

INTERIM REPORT
JANUARY–SEPTEMBER

2015



Interim report January – September 2015

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 275 per share, compared to SEK 250 per share at the beginning of the year. This is an increase of 12.7 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 3.8 per cent. The net asset value was SEK 304 per share at 5 November.¹
- The total return on the Latour share was 34.3 per cent for the period, which is significant better than the SIXRX index.

INDUSTRIAL OPERATIONS

Third quarter

- The industrial operations' order intake rose 14 per cent to SEK 2,092 m (1,836), which represents a 5 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 11 per cent to SEK 2,079 m (1,877), which represents a 2 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 6 per cent to SEK 250 m (237), which is equivalent to an operating margin of 12.0 (12.6) per cent for continuing operations.
- During the quarter, Nord-Lock acquired Boltight Limited in the UK. The company has 18 employees and annual sales of approximately GBP 4 m.
- During the quarter, Latour announced its intention to sell the Specma Group business area.

January to September

- The industrial operations' order intake rose 14 per cent to SEK 6,447 m (5,649), which represents a 2 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 13 per cent to SEK 6,271 m (5,542), which represents a 1 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 33 per cent to SEK 702 m (526), which is equivalent to an operating margin of 11.2 (9.5) per cent for continuing operations.

GROUP

- The Group's profit after financial items was SEK 2,505 m (1,464).
- The Group's profit after tax was SEK 2,372 m (1,322), which is equivalent to SEK 14.87 (8.29) per share. The profit includes capital gains of SEK 670 m, which is equivalent to SEK 4.2 per share.
- Net debt at the end of September was SEK 3,581 m (3,302) and is equivalent to 7.6 per cent of the market value of total assets.
- New financial targets have been set. The required rate of return on operating capital has been changed to 15 - 20 per cent (previously 20 per cent) to enable further growth through acquisition.

INVESTMENT PORTFOLIO

- During the period, the value of the investment portfolio increased by 14.1 per cent adjusted for dividends. The benchmark index (SIXRX) rose 3.8 per cent.
- In the first quarter, 30.1 per cent of the shares in Troax Group AB were acquired. The company reports annual sales of approximately SEK 900 m. In the second quarter, the ownership in Nobia dropped to 10.1 per cent following the disposal of 5,400,000 shares.

¹ The calculation of the net asset value on 5 November 2015 was based on the value of the investment portfolio at 1 p.m. on 5 November and the same values as on 30 September 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 30 September 2015 had a market value of about SEK 34 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

"Both our listed holdings as our wholly-owned industrial operations delivered a positive performance in the third quarter. Organic order intake improved in the industrial operations by 5 per cent and net sales by 2 per cent. Volume growth is particularly strong in Hultafors and Latour Industries, and Swegon is now also on an upward trajectory. Nord-Lock, however, is experiencing a slight decline. Including acquisitions and foreign exchange effects, order intake in the industrial operations grew by 14 per cent and invoiced sales by 11 per cent. The order backlog continued to grow and at the end of September order intake was exceeding invoiced sales by SEK 177 m.

The operating profit increased by 6 per cent to SEK 250 m (237), which is equivalent to an operating margin of 12.0 (12.6) per cent. In absolute terms, this is our best ever quarter.

However, we are seeing signs around us that operations that have an early business cycle are starting to lose demand. Even operations with exposure to the oil, gas and mining industries are, for known reasons, experiencing a slightly tougher time than before. Operations closely linked to the construction sector usually have a late business cycle and thus have more opportunity to keep growing for a while. Geographically, we can see that there is a certain amount of growth in Europe, although it is not strong. However, the investment climate is poor. We expect growth to be slow in China, which is not a significant market for our industrial operations. In North America, there is concern that the downturn in the oil, gas and mining industries will spread to other sectors.

In spite of this, we can still see good potential for reporting strong earnings even if market growth is relatively weak, but at the same time we are viewing general economic developments with deference. We continue to conduct our operations based on the premise that we cannot count on the economic situation offering us any significant help, but we are not holding back on investments in product development, sales and marketing.

We made one acquisition in the industrial operations in the third quarter. Nord-Lock acquired the British company Boltight, which is a leading hydraulic bolt tensioning manufacturer. Boltight has its head office in Walsall, UK, and has been developing bolt tensioning solutions for critical applications for the power generation, oil and gas, and manufacturing industries for 16 years. The company has 18 employees and annual sales of approximately GBP 4 m.

We completed another three acquisitions earlier this year in the wholly-owned industrial operations. In the second quarter, parts of the Ergolet Group in Poland were acquired by REAC in Latour Industries. The business generates sales of SEK 30 m and is based in Jasien in Poland. The deal ensures that REAC has a supply chain for key components. Latour Industries acquired Produal, a leading Finnish manufacturer of devices for building automation measurement and room control. Produal has 95 employees and generates sales of EUR 18 m with a very high level of profitability and operates in an area that is related to our previous holdings in the field of energy efficiency, Kabona, Bastec and Elvaco. We believe strongly in the future of this area. Specma Group also made a smaller acquisition in the second quarter with its purchase of Hydraulikhuset.

In August, we also announced our intention to dispose of the Specma Group business area and work is currently on-going with the aim of divesting the business area by the end of this year.

We have also now decided to announce new financial targets. We are adjusting the target for the required rate of return on operating capital to 15-20 per cent from a previous absolute limit of 20 per cent. The reason for this change is that the new target seems more suited to a business that is oriented towards acquisitions, where we otherwise run the risk of not being able to compete for interesting acquisition targets. The fact that we have adjusted the required rate of return should not be interpreted to mean that we are lowering our level of ambition, but should be seen to indicate that we do not want to restrict our acquisition opportunities.

Most of our listed holdings have submitted their reports for the third quarter. On the whole, the companies have reported very positive performances with regard to both growth and profitability. It is particularly interesting that Sweco's public offer to buy up the Dutch company Grontmij was successfully implemented during the quarter. The acquisition makes Sweco the leading technology consultancy company in Europe.

The investment portfolio value rose 14.1 per cent in the nine-month period, thus outperforming the SIXRX benchmark index, which rose 3.8 per cent. The net asset value in Latour increased by 12.7 per cent in the nine-month period to SEK 275 per share, adjusted for dividends."

