

INTERIM REPORT
JANUARY–MARCH

2015



Interim report January - March 2015

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 291 per share, compared to SEK 250 per share at the beginning of the year. This is an increase of 16 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 15.8 per cent. The net asset value was SEK 304 per share at 28 April.¹
- The total return on the Latour share was 21.5 per cent for the period, which is better than the SIXRX index.

INDUSTRIAL OPERATIONS

- The industrial operations' order intake increased by 16 per cent to SEK 2,144 m (1,842), which means a 1 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations recorded net sales of SEK 2,030 m (1,730), which represents a 1 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 67 per cent to SEK 207 m (124), which is equivalent to an operating margin of 10.2 (7.1) per cent for continuing operations.
- REAC concluded an agreement for the acquisition of a business in Poland, which manufactures components for actuators and tilt and lift systems. The business generates sales of approximately SEK 30 m.

GROUP

- The Group's profit after financial items was SEK 889 m (406).
- The Group's profit after tax was SEK 833 m (376) included a capital gain of SEK 301 m, which is equivalent to SEK 5.22 (2.36) per share.
- Net debt at the end of March was SEK 3,394 m (2,164) and is equivalent to xx per cent of the market value of total assets.
- The entire shareholding in Academic Work was sold in March, resulting in a capital gain of SEK 301 m.

INVESTMENT PORTFOLIO

- During the quarter, the value of the investment portfolio increased by 19.3 per cent adjusted for dividends. The comparable index (SIXRX) increased by 15.8 per cent.
- Acquisition of 30.1 per cent of the shares in Troax, which began trading on the Nasdaq Stockholm market shortly after the acquisition. Troax has annual net sales of about SEK 900 m.

¹ The calculation of the net asset value at 28 April 2015 was based on the value of the investment portfolio at 1 p.m. on 28 April and the same values at 31 March 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 ten substantial holdings that on 31 March 2015 had a market value of about SEK 37 billion. 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, and generate a turnover of approximately SEK 8 billion.

Comments from the CEO

"It gives us satisfaction to be able to report that we have had yet another quarter with excellent performance. This is despite the fact that volume growth is still fairly sluggish. However, March was far better than January and February and several of our operations are more optimistic about growth in volumes in the future.

On the whole, Sweden, Norway, Denmark, Ireland and the UK have experienced the strongest growth. The important German market also showed more stable growth towards the end of the quarter. However, Eastern Europe is still having problems.

We can sum up the first quarter for the industrial operations by reporting that both order intake and invoiced sales grew by one per cent, when adjusted for foreign exchange effects and acquisitions. Including acquisitions and foreign exchange effects, order intake grew by 16 per cent and invoiced sales by 17 per cent. In this context, it is important to understand that the exchange rate effect is all of 6 per cent of the reported growth. Order intake exceeds invoiced sales by more than SEK 100 m. With the exception of Swegon, all of the business areas are reporting organic growth in invoiced sales. Nord-Lock is by far the best, with an increase in invoiced sales of almost 8 per cent, when adjusted for acquisitions and foreign exchange effects. Considering that the market in general is not showing any appreciable growth, we anticipate that Nord-Lock will take market share from rival bolt-securing manufacturers.

The operating profit increased by 67 per cent to SEK 207 m (124), which is equivalent to an operating margin of 10.2 (7.1) per cent. In absolute terms, Latour Industries accounts for the largest increase in profits from a previously low level. Nord-Lock, Hultafor Group and Specma Group have all contributed with significant growth in profits.

We can still see good potential for reporting strong earnings even while market growth is relatively weak. Although the market growth was positive at the end of the quarter, it is difficult to speak of any sustained upswing. It is therefore still difficult to predict how the current economic situation will help us.

There was little acquisition activity in the first quarter in the wholly-owned operations. However, this does not mean that we are inactive in this area. We are currently in the process of analysing several companies that could potentially be merged with existing areas or form completely new businesses. During the quarter, REAC in Latour Industries concluded an agreement for the acquisition of parts of the Ergolet Group in Poland. This acquisition consolidates REAC's market position in the field of electric wheelchairs. (Further details are presented under Acquisitions on page 3.)

This quarter, several of our listed holdings are reporting after Latour, which means it is difficult to provide any

comprehensive review. However, the companies that have reported all made strong statements. We are pleased to report that we expanded our portfolio with another business this quarter. At the end of March, Latour acquired a 30.1 per cent shareholding in Troax AB, shortly before the company began trading on the Nasdaq Stockholm market.

The value of the investment portfolio rose no less than 19.3 per cent during the quarter. This is higher than the comparable index (SIXRX), which rose 15.8 per cent. The net asset value in Latour increased by 16 per cent to SEK 291 per share in the first quarter of 2015.

Finally, Latour sold its 20 per cent holding in Academic Work in the quarter. Latour has been a co-owner of Academic Work since 2006, when Säkl AB, as it was then, acquired a minority stake in Academic Work. The investment is a good example of how Latour has been able to contribute to the positive growth of a company by giving it support during an expansive phase. However, the sale is a natural step in Latour's strategy to be the principal owner of the operations in which we invest."

