

YEAR-END REPORT

2015



# Year-end Report 2015

## NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 317 per share, compared to SEK 250 per share at the beginning of the year. This is an increase of 29.9 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 10.4 per cent. The net asset value was SEK 297 per share at 17 February.<sup>1</sup>
- The total return on the Latour share was 57.2 per cent for the period, which is better than the SIXRX index by a considerable margin.
- The Board of Directors proposes a dividend of SEK 6.75 (6.00) per share.

## INDUSTRIAL OPERATIONS

### Fourth quarter

- The industrial operations' order intake rose 9 per cent to SEK 2,166 m (1,994), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 13 per cent to SEK 2,284 m (2,018), which represents a 7 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 17 per cent to SEK 270 m (229), which equates to an operating margin of 11.8 (11.4) per cent for continuing operations.
- During the quarter, Nord-Lock acquired its distributor in Korea. The company has 10 employees and annual sales of approximately SEK 35 m. Latour also acquired 66.1 per cent of the shares in Neuffer Fenster + Türen GmbH, which reports annual sales of approximately EUR 13 m and has 24 employees.
- During the quarter, Latour concluded an agreement for the disposal of the Specma Group business area. The sale was finalised on 4 January for an EV-value corresponding to SEK 780 m.

### Full year

- The industrial operations' order intake rose 13 per cent to SEK 8,613 m (7,643), 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 8,555 m (7,559), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 29 per cent to SEK 972 m (755), which equates to an operating margin of 11.4 (10.0) per cent for continuing operations.

## GROUP

- The Group's profit after financial items was SEK 4,299 m (2,064).
- The Group's profit after tax was SEK 4,117 m (1,874), which is equivalent to SEK 25.81 (11.75) per share. The profit includes capital gains of SEK 1,753 m, which is equivalent to SEK 11.0 per share.
- Net debt at the end of December was SEK 2,205 m (3,516) and is equivalent to 4 per cent of the market value of total assets.

## INVESTMENT PORTFOLIO

- During the period, the value of the investment portfolio increased by 31.6 per cent adjusted for dividends. The benchmark index (SIXRX) rose 10.4 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 and fourth quarters, the ownership in Nobia dropped to 2.8 per cent following the disposal of 18.4 million shares corresponding to a purchase price of SEK 1.8 billion.

## EVENTS AFTER THE REPORTING PERIOD

- All Sealing Solutions, a Norwegian company with annual sales of NOK 27 m and 15 employees, was acquired in January by Specma Seals, a subsidiary in the Latour Industries business area.

<sup>1</sup> The calculation of the net asset value on 17 February 2016 was based on the value of the investment portfolio at 1 p.m. on 17 February and the same values as on 31 December were used for the unlisted portfolio.

## LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly-owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principal owners. The investment portfolio consists of ten substantial holdings that on 31 December 2015 had a market value of about SEK 39 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco. In 2015, the wholly-owned industrial operations were grouped into five business areas, Hultafors Group, Latour Industries, Nord-Lock, Specma Group and Swegon, and generated a turnover of approximately SEK 8.5 billion.

## Comments from the CEO

"2015 was the best year ever for Latour. The operating profit in the fourth quarter also meant that it was the best fourth quarter ever for the industrial operations. The same is true for the second and third quarters of 2015. We have seen a dramatic increase in profit, despite low organic growth and the continuation of rather considerable investments in product development, sales and marketing, all of which are included in the income statement. Furthermore, our listed holdings have produced good earnings and their growth in value during the year has therefore been better than the benchmark index. The part-owned unlisted holdings are also producing good earnings, but their impact on the Group as a whole is marginal. Altogether, they reported a record consolidated net profit of SEK 4.1 billion.