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoicing and earnings

The total order intake increased to SEK 2,092 m (1,836) during the third quarter. Invoicing increased to SEK 2,079 m (1,877), which is equivalent to 2 per cent organic growth when adjusted for foreign exchange effects and acquisitions. The operating profit in the wholly-owned industrial operations increased by 6 per cent to SEK 250 m (237) in the quarter. The operating margin was 12.0 (12.6) per cent.

In the nine-month period, order intake increased to SEK 6,447 m (5,649). Invoicing increased to SEK 6,271 m (5,542), 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 24 per cent to SEK 702 m (567)*. The operating margin was 11.2 (10.2)* per cent.

* The comparative figures indicate adjusted operating profit and adjusted operating margin for divested operations.

New financial targets

The Board of Directors for Latour has decided to set new financial targets. Previous targets are shown in brackets:

- Growth: At least 10 per cent annually (as before).
- Profitability: Operating margin of at least 10 per cent (as before).
- Return on operating capital: 15 – 20 per cent return (previously at least 20 per cent).

All three targets should be viewed over a business cycle.

The Board believes that the new required rate of return on operating capital is more suited to a business that conducts a significant amount of acquisition activity. It should not be regarded as a lowering of our level of ambition, but rather as an intention to further stimulate growth through acquisition. To a certain extent, the lower rate can be placed in relation to the market-wide, increasingly lower, required rate of return. However, that is not the primary reason.

Our financial targets should also be seen as a group target and as minimum targets for our holdings. The individual business areas and investments can have their own targets that are much higher.

Acquisitions

One acquisition was made in the industrial operations in the third quarter. Nord-Lock acquired the British company Boltight, which is a leading hydraulic bolt tensioning manufacturer. Boltight has its head office in Walsall, UK, and has been developing bolt tensioning solutions for critical applications for the power generation, oil and gas, and manufacturing industries for 16 years. The company has 18 employees and annual sales of approximately GBP 4 m.

Earlier this year, REAC AB acquired a smaller business from Ergolet Group in Poland. The business manufactures components for actuators and tilt and lift systems. It generates annual sales of approximately SEK 30 m and is based in Jasien in Poland.

In June, Latour Industries also acquired Produal, a leading Finnish manufacturer of devices for building automation measurement and room control. Produal has

95 employees and generates sales of EUR 18 m with a very high level of profitability and operates in an area that is related to our holdings in the field of energy efficiency in buildings, Kabona, Bastec and Elvaco. Produal has its head office in Kotka in Finland, and its product range includes temperature sensors, pressure transmitters, room controllers, transducers and accessories. Its products are sold through subsidiaries in Finland, Sweden, Denmark and France, and partners in other European countries. In less than three years, Produal has nearly doubled its international business and has achieved sales growth of almost 20 per cent per annum.

Specma made a smaller acquisition in June with its purchase of Hydraulikhuset. The company has 26 employees and generates sales of approximately SEK 60 m. Hydraulikhuset sells and manufactures hydraulic systems for OEM manufacturers, distributes components and conducts repair and service business in the after-sales market. The company's head office is in Gothenburg and it has operations in Kungsbacka and Falkenberg. The acquisition enhances Specma's position in hydraulic systems and in the after-sales market in west Sweden.

In the second quarter, Latour also expanded its portfolio of other unlisted part-owned holdings by acquiring 18 per cent of the shares in Steelwrist. The company develops, manufactures and sells tools that increase excavator efficiency, operator-friendliness and safety. The aim is to build an industrial group, with Steelwrist as a key element, in the field of quick couplers, tiltrotators, electronics and equipment for excavators and other tool carriers. Steelwrist has its headquarters, product development and manufacturing facilities in Sollentuna, Sweden. The company has 57 employees and had an annual turnover of SEK 116 m in 2014.

Divestitures

In August, Latour announced its intention to divest the Specma Group business area. Specma is an industry leader and Nordic player in application-customised systems and components for hydraulics. Specma reported annual sales in the last 12 months of approximately SEK 1.4 billion. In recent years, Specma has focused heavily on improvements to its internal processes and enhanced efficiency. These initiatives, which have been conducted with the mission of achieving long-term improvements, have produced excellent results. The reported operating profit before depreciation and amortisation for the last 12 months is now SEK 85 m. The reason for Latour's decision to initiate a process to divest Specma is presented in Latour's acquisition criteria. Latour has been gradually adopting a more rigorous acquisition and development strategy which, in simple terms, means focusing investments on companies with a high proportion of proprietary products and brands. A significant element of Specma's operations are trading services. It is natural for Latour to invest long-term in more resources in operations that are consistent with the overall criteria. It will also give Specma the opportunity to develop further under a new owner which has a better focus on Specma's business activities.

Industrial operations summary

Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths
Hultafors Group	390	315	1,102	940	54	50	144	124	13.8	15.8	13.0	13.2
Latour Industries	311	229	912	748	44	11	122	39	14.1	4.9	13.4	5.1
Nord-Lock	198	193	603	554	59	68	182	166	30.0	35.1	30.2	30.0
Swegon	861	839	2,632	2,340	74	90	192	201	8.6	10.7	7.3	8.6
Eliminations	-1	-1	-5	-6	-	-	-	-	-	-	-	-
	1,759	1,575	5,244	4,576	231	219	640	530	13.1	13.9	12.2	11.6
Specma Group ²	320	302	1,027	966	19	18	62	37	5.9	5.9	6.1	3.8
	2,079	1,877	6,271	5,542	250	237	702	567	12.0	12.6	11.2	10.2
Restructuring and non-recurring expenses	-	-	-	-	-	-	-	-41	-	-	-	-
	2,079	1,877	6,271	5,542	250	237	702	526	12.0	12.6	11.2	9.5
Gain/loss from sale/purchase of businesses	-	-	-	-	6	-4	1	-13				
Other companies and items ¹	-	-	-	21	3	29	3	22				
	2,079	1,877	6,271	5,563	259	262	706	535				