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoicing and earnings

First quarter

The total order intake increased to SEK 2,144 m (1,842) during the first quarter. Invoicing increased to SEK 2,030 m (1,730), which is equivalent to 1 per cent organic growth when adjusted for foreign exchange effects and acquisitions. The operating profit in the wholly-owned industrial operations increased by 67 per cent to SEK 207 m (124) in the quarter. The operating margin was 10.2 (7.1) per cent.

Acquisitions

REAC AB concluded an agreement during the quarter for the acquisition of a business in Poland from the Ergolet Group. The business manufactures components for actuators and tilt and lift systems. REAC AB is part of the Latour Industries business area. This acquisition will consolidate REAC's market position in the field of electric wheelchairs. It will create opportunities for REAC to increase its competitive edge and capacity and to lay the foundation for future growth. The deal is being managed via REAC Components, which is REAC's new subsidiary. The company will have annual sales of approximately SEK 30 m and is based in Jasien in Poland. The date for the takeover to be fully completed is 1 May 2015.

Industrial operations summary

Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Hultafors Group	350	304	1,306	1,352	42	34	177	187	11.9	11.1	13.6	13.7
Latour Industries	290	243	1,034	1,081	37	7	68	97	12.7	2.9	6.5	9.0
Nord-Lock	208	169	722	762	66	42	211	235	31.6	24.7	29.3	30.9
Specma Group	344	320	1,294	1,318	23	4	42	61	6.7	1.2	3.2	4.6
Swegon	842	700	3,209	3,352	39	37	298	300	4.6	5.3	9.3	9.0
Eliminations	-4	-6	-5	-1	-	-	-	-	-	-	-	-
	2,030	1,730	7,560	7,865	207	124	796	880	10.2	7.1	10.5	11.2
expenses	-	-	-	-	-	-	-41	-42	-	-	-	-
	2,030	1,730	7,560	7,865	207	124	755	838	10.2	7.1	10.0	10.7
Gain/loss from sale/purchase of businesses	-	-	-	-	-2	-1	-13	-14				
Other companies and items ¹	-	16	21	4	-	-12	4	16				
	2,030	1,746	7,581	7,869	205	111	746	840				

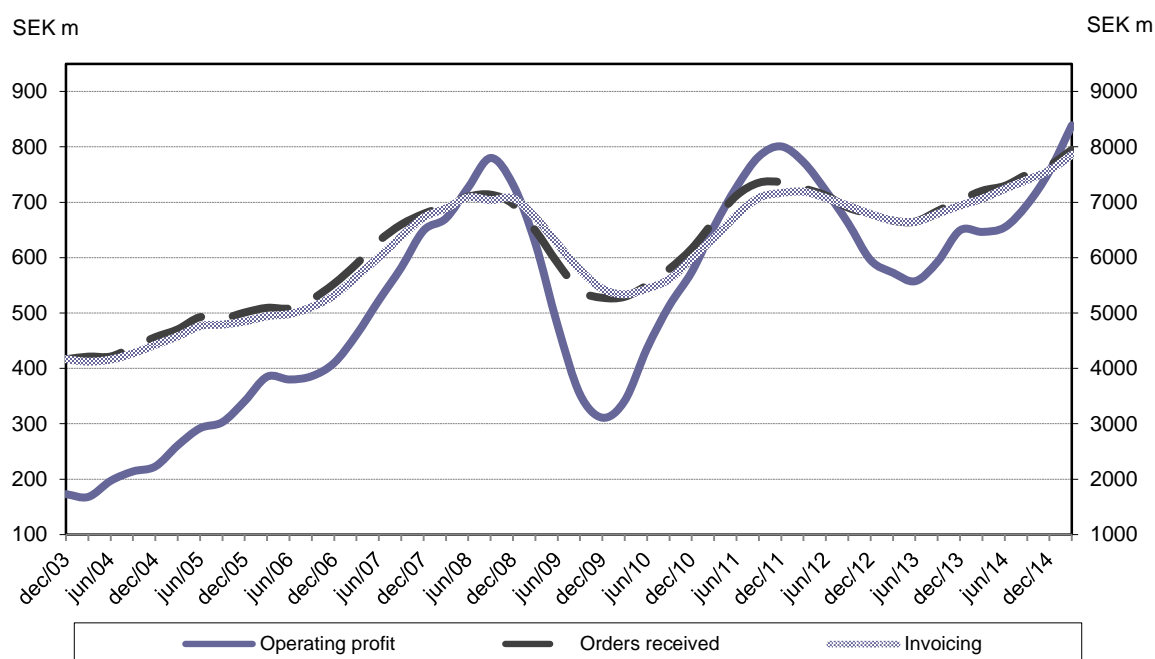
The comparative year have been adjusted to correspond to the existing structure

¹ Net sales refer to the operations (Carstens) divested in 2014 previously presented as part of Latour Industries.

SEK m	Operating capital ²		Return on operating capital %		Growth in net sales %		
	2015 Trailing 12	2014 Trailing 12	2015 Trailing 12	2014 Trailing 12	2015	Of which acquisitions	Of which currency
Hultafors Group	937	783	19.8	17.8	15.1	5.7	5.8
Latour Industries	920	719	10.6	7.6	19.4	12.8	0.9
Nord-Lock	587	533	40.2	23.5	23.5	-	15.9
Specma Group	587	582	3.6	0.4	7.6	-	4.0
Swegon	2,022	1,197	14.8	27.1	20.3	18.2	5.8
Total	5,053	3,814	16.6	16.9	17.4	10.1	5.8

² 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.

