	9,858	9,241
Current receivables from Group companies	10	15
Other current liabilities	2	2
Cash and bank	6	7
<b>Total assets</b>	<b>9,876</b>	<b>9,265</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	8,371	8,089
Interese-bearing long-term lilabilities	101	101
Non-interest-bearing long-term liabilities	5	5
Interese-bearing current liabilities	1,395	1,056
Non-interest-bearing current liabilities	4	14
<b>Equity and liabilities</b>	<b>9,876</b>	<b>9,265</b>

## Parent company statement of changes in equity

SEK m	2014/12/31	2013/12/31
Amount at beginning of year	8,089	7,806
Total comprehensive income for the period	1,142	1,404
Issued call options	3	3
Exercise of call options	14	10
Gradual acquisition of associated companies	-	-338
Dividends	-877	-796
<b>Amount at end of year</b>	<b>8,371</b>	<b>8,089</b>



## Segment reporting:

### Development per business area 1 Jan 2014 – 31 Dec 2014

SEK m	Industrial operations						Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Specma Group	Swegon	Other		
<b>INCOME</b>								
External sales	1,305	1,051	722	1,294	3,209	-		7,581
Internal sales	1	4	-	-	-	-		5
<b>RESULT</b>								
Operating profit	177	68	211	1	298	-9		746
Income from portfolio management							1,368	1,368
Finance income								105
Finance expense								-155
Taxes								-190
<b>Profit for the period</b>								<b>1,874</b>
<b>OTHER DISCLOSURES</b>								
Investments in:								
property, plant and equipment	9	17	20	18	102	31	-	197
intangible assets	217	240		3	966		-	1,426
Depreciation/amortisation	17	21	18	19	75	17		167

## Segment reporting:

### Development per business area 1 Jan 2013 - 31 Dec 2013

SEK m	Industrial operations						Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Specma Group	Swegon	Other		
<b>INCOME</b>								
External sales	1,207	980	623	1,152	2,935	47		6,944
Internal sales	1	2	1		1			5
<b>RESULTS</b>								
Operating result	126	63	114	-	346	-28		621
Income from portfolio management							1,089	1,089
Finance income								33
Finance expense								-85
Taxes								-175
<b>Profit for the period</b>								<b>1,483</b>
<b>OTHER DISCLOSURES</b>								
Investments in:								
property, plant and equipment	12	17	18	17	77	21	-	162
intangible assets	4	122	14	5	148	-	-	293
Depreciation/amortisation	19	22	16	18	69	18	-	162

## Change in consolidated interest-bearing net debt

SEK m	2013/12/31	Change in cash	Change in loans	Other changes	2014/12/31
Interest-bearing receivables	36			1	37
Cash	472	-44			428
Pensions provisions	-174			144	-30
Long-term liabilities	-310		-502		-812
Utilised bank overdraft facilities	-12		-33		-45
Interest-bearing current liabilities	-1,799		-1,295		-3,094
<b>Interest-bearing net debt</b>	<b>-1,787</b>	<b>-44</b>	<b>-1,830</b>	<b>145</b>	<b>-3,516</b>

## Five year overview

SEK m	2014	2013	2012	2011	2010
Net sales, SEK m	7,581	6,944	6,788	7,171	5,991
Operating profit, SEK m	746	621	635	883	620
Income from interest in associates, SEK m	1,347	1,060	914	1,449	226
Income from portfolio management, SEK m	36	43	35	-41	78
Profit after finance items, SEK m	2,064	1,710	1,497	2,230	870
Earnings per share, SEK	12	9	8	14	5
Return on equity, %	15	13	13	18	6
Return on total capital, %	13	12	12	17	7
Adjusted equity ratio, %	85	88	86	84	85
Net debt/equity ratio, %	11	7	8	7	2
Listed share price, SEK	203	172	124	107	124

## Note 1: Business combinations

### Specification of acquisitions

Transfer date		Country	Business area	Number of employees
17 March 2014	Elvaco AB	Sweden	Latour Industries	20
4 June 2014	Vibro-Acoustics®	Canada	Swegon	167
27 June 2014	Bastec AB	Sweden	Latour Industries	28
8 July 2014	P. Lemmens	Belgian	Swegon	59
30 August 2014	Econdition GmbH	Germany	Swegon	40
1 September 2014	Luftmiljö AB	Sweden	Swegon	14
6 November 2014	Tradeport AB	Sweden	Hultafors Group	23

Two other acquisitions have been made in addition to those mentioned above but these have no material impact on the financial statements.

### Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	93
Property, plant and equipment	44
Finance assets	-
Inventories	95
Account receivable	86
Other receivable	46
Cash	181
Long-term liabilities	-336
Current liabilities	-243
<b>Net identifiable assets and liabilities</b>	<b>-34</b>
Group goodwill	1,320
<b>Total purchase price</b>	<b>1,286</b>
Additional purchase price	-415
<b>Cash settlement purchase price</b>	<b>871</b>
Acquisition of non-cash items	32
Acquired cash	-181
<b>Effect of Group cash</b>	<b>722</b>

During the period, Latour has acquired 80 per cent of the shares in Elvaco AB, 100 per cent of the shares in Vibro-Acoustics®, 100 per cent of the shares in Bastec AB, 90 per cent of the shares in P. Lemmens, 100 per cent of the shares in Econdition GmbH, 100 per cent of the shares in Luftmiljö AB and 100 per cent of the shares in Tradeport AB. Elvaco has contributed SEK 55 m in income and SEK 13 m in operating profit during the period. Vibro-Acoustics® has contributed SEK 81 m in income and SEK -9 m in operating profit/loss during the period. Bastec has contributed SEK 22 m in income and SEK 5 m in operating profit during the period. P. Lemmens has contributed SEK 84 m in income and SEK 20 m in operating profit during the period. Econdition has contributed SEK 39 m in income and SEK 2 m in operating profit during the period. Luftmiljö has contributed SEK 7 m in income and SEK 0 m in operating profit during the period. Tradeport has contributed SEK 9 m in income and SEK 0 m in operating profit during the period.

All acquisitions have been made with the aim of strengthening and developing the Latour Group's existing operations.

Transaction costs for acquisitions made during the period amount to SEK 8 m. Estimated additional purchase prices have been booked for acquisitions of Elvaco, Vibro-Acoustics®, Bastec, P. Lemmens, Econdition, Luftmiljö and Tradeport. The final prices are based on performance over the coming years and may amount to as much as SEK 60 m, SEK 85 m, SEK 30 m, SEK 73 m, SEK 37 m, SEK 18 m and SEK 130 respectively. These sums have also been reserved.

## Note 2: Information regarding financial assets and liabilities

The table below shows how fair value is determined for the financial instruments valued at fair value in the report on financial positions. Fair value is determined according to three different levels. Compared to the annual accounts 2013 no transfers were made during the period of 2014 between the different levels of fair value hierarchy and no changes have occurred in the applied valuation techniques and/or principles.

### Financial instruments – Fair value

GROUP 2015/12/31

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Loans and accounts receivable, cash	Other liabilities	Total carrying amount
<b>FINANCIAL ASSETS</b>						
Listed shares, management	1 605 <sup>1</sup>					1,605
Other long-term securities holdings	0 <sup>2</sup>					0
Other long-term receivables				37 <sup>3</sup>		37
Listed shares, trading		79 <sup>1</sup>				79
Unrealised gains, currency derivatives			41 <sup>2</sup>			41
Other current receivables				1 369 <sup>3</sup>		1,369
Cash				428 <sup>3</sup>		428
<b>Total</b>	<b>1,605</b>	<b>79</b>	<b>41</b>	<b>1,834</b>	<b>0</b>	<b>3,559</b>
<b>FINANCIAL LIABILITIES</b>						
Long-term loans					812 <sup>3</sup>	812
Bank overdraft facilities					45 <sup>3</sup>	45
Current loans					3 093 <sup>3</sup>	3,093
Other liabilities					835 <sup>3</sup>	835
Unrealised gains, currency derivatives			21 <sup>2</sup>			21
<b>Total</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>4,785</b>	<b>4,806</b>

<sup>1</sup> Level 1 – valued at fair value based on quoted prices on an active market for identical assets.

<sup>2</sup> Level 2 – valued at fair value based on other observable inputs for assets and liabilities than quoted price included in level 1.

<sup>3</sup> Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

Listed financial assets are valued at the quoted purchase price on the balance sheet date. Fair value on unlisted financial assets is determined by using valuation techniques such as a recent transaction, the price of a similar instrument or discounted cash flows.

Currency derivatives consist of forward exchange contracts and are included in level 2. Valuation at fair value of forward exchange contracts is based on forward rates established by banks on an active market.

The fair value of accounts receivable and other receivables, current receivables, cash and other liquid funds, accounts payable and other liabilities as well as long-term liabilities are estimated to have the same value as their carrying amount. Market interest is not believed to materially deviate from the discount rate for interest-bearing long-term liabilities and therefore the carrying amount is considered in essence equal to the fair value.

The Group's valuation process is carried out by the Group finance and treasury department where a team works with valuation of the financial assets and liabilities held by the Group.