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

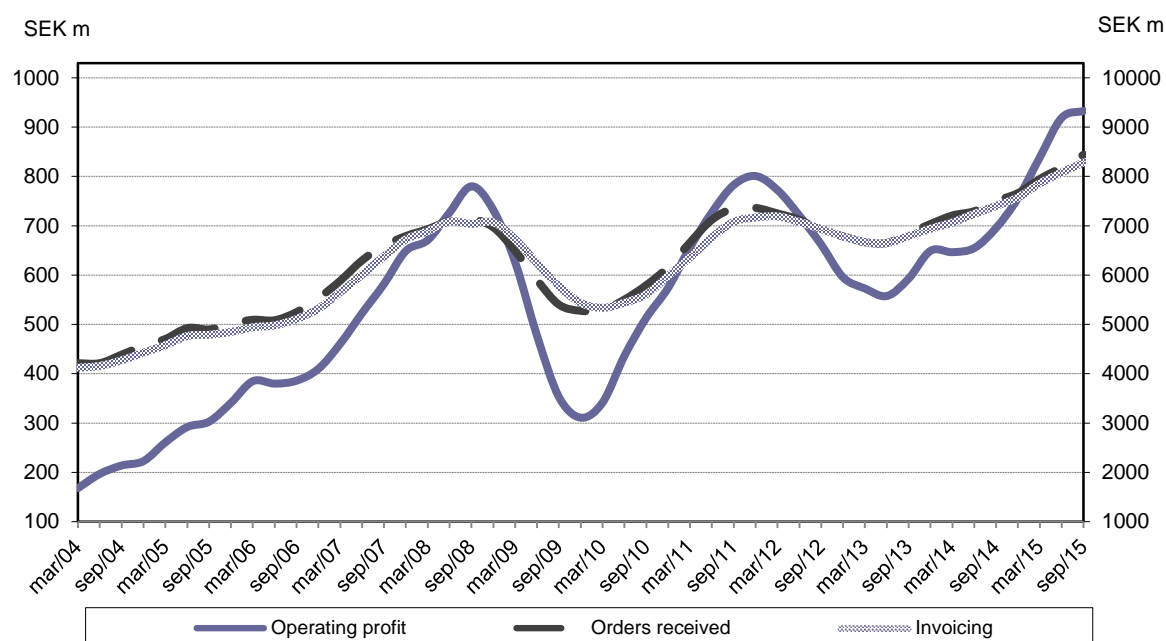
¹ Net sales refer to the operations (Carstens) divested in 2014 previously presented as part of Latour Industries.

² Specma Group is reported on a separate line due to the divestment decision.

SEK m	Operating capital ³		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	1,126	795	17.4	22.4	17.2	5.4	4.1
Latour Industries	1,116	804	13.6	6.9	21.9	12.5	0.7
Nord-Lock	651	548	34.9	32.8	9.0	0.8	11.8
Swegon	2,368	1,461	12.2	19.8	12.5	12.5	3.5
	5,261	3,608	16.4	19.5	14.6	9.6	4.1
Specma Group	600	589	11.2	-1.2	6.3	1.3	3.7
Total	5,861	4,197	15.9	16.6	13.2	8.2	4.1

³ 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 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Net sales	390	315	1,102	940	1,306	1,468
EBITDA, adjusted*	58	54	155	137	195	213
EBITA, adjusted*	54	51	146	127	182	200
EBIT, adjusted*	54	50	144	124	177	196
EBIT, reported	54	50	144	124	177	196
EBITA %, adjusted*	14.0	16.1	13.2	13.5	13.9	13.6
EBIT %, adjusted*	13.8	15.8	13.0	13.2	13.6	13.4
Growth %	24.0	3.4	17.2	7.5	8.1	
Of which exchange effects	2.9	4.8	4.1	3.5	3.6	
Of which acquisitions	5.1	-	5.4	-	0.7	
Average number of employees	658	613	651	614	617	

* Excluding restructuring costs.

Highlights

- Net sales rose 24 per cent during the quarter. Growth was 15.1 per cent when adjusted for foreign exchange effects and acquisitions.
- All product areas reported organic growth.
- Increased demand compared to last year, particularly in the Netherlands, the UK, Belgium and Ireland.
- Operating profit remained good despite pressure on the margin, which was due to negative foreign exchange movements.
- Increased market investments.
- Launch of a brand new generation of trousers under Workwear.

Breakdown of net sales

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Workwear	197	162	552	487	688	753
Tools	131	117	372	351	474	495
Ladders	36	35	112	103	135	144
Tradeport	25	-	67	-	9	75
	390	315	1,102	940	1,306	1,468

Pro forma adjustment¹

Trailing 12 month pro forma 1,478

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 in the Swedish market.

Latour Industries



(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Net sales	311	229	912	748	1,034	1,198
EBITDA, adjusted*	50	17	139	54	89	173
EBITA, adjusted*	45	12	125	40	70	154
EBIT, adjusted*	44	11	122	39	68	151
EBIT, reported	44	11	122	39	68	151
EBITA %, adjusted*	14.4	5.2	13.7	5.4	6.8	12.9
EBIT %, adjusted*	14.1	4.9	13.4	5.1	6.5	12.6
Growth %	36.1	8.7	21.9	11.3	12.1	
Of which exchange effects	0.3	1.9	0.7	1.3	1.1	
Of which acquisitions	19.6	12.0	12.5	6.1	7.5	
Average number of employees	918	695	921	701	733	

* Excluding restructuring costs.

Highlights

- Net sales rose 36.1 per cent during the quarter. Growth was 13.5 per cent when adjusted for foreign exchange effects and acquisitions.
- Significant growth in earnings over the previous year, attributable largely to REAC, Elvaco and the additional profit generated by the newly-acquired Produal.
- On a pro-forma trailing basis, the combined energy-efficiency operations (Kabona, Elvaco, Produal and Bastec) now have annual revenues of SEK 410 m. The companies are continuing to grow and are delivering good profitability.

Breakdown of net sales

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
LSAB Group	93	92	325	322	434	437
REAC	79	51	219	179	242	282
Kabona	31	25	102	91	126	138
Elvaco	18	14	60	32	55	83
Specma Seals	26	24	86	72	98	111
AVT	11	14	41	43	57	55
Bastec	10	9	36	9	22	49
Produal	43	-	43	-	-	43
	311	229	912	748	1,034	1,198

Pro forma adjustment¹

Trailing 12 month pro forma 1,350

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.

Nord-Lock



(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Net sales	198	193	603	554	722	772
EBITDA, adjusted*	65	73	198	179	229	247
EBITA, adjusted*	61	69	185	168	214	231
EBIT, adjusted*	59	68	182	166	211	227
EBIT, reported	59	68	182	166	211	227
EBITA %, adjusted*	30.7	35.4	30.7	30.4	29.6	30.0
EBIT %, adjusted*	30.0	35.1	30.2	30.0	29.3	29.4
Growth %	2.5	19.5	9.0	17.9	15.8	
Of which exchange effects	8.8	6.5	11.8	3.9	4.9	
Of which acquisitions	2.2	-	0.8	-	-	
Average number of employees	370	357	368	375	367	

* Excluding restructuring costs.