Group trailing 12 months



Development per business area

Hultafors Group



(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Net sales	350	304	1,306	1,352
EBITDA, adjusted*	45	38	195	203
EBITA, adjusted*	42	35	182	190
EBIT, adjusted*	42	34	177	185
EBIT, reported	42	34	177	185
EBITA %, adjusted*	12.1	11.4	13.9	14.0
EBIT %, adjusted*	11.9	11.1	13.6	13.7
Growth %	15.1	5.4	8.1	
Of which exchange effects	5.8	2.0	3.6	
Of which acquisitions	5.7	-	0.7	
Average number of employees	642	609	617	

* Excluding restructuring costs

Highlights

- Invoicing increased by 15.1 per cent during the quarter. Foreign exchange effects account for 5.8 per cent of the growth and, in the fourth quarter of 2014 acquired, Tradeport for 5.7 per cent.
- All product areas reported growth.
- Increased demand compared to last year, particularly in Finland, the UK, Ireland and Poland.
- Good operating profit despite pressure on the margin, which is partly due to difficulties in predicting the currency-exchange situation.

Breakdown of net sales

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Workwear	177	155	688	711
Tools	117	115	474	476
Ladders	37	34	135	138
Tradeport	19	-	9	28
	350	304	1,306	1,352

Pro forma adjustment¹ 43

Trailing 12 month pro forma 1,395

¹ 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)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Net sales	290	243	1,034	1,081
EBITDA, adjusted*	42	12	89	118
EBITA, adjusted*	37	8	70	100
EBIT, adjusted*	37	7	68	97
EBIT, reported	37	7	68	97
EBITA %, adjusted*	12.9	3.2	6.8	9.2
EBIT %, adjusted*	12.7	2.9	6.5	9.0
Growth %	19.4	9.3	12.1	
Of which exchange effects	0.9	0.6	1.1	
Of which acquisitions	12.8	-	7.5	
Average number of employees	700	670	733	

* Excluding restructuring costs

Highlights

- Net sales rose 19.4 per cent during the quarter. Growth was 5.7 per cent when adjusted for foreign exchange effects and acquisitions.
- Strong earnings growth compared with the previous year, with Specma Seals and REAC in particular reporting significantly improved earnings.
- REAC has concluded an agreement for the acquisition of a business that manufactures components for actuators and tilt and lift systems. See page 3 for details.

Breakdown of net sales

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
LSAB Group	112	115	434	431
REAC	65	57	242	250
Kabona	36	33	126	129
Elvaco	21	-	55	76
Specma Seals	31	21	98	107
AVT	15	17	57	56
Bastec	11	-	22	33
	290	243	1,034	1,081

Pro forma adjustment¹ 14

Trailing 12 month pro forma 1,095

¹ 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)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Net sales	208	169	722	762
EBITDA, adjusted*	70	46	229	254
EBITA, adjusted*	67	42	214	238
EBIT, adjusted*	66	42	211	235
EBIT, reported	66	42	211	235
EBITA %, adjusted*	32.0	25.1	29.6	31.3
EBIT %, adjusted*	31.6	24.7	29.3	30.9
Growth %	23.5	12.8	15.8	
Of which exchange effects	15.9	1.6	4.9	
Of which acquisitions	-	-		
Average number of employees	362	386	367	

* Excluding restructuring costs

Highlights

- Excellent growth in net sales which increased by 23.5 per cent in the quarter. 15.9 per cent of this growth is attributable to foreign exchange effects.
- Stable earnings performance, EBIT rose to SEK 66 m (42).
- Strong growth in Asia, net sales adjusted for exchange rate effects increased by 25 per cent in the quarter and order intake rose 18 per cent.

Breakdown of net sales

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Europe	109	91	394	412
North America	56	48	198	206
Asia Pacific	38	26	114	126
Emerging markets	9	4	24	30
Other	-5	-1	-8	-12
	208	169	722	762

Pro forma adjustment¹ -

Trailing 12 month pro forma 762

¹ 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)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Net sales	344	320	1,294	1,318
EBITDA, adjusted*	28	9	61	80
EBITA, adjusted*	23	4	42	61
EBIT, adjusted*	23	4	42	61
EBIT, reported	23	4	1	20
EBITA %, adjusted*	6.8	1.3	3.2	4.6
EBIT %, adjusted*	6.7	1.2	3.2	4.6
Growth %	7.6	14.4	12.3	
Of which exchange effects	4.0	1.2	1.9	
Of which acquisitions	-	4.0	2.7	
Average number of employees	708	772	760	

* Excluding restructuring costs

Highlights

- Net sales rose 7.6 per cent during the quarter. Organic growth was 3.6 per cent when adjusted for foreign exchange effects.
- Particularly strong growth in the Global Division.
- Cost reduction measures and a focus on improved productivity have had a positive effect on earnings.