## Information by quarter

SEK m	2014					2013					2012				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>															
Net sales	7,581	2,018	1,877	1,940	1,746	6,944	1,844	1,716	1,764	1,620	6,788	1,697	1,571	1,785	1,735
Cost of goods sold	-4,757	-1,257	-1,131	-1,263	-1,106	-4,399	-1,173	-1,077	-1,117	-1,032	-4,299	-1,074	-986	-1,134	-1,105
Gross profit	2,824	761	746	677	640	2,545	671	639	647	588	2,489	623	585	651	630
Costs etc. for the operation	-2,078	-550	-484	-515	-529	-1,924	-534	-437	-496	-457	-1,854	-480	-417	-474	-483
Operating profit	746	211	262	162	111	621	137	202	151	131	635	143	168	177	147
Total portfolio management	1,368	422	304	335	307	1,089	283	354	238	214	949	292	217	290	150
Profit before financial items	2,114	633	566	497	418	1,710	420	556	389	345	1,584	435	385	467	297
Net financial items	-50	-26	-6	-6	-12	-52	-4	-24	-7	-17	-87	-10	-35	-11	-31
Profit after financial items	2,064	607	560	491	406	1,658	416	532	382	328	1,497	425	350	456	266
Taxes	-190	-55	-67	-38	-30	-175	-36	-53	-52	-34	-146	-36	-38	-37	-35
Profit for the period	1,874	552	493	453	376	1,483	380	479	330	294	1,351	389	312	419	231
<b>KEY RATIOS</b>															
Earnings per share, SEK	11.75	3.46	3.09	2.84	2.36	9.30	2.38	3.01	2.07	1.85	8.47	2.44	1.96	2.63	1.45
Cash flow for the period	-86	19	121	-47	-179	230	194	73	-9	-28	-249	11	44	-338	34
Adjusted equity ratio, %	85	85	85	86	87	88	88	86	84	86	86	86	86	85	86
Adjusted equity	33,015	33,015	30,256	28,587	28,181	26,830	26,830	24,197	21,494	22,013	20,223	20,223	18,604	17,984	19,195
Net asset value	39,859	39,859	37,117	35,582	35,022	33,799	33,799	30,459	27,229	27,942	25,726	25,726	24,080	23,359	25,564
Net asset value per share	250	250	233	223	220	212	212	191	171	175	162	162	151	146	160
Listed share price	203	203	191	196	196	172	172	157	135	148	124	124	114	116	134
<b>NET SALES</b>															
Hultafors Group	1,306	365	315	322	289	1,208	333	305	282	288	1,257	332	297	309	319
Latour Industries	1,055	286	229	281	274	982	264	223	256	239	765	216	165	195	189
Nord-Lock	722	169	193	192	169	624	154	162	158	150	639	142	163	167	166
Specma Group	1,294	328	302	344	320	1,152	306	265	302	279	1,198	268	251	331	348
Swegon	3,209	870	838	801	700	2,936	783	748	753	652	2,785	711	659	743	672
Other companies and eliminations	-5	-	0	0	-6	42	4	13	13	12	144	30	36	40	42
	7,581	2,018	1,877	1,940	1,746	6,944	1,844	1,716	1,764	1,620	6,788	1,698	1,571	1,785	1,736
<b>OPERATING PROFIT</b>															
Hultafors Group	177	53	50	41	33	126	54	40	12	20	128	36	32	28	32
Latour Industries	68	29	11	20	8	63	16	18	13	16	26	6	8	9	3
Nord-Lock	211	45	68	57	42	114	13	36	35	30	128	15	38	34	41
Specma Group	1	5	18	-26	4	0	-3	0	2	1	-9	-27	-1	8	11
Swegon	298	98	90	74	37	346	89	101	96	59	326	86	84	93	63
	755	229	237	166	124	649	169	196	158	126	599	116	161	172	150
Gain/loss from sale/purchase of busi	-13	0	-4	-8	-1	-25	-20	-2	-	-3	7	7	-	-	-
Other companies and items	4	-18	29	4	-12	-3	-13	8	-7	8	29	20	7	5	-3
	746	211	262	162	111	621	136	202	151	131	635	143	168	177	147
<b>OPERATING MARGIN (%)</b>															
Hultafors Group	13.6	14.5	15.8	12.8	11.1	10.4	16.1	13.3	4.2	6.9	10.2	10.8	10.7	9.1	10.0
Latour Industries	6.4	10.2	4.9	7.2	2.8	6.5	6.2	8.2	5.1	6.6	3.4	2.9	4.7	4.4	1.7
Nord-Lock	29.3	26.7	35.1	29.6	24.7	18.3	8.6	22.0	22.0	20.5	20.0	10.2	23.3	20.6	24.5
Specma Group	0.1	1.5	5.8	-7.5	1.2	0.0	-0.9	-0.2	0.6	0.4	-0.7	-10.0	-0.4	2.3	3.2
Swegon	9.3	11.2	10.7	9.2	5.3	11.8	11.4	13.5	12.8	9.1	11.7	12.1	12.8	12.6	9.4
	10.0	11.4	12.6	8.6	7.1	9.3	9.2	11.4	8.9	8.6	8.8	6.8	10.2	9.6	8.6



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J A Wettergrens gata 7, Box 336, SE-401 25 Gothenburg, Sweden. Tel +46 (0)31-89 17 90. Fax +46 (0)31-45 60 63  
info@latour.se, www.latour.se