Highlights

- Net sales rose to SEK 198 m (193), which, adjusted for acquisitions and foreign exchange effects, resulted in decline of 8 per cent.
- Operating profit remained good despite lower volumes.
- Continuing strong growth in Asia, net sales increased by 10 per cent in the third quarter and 29 per cent to date this year.
- Boltight Limited (UK) was acquired on 1 September. See page 4 for further information.

Breakdown of net sales

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Europe	111	111	325	307	394	412
North America	52	51	159	149	198	208
Asia Pacific	31	28	107	82	114	138
Emerging markets	7	6	23	19	24	28
Other	-3	-2	-10	-5	-8	-14
	198	193	603	554	722	772

Pro forma adjustment¹ 47

Trailing 12 month pro forma 818

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.

Swegon



(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Net sales	861	839	2,632	2,340	3,209	3,502
EBITDA, adjusted*	92	111	253	258	373	368
EBITA, adjusted*	75	91	198	204	303	297
EBIT, adjusted*	74	90	192	201	298	290
EBIT, reported	74	90	192	201	298	290
EBITA %, adjusted*	8.7	10.8	7.5	8.7	9.4	8.5
EBIT %, adjusted*	8.6	10.7	7.3	8.6	9.3	8.3
Growth %	2.7	12.2	12.5	8.7	9.3	
Of which exchange effects	1.4	4.6	3.3	2.9	3.0	
Of which acquisitions	4.2	17.0	12.5	12.6	13.8	
Average number of employees	1,851	1,765	1,840	1,629	1,674	

* Excluding restructuring costs.

Highlights

- Order intake rose 3.6 per cent for the quarter when adjusted for foreign exchange effects and acquisitions.
- The order backlog remained at a high level. Order intake exceeds invoiced sales by just over SEK 160 m.
- From a geographical standpoint, the picture is mixed. The Nordic countries continue to deliver strong sales growth – in particular Sweden, the domestic market.
- Once again, North America reported a very strong period with regard to order intake and invoiced sales.

Breakdown of net sales

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Sweden	176	168	611	532	712	791
Rest of Nordic region	170	186	561	568	767	760
Rest of world	515	485	1,459	1,240	1,730	1,949
	861	839	2,632	2,340	3,209	3,502

Pro forma adjustment¹ -

Trailing 12 month pro forma 3,502

¹ Pro forma for completed acquisitions.

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Cooling	258	222	728	612	847	963
Home Solutions	58	41	178	124	171	224
Commercial Ventilation	506	556	1,611	1,596	2,169	2,185
North America	55	32	154	43	81	192
Eliminations	-16	-12	-39	-35	-59	-62
	861	839	2,632	2,340	3,209	3,502

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 of SEK 3.5 billion.

Specma Group



(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Net sales	320	302	1,027	966	1,294	1,355
EBITDA, adjusted*	24	22	77	51	61	86
EBITA, adjusted*	19	18	62	37	42	68
EBIT, adjusted*	19	18	62	37	42	67
EBIT, reported	19	18	62	-4	1	67
EBITA %, adjusted*	6.0	5.9	6.1	3.8	3.2	5.0
EBIT %, adjusted*	5.9	5.9	6.1	3.8	3.2	5.0
Growth %	5.7	14.0	6.3	14.1	12.3	
Of which exchange effects	3.0	2.7	3.7	1.7	1.9	
Of which acquisitions	4.2	3.6	1.3	3.6	2.7	
Average number of employees	755	756	737	764	760	

* Excluding restructuring costs.

Highlights

- Net sales increased to SEK 320 m (302), which is equivalent to a 1.4 per cent decline when adjusted for foreign exchange effects and acquisitions.
- Weak economic conditions in the mining industry are having an impact on the Nordic operations.
- A slight slowdown is being observed in the marine sector, which is mainly affecting Global Division.
- Measures have already been initiated to adjust costs.
- Productivity improvement measures that have been implemented to date have produced good results. Further measures are being implemented on an ongoing basis.

Breakdown of net sales

(SEK m)	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	2014 Full Year	Trailing 12 mths
Global Division	236	222	744	687	924	981
Nordic Division	83	80	283	279	370	374
	320	302	1,027	966	1,294	1,355

Pro forma adjustment¹ 18

Trailing 12 month pro forma 1,373

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.

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 275 per share during the nine-month period from SEK 250 at the beginning of the year. The net asset value consequently increased by 12.7 per cent, adjusted for dividends, which can be compared to SIXRX which rose 3.8 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	1,478	196	11 – 15	2,156 – 2,940	2,548	14 – 18
Latour Industries	1,350	180	11 – 15	1,980 – 2,700	2,340	12 – 17
Nord-Lock	818	230	12 – 16	2,760 – 3,680	3,220	17 – 23
Specma Group	1,373	69	0.5 – 0.6	687 – 824	755	4 – 5
Swegon	3,504	290	13 – 17	3,770 – 4,930	4,350	24 – 31
	8,523	965		11,353 – 15,074	13,213	71 – 95
Listed shares (see table on page 10 for breakdown)					34,034	213
Unlisted part-owned companies						
Diamorph ⁴ , 21.2 %					125	1
Oxeon ⁵ , 31.1 %					25	0
Steelwrist ⁶ , 18.0 %					20	0
Other assets						
Short trading portfolio					54	0
Dilution effect of option programme					-57	0
Consolidated net debt					-3,581	-22
Estimated value					43,833	275
					(41 972 – 45 694)	(263 – 286)