Breakdown of net sales

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Global Division	246	221	924	948
Nordic Division	98	98	370	370
	344	320	1,294	1,318
Pro forma adjustment ¹				-
Trailing 12 month pro forma				1,318

¹ 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)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Net sales	842	700	3,209	3,352
EBITDA, adjusted*	60	55	373	378
EBITA, adjusted*	41	38	303	306
EBIT, adjusted*	39	37	298	300
EBIT, reported	39	37	298	300
EBITA %, adjusted*	4.9	5.4	9.4	9.1
EBIT %, adjusted*	4.6	5.3	9.3	8.9
Growth %	20.3	7.4	9.3	
Of which exchange effects	5.8	1.1	3.0	
Of which acquisitions	18.2	11.3	13.8	
Average number of employees	1,819	1,501	1,674	

* Excluding restructuring costs

Highlights

- Order intake increased to SEK 930 m (753), SEK 88 m more than the amount invoiced in the quarter, which is equivalent to 0.4 per cent organic growth when adjusted for foreign exchange effects.
- Scandinavia is experiencing stable demand and there are positive signs in Central Eastern Europe and North America. The market conditions in Russia and Finland remain very weak.
- Net sales rose 20.3 per cent, which is equivalent to a 3.7 per cent organic decline during the quarter when adjusted for foreign exchange effects and acquisitions.
- The project for the introduction of Gold units to North America has begun and is progressing according to plan.

Breakdown of net sales

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Sweden	213	176	712	750
Rest of Nordic region	191	192	767	766
Rest of world	438	332	1,730	1,836
	842	700	3,209	3,352

Pro forma adjustment¹

167

Trailing 12 month pro forma

3,519

¹ Pro forma for completed acquisitions

(SEK m)	2015 Q1	2014 Q1	2014 Full Year	Trailing 12 mths
Cooling	221	169	847	900
Home Solutions	53	42	171	183
Commercial Ventilation	526	501	2,169	2,194
North America	51	-	81	131
Eliminations	-9	-12	-59	-56
	842	700	3,209	3,352

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 2014.

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 291 per share during the period from SEK 250 at the beginning of the year. The net asset value thus increased by 16 per cent, which can be compared against the SIXRX which increased by 15.8 per cent.

SEK m	Net sales ¹	EBIT ¹	EBIT multiple or EV/sales multiple Range	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Hultafors Group	1,395	193	11 – 15	2,123 – 2,895	2,509	13 – 18
Latour Industries	1,095	100	11 – 15	1,100 – 1,500	1,300	7 – 9
Nord-Lock	762	236	12 – 16	2,832 – 3,776	3,304	18 – 24
Specma Group	1,318	61	0.5 – 0.6	659 – 791	725	4 – 5
Swegon	3,519	329	13 – 17	4,277 – 5,593	4,935	27 – 35
	8,089	919		10,991 – 14,555	12,773	69 – 91
Listed shares (see table on page 9 for breakdown)					36,890	231
Unlisted part-owned companies						
Diamorph ⁴ , 21.18 %					125	1
Oxeon ⁵ , 31.08 %					25	0
Other assets						
Short trading portfolio					29	0
Dilution effect of option programme					-70	0
Other					0	0
Consolidated net debt					-3,394	-21
Estimated value					46,379	291
					(44 596 – 48 160)	(280 – 302)

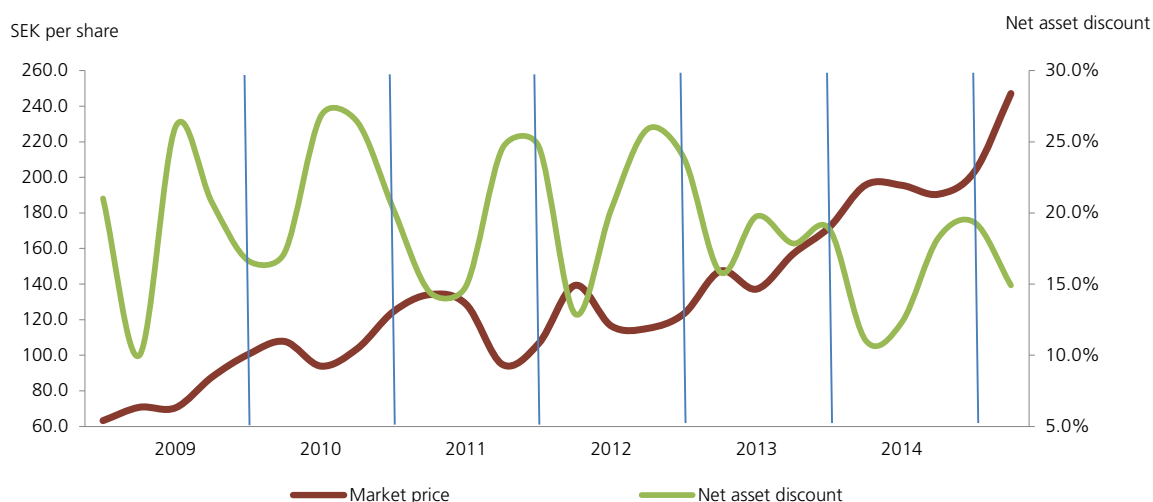
¹ Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 31 March 2015 for comparable companies in each business area.

³ Calculated on the basis of the number of outstanding shares.

⁴ Valued according to the latest transaction.

⁵ Valued according to Latour's latest acquisition price.



Investment portfolio 31 March 2015

In the quarter, the aggregate value of the investment portfolio increased by 19.3 per cent, adjusted for dividends, while the comparable index (SIXRX) increased by 15.8 per cent.

6,020,000 shares in Troax were acquired in the quarter, shortly before the company began trading on the Nasdaq Stockholm market. The amount represents a shareholding of 30.1 per cent of the capital and votes.

Aktie	Number	Cost SEK m	Listed share price ¹ SEK	Market value SEK m	Share of votes %	Share of equity %
Assa Abloy ^{2 3}	35,165,243	1,697	514	18,075	29.5	9.5
Fagerhult ^{3 4}	18,620,400	571	136	2,532	49.0	49.2
HMS Networks ³	3,027,322	250	210	634	26.7	26.7
Loomis ^{2 3}	7,538,328	108	264	1,989	28.6	10.0
Nederman ³	3,512,829	306	194	680	30.1	30.1
Nobia	23,095,000	469	76	1,760	13.8	13.8
Securitas ^{2 3}	39,732,600	1,081	124	4,915	29.6	10.9
Tomra ^{3 5}	28,997,760	152	110	3,196	22.8	31.9
Troax ³	36,560,000	1,795	72 NOK ⁶	2,645	24.7	24.7
Troax ³	6,020,000	397	77	464	30.1	30.1
Total		6,826		36,890		

¹ Purchase price at the end of the report period.

² 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.

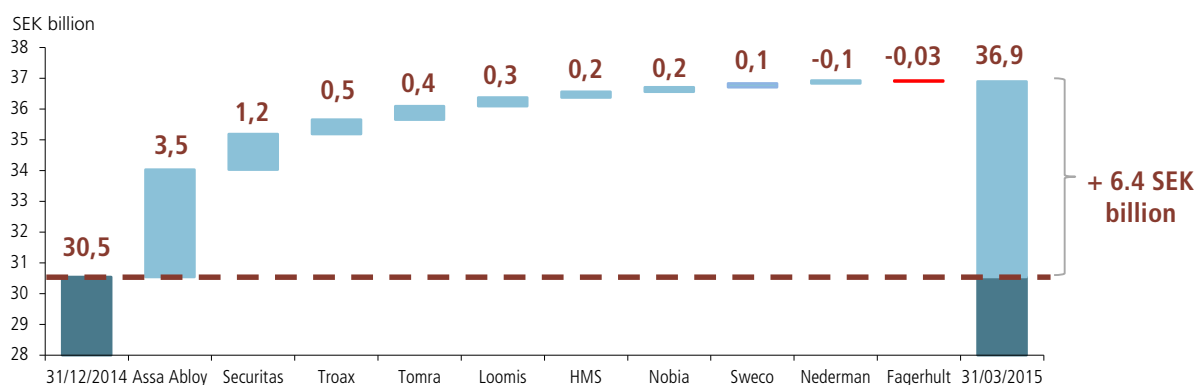
³ Shown as associated companies in the balance sheet.

⁴ At the end of March 2015, 90,000 shares were loaned out and are therefore not counted in Latour's share of votes.

⁵ At the end of the report period, the listed share price was NOK 67,75 which has been translated to SEK at the exchange rate on the balance sheet date.

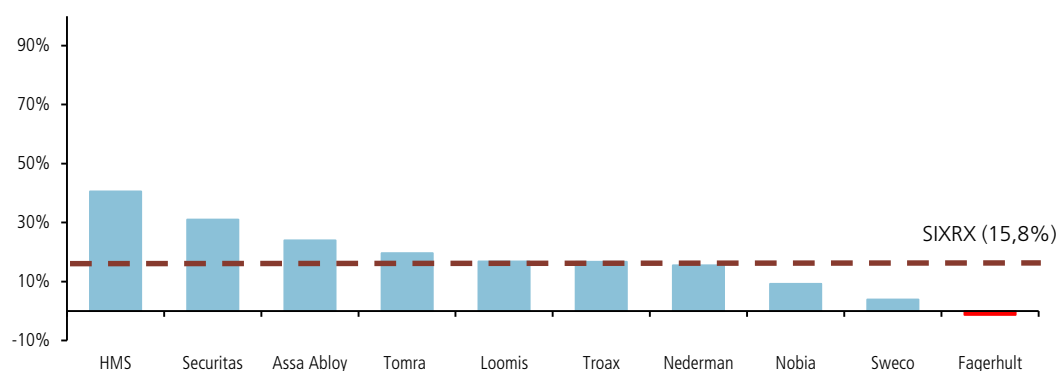
⁶ The last price paid is used as the listed share price.

Movements in investment portfolio values, first quarter



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, first quarter



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

Results and financial position

Group

The Group's profit after financial items was SEK 889 m (406). Profit after tax was SEK 833 m (376), which is equivalent to SEK 5.22 (2.36) per share.