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

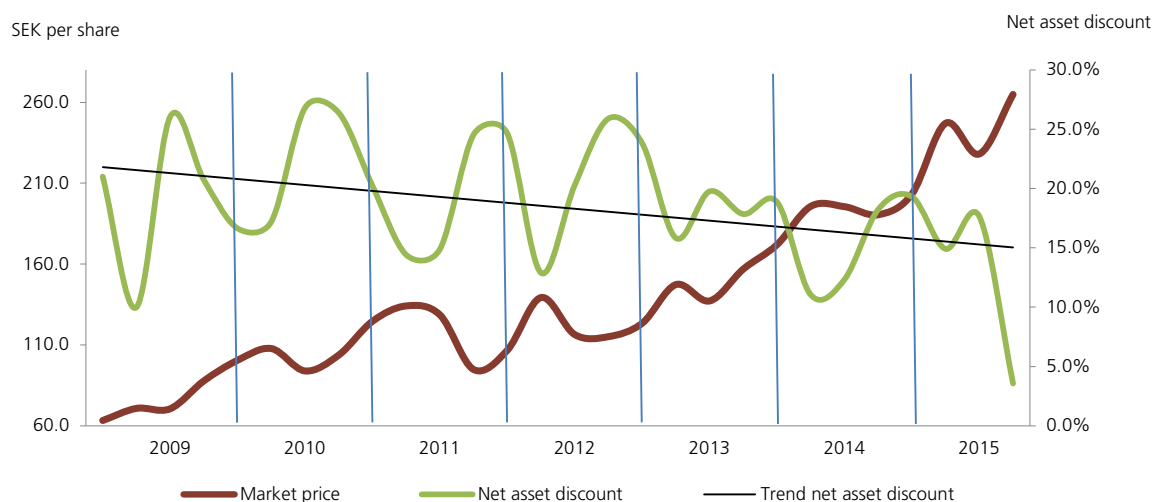
² EBIT and EV/sales recalculated taking into consideration the listed share price on 30 September 2015 for comparable companies in each business area.

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.

⁶ Valued according to Latour's latest acquisition price.



Investment portfolio 30 September 2015

The aggregate value of the investment portfolio rose 14.1 per cent in nine-month period, adjusted for dividends, while the benchmark index (SIXRX) rose 3.8 per cent. Earlier in the year, 6,020,000 shares in Troax were

purchased, representing 30.1 per cent of the company's capital and votes. In addition, 5,400,000 shares in Nobia were sold, which is a reduction in the shareholding in Nobia to 10.1% of the total number of shares.

Aktie	Number	Cost SEK m	Listed share price ¹ SEK	Market value SEK m	Share of votes ⁷ %	Share of equity ⁷ %
Assa Abloy ^{2 3}	105,495,729	1,697	150	15,814	29.5	9.5
Fagerhult ^{3 4}	18,620,400	571	138	2,570	49.0	49.2
HMS Networks ³	3,027,322	250	203	613	26.8	26.8
Loomis ^{2 3}	7,538,328	108	219	1,652	28.6	10.0
Nederman ³	3,512,829	306	216	757	30.1	30.1
Nobia	17,700,000	359	102	1,800	10.5	10.5
Securitas ^{2 3}	39,732,600	1,081	102	4,053	29.6	10.9
Sweco ^{2 3}	28,997,760	152	116	3,364	21.2	27.7
Tomra ^{3 5}	36,560,000	1,795	80 NOK ⁶	2,901	24.7	24.7
Troax ³	6,020,000	397	85	510	30.1	30.1
Total		6,716		34,034		

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.

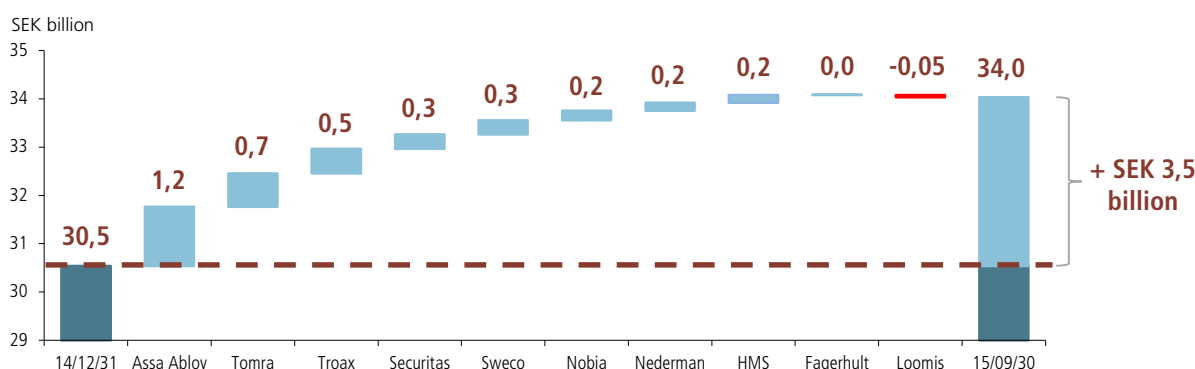
⁴ At the end of September 2015, 90,000 shares were loaned out and are therefore not counted in Latour's share of votes.

⁵ At the end of the report period, the listed share price was NOK 80.00 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.

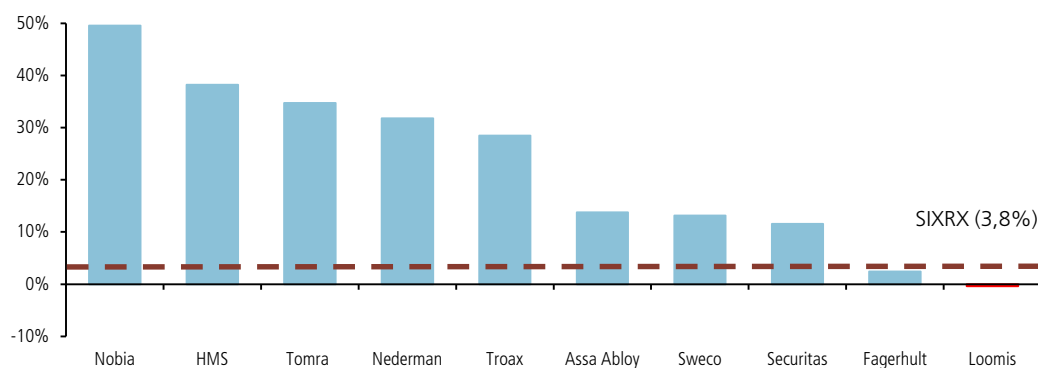
⁷ Shares calculated after deduction of treasury shares.

Movements in investment portfolio values



Movements in investment portfolio values (SEK billion). These figures include acquired/sold 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.

Results and financial position

Group

The Group's profit after financial items was SEK 2,505 m (1,464). Profit after tax was SEK 2,372 m (1,322), which is equivalent to SEK 14.87 (8.29) per share.