The Group's cash in hand and liquid investments amounted to SEK 411 m (296). Interest-bearing debt, excluding pension liabilities, was SEK 3,797 m (2,325). The Group's net debt, including pension liabilities, was SEK 3,394 m (2,164). The equity ratio was 87 (87) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

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 19 m (44) was invested in property, plant and equipment, of which SEK 12 m (23) was machinery and equipment, SEK 7 m (8) vehicles and 0 m (13) buildings. Out of total investments for the year, SEK 0 m (13) refers to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 318 m (1). The parent company's equity ratio was 87 (87) per cent.

Not including repurchased shares, the number of outstanding shares at 31 March 2015 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.

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 2014 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 2015 have not had any impact on the Group's or parent company's accounting as at 31 March 2015.

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.

Gothenburg, 29 April 2015

Jan Svensson

President and CEO

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Conference call

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörrck commencing at 11 a.m. today. The number to call is +46 (0)8 566 426 62. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, www.latour.se.

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

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 29 April 2015, at 8.30 a.m.

Consolidated income statement

SEK m	2015 Q1	2014 Q1	12 mths Apr-Mar 2014/2015	Full Year 2014
Net sales	2,030	1,746	7,865	7,581
Cost of goods sold	-1,260	-1,106	-4,911	-4,757
Gross profit	770	640	2,954	2,824
Sales costs	-388	-357	-1,503	-1,472
Administrative costs	-150	-140	-533	-523
Research and development costs	-46	-38	-163	-155
Other operating income	22	8	102	88
Other operating expenses	-3	-2	-17	-16
Operating profit	205	111	840	746
Income from interests in associates	664	299	1,712	1,347
Income from portfolio management	5	12	29	36
Management costs	-4	-4	-15	-15
Profit before financial items	870	418	2,566	2,114
Finance income	64	13	156	105
Finance expense incl redemption of pension liability	-45	-25	-175	-155
Profit after financial items	889	406	2,547	2,064
Taxes	-56	-30	-216	-190
Profit for the period	833	376	2,331	1,874
	-	-	-	-
Attributable to:				
Parent company shareholders	833	376	2,331	1,874
Non-controlling interests	-	-	-	-
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	5.22	2.36	14.62	11.75
Diluted share, SEK	5.20	2.35	14.55	11.70
Average number of basic shares outstanding	159,493,000	159,378,000	159,473,781	159,445,425
Average number of diluted shares outstanding	160,223,000	160,079,000	160,156,721	160,121,214
Number of outstanding shares	159,493,000	159,378,000	159,493,000	159,493,000

Consolidated statement of comprehensive income

SEK m	2015 Q1	2014 Q1	12 mths Apr-Mar 2014/2015	Full Year 2014
Profit for the period	833	376	2,331	1,874
Other comprehensive income				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	-	-	-3	-3
	0	0	-3	-3
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	3	7	119	123
Change in fair value reserve for the period	155	64	434	343
Change in hedging reserve for the period	53	-	58	5
Change in associated companies' equity	362	126	619	383
	573	197	1,230	854
Other comprehensive income, net after tax	573	197	1,227	851
Comprehensive income for the period	1,406	573	3,558	2,725
Attributable to:				
Parent company shareholders	1,406	573	3,558	2,725
Non-controlling interests	-	-	-	-

Consolidated cash flow statement

SEK m	2015 Q1	2014 Q1	12 mths Apr-Mar 2014/2015	Full Year 2014
Operating cash flows before movements in working capital	189	145	825	781
Movements in working capital	-108	-188	-186	-266
Operating cash flows	81	-43	639	515
Acquisitions of subsidiaries	-	-96	-626	-722
Sale of subsidiaries	-	-	4	4
Other investments	-28	-21	-170	-163
Portfolio management	55	-255	576	266
Cash flow after investments	108	-415	423	-100
Financial payments	-131	236	-353	14
Cash flow for the period	-23	-179	70	-86

Consolidated balance sheet

SEK m	2015/03/31	2014/03/31	2014/12/31
ASSETS			
Goodwill	3,510	2,068	3,506
Other intangible assets	72	68	70
Property, plant and equipment	727	715	741
Financial assets	12,785	10,530	11,613
Inventories etc.	1,262	1,124	1,250
Current receivables	1,793	1,540	1,582
Cash and bank	411	296	428
Total assets	20,560	16,341	19,190
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	14,929	12,253	13,523
Non-controlling interests	0	0	0
<i>Total equity</i>	<i>14,929</i>	<i>12,253</i>	<i>13,523</i>
Interest-bearing long-term liabilities	841	587	842
Non-interest-bearing long-term liabilities	235	190	221
Interest-bearing current liabilities	2,988	1,913	3,139
Non-interest-bearing current liabilities	1,567	1,398	1,465
Equity and liabilities	20,560	16,341	19,190

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
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
Opening balance 1 Jan 2015	133	-38	1,196	12,232	0	13,523
Total comprehensive income for the period			211	1,195		1,406
Dividends				-		0
Closing balance 31 Mar 2015	133	-38	1,407	13,427	0	14,929

Key ratios, Group

	2015/03/31	2014/03/31	2014/12/31
Return on equity (%)	23	13	15
Return on total capital (%)	19	11	13
Adjusted equity ratio ¹ (%)	87	87	85
Adjusted equity ¹ (SEK m)	39,271	28,181	33,015
Surplus value in associated companies ² (SEK m)	24,342	15,928	19,492
Net debt/equity ratio (%)	9	8	11
Net debt/EBITDA	3.4	2.8	3.8
Listed share price (SEK)	247	196	203
Repurchased shares	467,000	582,000	467,000
Average number of repurchased shares	467,000	582,000	514,575
Average number of employees	4,245	3,965	4,185
Outstanding convertible bonds	-	-	-
Issued warrants	-	-	-
Issued call options on repurchased shares	730,000	701,000	730,000

¹ Incl. fair value gain in associated companies

² The difference between the carrying amount and market value

Parent company income statement

SEK m	2015 Q1	2014 Q1	12 mths Apr-Mar 2014/2015	Full Year 2014
Income from interests i Group companies	-	-	330	330
Income from interest in associates	320	-	784	464
Income from portfolio management	-	-	22	22
Management costs	-2	-2	-9	-9
Profit before financial items	318	-2	1,127	807
Interest income and similar items	9	13	44	48
Interest expense and similar items	-9	-10	-38	-39
Profit after financial items	318	1	1,133	816
Taxes	-	-	-	-
Profit for the period	318	1	1,133	816

Parent company statement of comprehensive income

SEK m	2015 Q1	2014 Q1	12 mths Apr-Mar 2014/2015	Full Year 2014
Profit for the period	318	1	1,133	816
Change in fair value reserve for the period	148	61	413	326
Total other comprehensive income	148	61	413	326
Comprehensive income for the period	466	62	1,546	1,142

Parent company balance sheet

SEK m	2015/03/31	2014/03/31	2014/12/31
ASSETS			
Financial assets	10,088	9,305	9,858
Current receivables from Group companies	9	13	10
Other current liabilities	2	1	2
Cash and bank	6	7	6
Total assets	10,105	9,326	9,876
EQUITY AND LIABILITIES			
Equity	8,837	8,151	8,371
Interese-bearing long-term lilabilities	101	101	101
Non-interest-bearing long-term liabilities	5	5	5
Interese-bearing current liabilities	1,160	1,056	1,395
Non-interest-bearing current liabilities	2	13	4
Equity and liabilities	10,105	9,326	9,876

Parent company statement of changes in equity

SEK m	2015/03/31	2014/03/31	2014/12/31
Amount at beginning of year	8,371	8,089	8,089
Total comprehensive income for the period	466	62	1,142
Issued call options	-	-	3
Exercise of call options	-	-	14
Dividends	-	-	-877
Amount at end of year	8,837	8,151	8,371

Segment reporting:

Development per business area 1 Jan 2015 - 31 March 2015

SEK m	Industrial operations						Portfolio management	Total
	Hultafor Group	Latour Industries	Nord-Lock	Specma Group	Swegon	Other		
INCOME								
External sales	350	287	208	344	841			2,030
Internal sales		3			1			4
RESULT								
Operating profit	42	37	66	23	39	-2		205
Income from portfolio management							665	665
Finance income								64
Finance expense								-45
Taxes								-56
Profit for the period								833
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	1	1	1	3	6	7		19
intangible assets					2			2
Depreciation/amortisation	4	5	5	5	21	4		44

Segment reporting:

Development per business area 1 Jan 2014 – 31 March 2014

SEK m	Industrial operations						Portfolio management	Total
	Hultafor Group	Latour Industries	Nord-Lock	Specma Group	Swegon	Other		
INCOME								
External sales	303	239	169	320	699	16		1,746
Internal sales	1	4			1			6
RESULTS								
Operating result	34	7	42	4	37	-13		111
Income from portfolio management							307	307
Finance income								13
Finance expense								-25
Taxes								-30
Profit for the period								376
OTHER DISCLOSURES								
Investments in:								
property, plant and equipment	1	8	7	3	15	10		44
intangible assets		101						101
Depreciation/amortisation	4	5	4	5	18	4		40

Change in consolidated interest-bearing net debt

SEK m	2014/12/31	Change in cash	Change in loans	Other changes	2015/03/31
Interest-bearing receivables	37			-13	24
Cash	428	-17			411
Pensions provisions	-30			-2	-32
Long-term liabilities	-812			3	-809
Utilised bank overdraft facilities	-45			14	-31
Interest-bearing current liabilities	-3,094			137	-2,957
Interest-bearing net debt	-3,516	-17	154	-15	-3,394

Five year overview

SEK m	Apr-Mar 2014/2015	2014	2013	2012	2011
Net sales, SEK m	7,865	7,581	6,944	6,788	7,171
Operating profit, SEK m	840	746	621	635	883
Income from interest in associates, SEK m	1,712	1,347	1,060	914	1,449
Income from portfolio management, SEK m	29	36	43	35	-41
Profit after finance items, SEK m	2,547	2,064	1,710	1,497	2,230
Earnings per share, SEK	15	12	9	8	14
Return on equity, %	17	15	13	13	18
Return on total capital, %	15	13	12	12	17
Adjusted equity ratio, %	87	85	88	86	84
Net debt/equity ratio, %	9	11	7	8	7
Listed share price, SEK	247	203	172	124	107

Note 1: 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 2014 annual accounts, there were no transfers between the different levels of the fair value hierarchy and there were no changes in the methods and/or principles used during the first quarter of 2015.