The Group's cash in hand and liquid investments amounted to SEK 435 m (396). Interest-bearing debt, excluding pension liabilities, totalled SEK 3,873 m (3,707). The Group's net debt, including pension liabilities, was SEK 3,581 m (3,302). The equity ratio was 86 (85) 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 107 m (121) was invested in property, plant and equipment, of which SEK 81 m (81) was machinery and equipment, SEK 19 m (23) vehicles and 7 m (17) buildings. Out of total investments for the year, SEK 35 m (50) refers to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 1,516 m (818). The parent company's equity ratio was 99 (80) per cent.

Not including repurchased shares, the number of outstanding shares at 30 September 2015 amounted to 159,557,500. At the end of the period, Latour held 402,500 repurchased class B shares. The total number of outstanding call options is 662,500.

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 ten 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.

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 30 September 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.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 3 May 2016 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 <http://www.latour.se> under Corporate Governance, Board, Nomination Committee.

Gothenburg, 6 November 2015
Jan Svensson
President and CEO

Auditor's report on review of interim condensed financial statements (interim report) prepared and presented in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have conducted a review of the interim report for Investment AB Latour (publ) corporate registration number 556026-3237 as at 30 September 2015 and the nine-month period ended 30 September 2015. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practice. The review procedures that are undertaken do not enable us to obtain assurance that we would become aware of all significant matters that

might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 6 November 2015

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Principal Auditor

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 92. The conference will be broadcast on the Internet.

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

The 2015 Year-End Report will be published on 18 February 2016

The interim report for the period January – March 2016 will be published on 29 April 2016

The General Annual Meeting will be held on 3 May at Radisson Blu Scandinavia Hotel in Gothenburg.

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 6 November 2015, at 8.30 a.m.

Consolidated income statement

SEK m	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	12 mths Oct-Sep 2014/2015	Full Year 2014
Net sales	1,759	1,575	5,244	4,597	6,934	6,287
Cost of goods sold	-1,024	-895	-3,072	-2,696	-4,066	-3,690
Gross profit	735	680	2,172	1,901	2,868	2,597
Sales costs	-344	-321	-1,041	-950	-1,392	-1,301
Administrative costs	-130	-121	-400	-358	-506	-464
Research and development costs	-44	-33	-141	-105	-191	-155
Other operating income	20	41	59	65	75	81
Other operating expenses	3	-2	-5	-14	-5	-14
Operating profit	240	244	644	539	849	744
Income from interests in associates	434	304	1,493	921	1,919	1,347
Income from portfolio management	33	4	406	36	406	36
Management costs	-4	-4	-12	-11	-16	-15
Profit before financial items	703	548	2,531	1,485	3,158	2,112
Finance income	22	25	83	57	107	81
Finance expense incl redemption of pension liability	-51	-30	-109	-78	-160	-129
Profit after financial items	674	543	2,505	1,464	3,105	2,064
Taxes	-49	-61	-176	-136	-228	-188
Net income of disposal group classified as held for sale and discontinued operations	12	11	43	-6	47	-2
Profit for the period	637	493	2,372	1,322	2,924	1,874
Attributable to:						
Parent company shareholders	637	493	2,372	1,322	2,924	1,874
Non-controlling interests	-	-	-	-	-	-
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	3.99	3.09	14.87	8.29	18.33	11.75
Diluted share, SEK	3.98	3.08	14.81	8.26	18.25	11.70
Average number of basic shares outstanding	159,557,500	159,421,480	159,521,824	159,421,480	159,484,559	159,445,425
Average number of diluted shares outstanding	160,101,375	160,086,912	160,165,255	160,086,912	160,179,810	160,121,214
Number of outstanding shares	159,557,500	159,493,000	159,557,500	159,493,000	159,557,500	159,493,000

Consolidated statement of comprehensive income

SEK m	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	12 mths Oct-Sep 2014/2015	Full Year 2014
Profit for the period	637	493	2,372	1,322	2,924	1,874
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	-3	-3
	0	0	0	0	-3	-3
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	33	9	10	61	72	123
Change in fair value reserve for the period	260	163	311	193	461	343
Change in hedging reserve for the period	-14	-	25	-6	36	5
Change in associated companies' equity	-388	243	330	361	352	383
	-109	415	676	609	921	854
Other comprehensive income, net after tax	-109	415	676	609	918	851
Comprehensive income for the period	528	908	3,048	1,931	3,842	2,725
Attributable to:						
Parent company shareholders	528	908	3,048	1,931	3,842	2,725
Non-controlling interests	-	-	-	-	-	-

Consolidated cash flow statement

SEK m	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	12 mths Oct-Sep 2014/2015	Full Year 2014
Operating cash flows before movements in working capital	230	207	586	522	826	762
Movements in working capital	-44	-88	-220	-287	-205	-272
Operating cash flows	186	119	366	235	621	490
Acquisitions of subsidiaries	-80	-471	-555	-634	-643	-722
Sale of subsidiaries	7	-	7	4	7	4
Other investments	-41	-6	-76	-65	-160	-149
Portfolio management	-23	15	1,149	369	1,046	266
Cash flow after investments	49	-343	891	-91	871	-111
Financial payments	-4	468	-853	-27	-816	9
Cash flow from disposal group classified as held for sale	-	-4	13	13	15	16
Cash flow for the period	45	121	51	-35	70	-86

Consolidated balance sheet

SEK m	2015/09/30	2014/09/30	2014/12/31
ASSETS			
Goodwill	3,787	3,183	3,506
Other intangible assets	93	72	70
Property, plant and equipment	688	728	741
Financial assets	13,020	10,953	11,613
Inventories etc.	1,086	1,185	1,250
Current receivables	1,640	1,709	1,582
Cash and bank	435	396	428
Assets of disposal group classified as held for sale	880	-	-
Total assets	21,629	18,226	19,190
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	15,611	12,729	13,523
Non-controlling interests	0	0	0
<i>Total equity</i>	<i>15,611</i>	<i>12,729</i>	<i>13,523</i>
Interest-bearing long-term liabilities	693	710	842
Non-interest-bearing long-term liabilities	210	221	221
Interest-bearing current liabilities	3,212	3,024	3,139
Non-interest-bearing current liabilities	1,484	1,542	1,465
Liabilities of disposal group classified as held for sale	419	-	-
Equity and liabilities	21,629	18,226	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			346	2,702		3,048
Issued call options				4		4
Exercise of call options		17		13		30
Repurchased treasury shares		-37				-37
Dividends				-957		-957
Closing balance 30 Sep 2015	133	-58	1,542	13,994	0	15,611

Key ratios, Group*

	2015/09/30	2014/09/30	2014/12/31
Return on equity (%)	22	14	15
Return on total capital (%)	18	12	13
Adjusted equity ratio ¹ (%)	86	85	85
Adjusted equity ¹ (SEK m)	36,936	30,256	33,015
Surplus value in associated companies ² (SEK m)	21,325	17,527	19,492
Net debt/equity ratio (%)	10	11	11
Net debt/EBITDA	3.7	3.9	3.8
Listed share price (SEK)	265	191	203
Repurchased shares	402,500	467,000	467,000
Average number of repurchased shares	438,176	530,608	514,575
Average number of employees	4,535	4,117	4,185
Outstanding convertible bonds	-	-	-
Issued warrants	-	-	-
Issued call options on repurchased shares	662,500	730,000	730,000

* The key ratios include the disposal group classified as held for sale.