Financial instruments – Fair value

THE GROUP 31 March 2015

	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
FINANCIAL ASSETS						
Listed shares, management	1 760 ¹					1,760
Other long-term securities holdings	0 ²					0
Other long-term receivables				24 ³		24
Listed shares, trading		29 ¹				29
Unrealised gains, currency derivatives			103 ²			103
Other current receivables				1 512 ³		1,512
Cash				411 ³		411
Total	1,760	29	103	1,947	0	3,839
FINANCIAL LIABILITIES						
Long-term loans					810 ³	810
Bank overdraft facilities					31 ³	31
Current loans					2 957 ³	2,957
Other liabilities					930 ³	930
Unrealised gains, currency derivatives			25 ²			25
Total	0	0	25	0	4,728	4,753

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

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

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

Listed financial assets are valued at their quoted market 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.

Hedging instruments consist of forward exchange contracts and interest rate swaps and are included in level 2. Valuation at fair value of forward exchange contracts is based on 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	2015	2014					2013				
	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT											
Net sales	2,030	7,581	2,018	1,877	1,940	1,746	6,944	1,844	1,716	1,764	1,620
Cost of goods sold	-1,260	-4,757	-1,257	-1,131	-1,263	-1,106	-4,399	-1,173	-1,077	-1,117	-1,032
Gross profit	770	2,824	761	746	677	640	2,545	671	639	647	588
Costs etc. for the operation	-565	-2,078	-550	-484	-515	-529	-1,924	-534	-437	-496	-457
Operating profit	205	746	211	262	162	111	621	137	202	151	131
Total portfolio management	665	1,368	422	304	335	307	1,089	283	354	238	214
Profit before financial items	870	2,114	633	566	497	418	1,710	420	556	389	345
Net financial items	19	-50	-26	-6	-6	-12	-52	-4	-24	-7	-17
Profit after financial items	889	2,064	607	560	491	406	1,658	416	532	382	328
Taxes	-56	-190	-55	-67	-38	-30	-175	-36	-53	-52	-34
Profit for the period	833	1,874	552	493	453	376	1,483	380	479	330	294
KEY RATIOS											
Earnings per share, SEK	5.22	11.75	3.46	3.09	2.84	2.36	9.30	2.38	3.01	2.07	1.85
Cash flow for the period	-23	-86	19	121	-47	-179	230	194	73	-9	-28
Adjusted equity ratio, %	87	85	85	85	86	87	88	88	86	84	86
Adjusted equity	39,271	33,015	33,015	30,256	28,587	28,181	26,830	26,830	24,197	21,494	22,013
Net asset value	46,379	39,859	39,859	37,117	35,582	35,022	33,799	33,799	30,459	27,229	27,942
Net asset value per share, SEK	291	250	250	233	223	220	212	212	191	171	175
Listed share price, SSEK	247	203	203	191	196	196	172	172	157	135	148
NET SALES											
Hultafors Group	350	1,306	365	315	322	304	1,208	333	305	282	288
Latour Industries	290	1,055	286	229	281	243	982	264	223	256	239
Nord-Lock	208	722	169	193	192	169	624	154	162	158	150
Specma Group	344	1,294	328	302	344	320	1,152	306	265	302	279
Swegon	842	3,209	870	838	801	700	2,936	783	748	753	652
Other companies and eliminations	-4	-5	-	0	0	10	42	4	13	13	12
	2,030	7,581	2,018	1,877	1,940	1,746	6,944	1,844	1,716	1,764	1,620
OPERATING PROFIT											
Hultafors Group	42	177	53	50	41	33	126	54	40	12	20
Latour Industries	37	68	29	11	20	8	63	16	18	13	16
Nord-Lock	66	211	45	68	57	42	114	13	36	35	30
Specma Group	23	1	5	18	-26	4	0	-3	0	2	1
Swegon	39	298	98	90	74	37	346	89	101	96	59
	207	755	229	237	166	124	649	169	196	158	126
Gain/loss from sale/purchase of busi	-2	-13	0	-4	-8	-1	-25	-20	-2	-	-3
Other companies and items	0	4	-18	29	4	-12	-3	-13	8	-7	8
	205	746	211	262	162	111	621	136	202	151	131
OPERATING MARGIN (%)											
Hultafors Group	11.9	13.6	14.5	15.8	12.8	11.1	10.4	16.1	13.3	4.2	6.9
Latour Industries	12.7	6.4	10.2	4.9	7.2	2.9	6.5	6.2	8.2	5.1	6.6
Nord-Lock	31.6	29.3	26.7	35.1	29.6	24.7	18.3	8.6	22.0	22.0	20.5
Specma Group	6.7	0.1	1.5	5.8	-7.5	1.2	0.0	-0.9	-0.2	0.6	0.4
Swegon	4.6	9.3	11.2	10.7	9.2	5.3	11.8	11.4	13.5	12.8	9.1
	10.2	10.0	11.4	12.6	8.6	7.1	9.3	9.2	11.4	8.9	8.6



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