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 Q3	2014 Q3	2015 9 mths	2014 9 mths	12 mths Oct-Sep 2014/2015	Full Year 2014
Income from interests i Group companies	-	-	365	330	365	330
Income from interest in associates companies	-	-	838	464	838	464
Income from portfolio management	-	-	320	23	319	22
Management costs	-2	-3	-7	-7	-9	-9
Profit before financial items	-2	-3	1,516	810	1,513	807
Interest income and similar items	-	12	15	38	25	48
Interest expense and similar items	-4	-10	-15	-30	-24	-39
Profit after financial items	-6	-1	1,516	818	1,514	816
Taxes	-	-	-	-	-	-
Profit for the period	-6	-1	1,516	818	1,514	816

Parent company statement of comprehensive income

SEK m	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	12 mths Oct-Sep 2014/2015	Full Year 2014
Profit for the period	-6	-1	1,516	818	1,514	816
Change in fair value reserve for the period	260	155	357	184	499	326
Total other comprehensive income	260	155	357	184	499	326
Comprehensive income for the period	254	154	1,873	1,002	2,013	1,142

Parent company balance sheet

SEK m	2015/09/30	2014/09/30	2014/12/31
ASSETS			
Financial assets	9,386	10,245	9,858
Current receivables from Group companies	-	12	10
Other current liabilities	1	1	2
Cash and bank	5	6	6
Total assets	9,392	10,264	9,876
EQUITY AND LIABILITIES			
Equity	9,284	8,231	8,371
Interese-bearing long-term lilabilities	101	101	101
Non-interest-bearing long-term liabilities	5	5	5
Interese-bearing current liabilities	-	1,907	1,395
Non-interest-bearing current liabilities	2	20	4
Equity and liabilities	9,392	10,264	9,876

Parent company statement of changes in equity

SEK m	2015/09/30	2014/09/30	2014/12/31
Amount at beginning of year	8,371	8,089	8,089
Total comprehensive income for the period	1,873	1,002	1,142
Issued call options	4	3	3
Exercise of call options	30	14	-
Repurchased treasury shares	-37	-	14
Dividends	-957	-877	-877
Amount at end of year	9,284	8,231	8,371

Segment reporting:

Development per business area 1 Jan 2015 – 30 Sept 2015

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	1,102	907	603	2,631	1		5,244
Internal sales		5		1			6
RESULT							
Operating profit	144	122	182	192	4		644
Income from portfolio management						1,887	1,887
Finance income							83
Finance expense							-109
Taxes							-176
Profit for the disposal group classified as held for sale							43
Profit for the period							2,372
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	5	27	17	27	21		97
intangible assets	-	368	102	11	-		481
Depreciation/amortisation	11	17	15	60	14		117

Segment reporting:

Development per business area 1 Jan 2014 – 30 Sept 2014

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	940	744	553	2,339	21		4,597
Internal sales	-	4	-	-	-		4
RESULTS							
Operating result	124	39	166	201	9		539
Income from portfolio management						946	946
Finance income							57
Finance expense							-78
Taxes							-136
Profit for the disposal group classified as held for sale							-6
Profit for the period							1,322
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	7	13	14	53	23		110
intangible assets	-	138	-	1,040	-		1,178
Depreciation/amortisation	12	16	13	57	13		111

Change in consolidated interest-bearing net debt*

SEK m	2014/12/31	Change in cash	Change in loans	Other changes	2015/09/30
Interest-bearing receivables	37			-11	26
Cash	428	54			482
Pensions provisions	-30			-2	-32
Long-term liabilities	-812			-8	-820
Utilised bank overdraft facilities	-45			-19	-64
Interest-bearing current liabilities	-3,094			-79	-3,173
Interest-bearing net debt	-3,516	54	-106	-13	-3,581

* Reported net debt include the disposal group classified as held for sale

Five year overview*

SEK m	Oct-Sep 2014/2015	2014	2013	2012	2011
Net sales, SEK m	8,289	7,581	6,944	6,788	7,171
Operating profit, SEK m	917	746	621	635	883
Income from interest in associated companies, SEK m	1,919	1,347	1,060	914	1,449
Income from portfolio management, SEK m	390	36	43	35	-41
Profit after finance items, SEK m	3,168	2,064	1,710	1,497	2,230
Earnings per share, SEK	18	12	9	8	14
Return on equity, %	21	15	13	13	18
Return on total capital, %	17	13	12	12	17
Adjusted equity ratio, %	86	85	88	86	84
Net debt/equity ratio, %	10	11	7	8	7
Listed share price, SEK	265	203	172	124	107

* Reported key ratios include the disposal group classified as held for sale

Note 1: Business combinations

Specification of acquisitions

Transfer date		Country	Business area	Number of employees
1 May 2015	Ergolet/Reac Components	Poland	Latour Industries	115
17 June 2015	Laudorp Holding Oy (Produal)	Finland	Latour Industries	95
29 June 2015	Hydraulikhuset BKH AB	Sweden	Specma Group	26
1 September 2015	Boltight Limited	England	Nord-lock	18

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	173
Property, plant and equipment	31
Financial assets	3
Inventories	49
Account receivable	45
Other receivable	3
Cash	53
Long-term liabilities	-1
Current liabilities	-51
Net identifiable assets and liabilities	305
Group goodwill	310
Total purchase price	615
Additional purchase price	-7
Cash settlement purchase price	608
Acquisition of non-cash items	-
Acquired cash	-53
Effect of Group cash	555

During the period, Latour acquired the entire shareholding of Reac Components Sp zoo, the entire shareholding of Laudorp Holding Oy, the entire shareholding of Hydraulikhuset BKH AB and the entire shareholding of Boltight Limited.

Laudorp Holding Oy is the parent company of the Produal Group, which in addition to the parent company consists of the subsidiaries Laudrop Oy, Produal Holding Oy, Produal Oy, Produal Sverige AB, Produal A/S and Produal S.A.S. The Produal Group has contributed SEK 42 m in income and SEK 10 m in operating profit.

During the period, Reac Components has contributed SEK 5 m in income and SEK -6 m in operating profit. Hydraulikhuset BKH AB has contributed SEK 11 m in income and SEK 1 m in operating profit. During the period, Boltight Limited has contributed SEK 3 m in income and SEK 1 m in operating profit.

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 6 m. Estimated additional purchase prices amounting to SEK 7 m have been booked for the acquisition of Hydraulikhuset BKH AB.

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 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 nine months of 2015.

Financial instruments – Fair value*

THE GROUP 30 September 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	1 800 ¹					1,800
Other long-term securities holdings	20 ²					20
Other long-term receivables				26 ³		26
Listed shares, trading		54 ¹				54
Unrealised gains, currency derivatives			66 ²			66
Other current receivables				1 653 ³		1,653
Cash				482 ³		482
Total	1,820	54	66	2,161	0	4,101
FINANCIAL LIABILITIES						
Long-term loans					820 ³	820
Bank overdraft facilities					64 ³	64
Current loans					3 173 ³	3,173
Other liabilities					970 ³	970
Unrealised gains, currency derivatives			19 ²			19
Total	0	0	19	0	5,027	5,046

* Reported assets and liabilities include the disposal group classified as held for sale.

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 the forward exchange contracts is based on levels established by the bank 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.

Note 3: Non-current assets held for sale and discontinued operations

The assets and liabilities relating to Specma AB with subsidiaries have been recognised as held for sale following the approval of the Board. The transaction is expected to be completed in 2015.

Statement of income from discontinued operations and recognised income resulting from remeasurement of assets or disposal groups are presented below:

SEK m	2015 Q3	2014 Q3	2015 9 mths	2014 9 mths	Trailing 12 mths	2014 Full Year
Income	320	320	1,027	966	1,355	1,294
Costs	-301	-302	-965	-970	-1,287	-1,292
Net financial items	-4	-1	-6	-3	-5	-2
Tax	-3	-6	-13	1	-16	-2
Profit of disposal group after tax	12	11	43	-6	47	-2

Information by quarter*

SEK m	2015			2014					2013				
	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT													
Net sales	2,080	2,161	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	-1,277	-1,339	-1,260	-4,757	-1,257	-1,131	-1,263	-1,106	-4,399	-1,173	-1,077	-1,117	-1,032
Gross profit	803	822	770	2,824	761	746	677	640	2,545	671	639	647	588
Costs etc. for the operation	-544	-580	-565	-2,078	-550	-484	-515	-529	-1,924	-534	-437	-496	-457
Operating profit	259	242	205	746	211	262	162	111	621	137	202	151	131
Total portfolio management	463	759	665	1,368	422	304	335	307	1,089	283	354	238	214
Profit before financial items	722	1,001	870	2,114	633	566	497	418	1,710	420	556	389	345
Net financial items	-33	-18	19	-50	-26	-6	-6	-12	-52	-4	-24	-7	-17
Profit after financial items	689	983	889	2,064	607	560	491	406	1,658	416	532	382	328
Taxes	-52	-81	-56	-190	-55	-67	-38	-30	-175	-36	-53	-52	-34
Profit for the period	637	902	833	1,874	552	493	453	376	1,483	380	479	330	294
KEY RATIOS													
Earnings per share, SEK	3.99	5.65	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	45	29	-23	-86	19	121	-47	-179	230	194	73	-9	-28
Adjusted equity ratio, %	86	86	87	85	85	85	86	87	88	88	86	84	86
Adjusted equity	36,936	37,171	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	43,833	44,150	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	275	277	291	250	250	233	223	220	212	212	191	171	175
Listed share price, SSEK	265	228	247	203	203	191	196	196	172	172	157	135	148
NET SALES													
Hultafors Group	390	362	350	1,306	365	315	322	304	1,208	333	305	282	288
Latour Industries	311	311	290	1,055	286	229	281	243	982	264	223	256	239
Nord-Lock	198	197	208	722	169	193	192	169	624	154	162	158	150
Specma Group	320	363	344	1,294	328	302	344	320	1,152	306	265	302	279
Swegon	861	928	842	3,209	870	838	801	700	2,936	783	748	753	652
Other companies and eliminations	-1	0	-4	-5	-	0	0	10	42	4	13	13	12
	2,079	2,161	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	54	48	42	177	53	50	41	33	126	54	40	12	20
Latour Industries	44	41	37	68	29	11	20	8	63	16	18	13	16
Nord-Lock	59	57	66	211	45	68	57	42	114	13	36	35	30
Specma Group	19	20	23	1	5	18	-26	4	0	-3	0	2	1
Swegon	74	80	39	298	98	90	74	37	346	89	101	96	59
	250	246	207	755	229	237	166	124	649	169	196	158	126
Gain/loss from sale/purchase of	6	-3	-2	-13	0	-4	-8	-1	-25	-20	-2	-	-3
Other companies and items	3	-1	0	4	-18	29	4	-12	-3	-13	8	-7	8
	259	242	205	746	211	262	162	111	621	136	202	151	131
OPERATING MARGIN (%)													
Hultafors Group	13.8	13.2	11.9	13.6	14.5	15.8	12.8	11.1	10.4	16.1	13.3	4.2	6.9
Latour Industries	14.1	13.3	12.7	6.4	10.2	4.9	7.2	2.9	6.5	6.2	8.2	5.1	6.6
Nord-Lock	30.0	28.9	31.6	29.3	26.7	35.1	29.6	24.7	18.3	8.6	22.0	22.0	20.5
Specma Group	5.9	5.5	6.7	0.1	1.5	5.8	-7.5	1.2	0.0	-0.9	-0.2	0.6	0.4
Swegon	8.7	8.6	4.6	9.3	11.2	10.7	9.2	5.3	11.8	11.4	13.5	12.8	9.1

* Include Specma Group which are classified as held for sale.



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