In the fourth quarter, industrial operations reported a 3 per cent organic increase in order intake and 7 per cent in net sales. For the full year, the corresponding growth rate for both order intake and invoiced sales was 2 per cent. The business areas that developed best were Hultafors Group and Latour Industries. Growth has been slightly slower for Swegon and Nord-Lock, although it improved in the last quarter. When acquisitions and foreign exchange effects are included, both order intake and invoiced sales in the industrial operations grew by 13 per cent during the year.

In the fourth quarter, the operating profit increased by 17 per cent to SEK 270 m (229), which equates to an operating margin of 11.8 (11.4) per cent. The operating profit for the year increased by 29 per cent to SEK 972 m (755).

The uncertain market conditions continue to make it difficult to predict the situation over the coming years. Stabilisation in the oil and gas industry at a long-term, sustainable level and stabilisation in growth in China are key issues affecting the world economy. The fact that the US economy has lost some momentum is perhaps largely due to developments in the oil, gas and mining industries. And although parts of Europe are slowly seeing better growth, it still doesn't feel like the economy is on a stable and sustainable path of recovery.

Despite relatively weak market growth, we are confident that our firm footing will allow us to continue to report strong earnings. We conduct our operations based on the premise that we cannot count on the economic situation offering us any significant help. But when it comes to investment in product development, marketing and sales, we're not slackening the pace. There is a particular need to increase the content of digital solutions in traditional industries too. I believe our acquisition of Neuffer in the fourth quarter to be an important building block in our digitisation activities.

We are currently in a strong financial position, which means there is no reason to slow our rate of growth through acquisitions, even if times become more difficult. There should instead be increased opportunities.

We made two acquisitions in the industrial operations in the fourth quarter. Nord-Lock acquired its distributor in Korea, with annual sales of SEK 35 m and 10 employees. South Korea has a massive manufacturing industry which is an extremely important market for Nord-Lock. In addition, the Latour Group acquired the German company Neuffer Fenster + Türen GmbH, which reports annual sales of EUR 13 m and has 24 employees. The acquisition constitutes an important step into the digital world for Latour and will help increase expertise throughout the industrial operations.

During the fourth quarter, we concluded an agreement for the sale of Specma Group. Back in August, we announced our intention to divest the business area and we are very pleased that the new industrial owner is the Danish company, Hydra-Grene. Hydra-Grene has many years of experience in the field of hydraulics and plans to further strengthen Specma's and Hydra-Grene's footholds in the Nordic region and globally. The sale was a natural part of our ongoing focus on operations that fulfil the investment criteria that we have today.

Many of our listed holdings have submitted their reports for the fourth quarter. On the whole, the companies have once again reported very positive performances with regard to both growth and profitability. We continued to sell shares in Nobia in the fourth quarter and our holding at year-end was 2.8 per cent of capital and votes.

The value of the investment portfolio in 2015 rose 31.6 per cent, adjusted for dividends, thus outperforming the SIXRX benchmark index, which rose 10.4 per cent. The net asset value in Latour increased in 2015 by 29.9 per cent to SEK 317 per share, adjusted for dividends. Following the positive performance in 2015, the Board propose an increased dividend to SEK 6.75 (6.00) per share."

*Jan Svensson  
President and Chief Executive Officer*

## Industrial operations

### *Order intake, invoiced sales and earnings*

#### *Fourth quarter*

The total order intake increased to SEK 2,166 m (1,994) during the fourth quarter. Invoiced sales increased to SEK 2,284 m (2,018), which is equivalent to 7 per cent organic growth when adjusted for foreign exchange effects and acquisitions. The operating profit in the wholly-owned industrial operations increased by 17 per cent to SEK 270 m (229) in the quarter. The operating margin was 11.8 (11.4) per cent.

#### *Full year*

The order intake for the year as a whole increased to SEK 8,613 m (7,643). Invoiced sales increased to SEK 8,555 m (7,559), 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 22 per cent to SEK 972 m (796)\*. The operating margin was 11.4 (10.5)\* per cent.

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

Please refer to pages 5-7 for more details about developments in each business area.

### *New financial targets*

The Board of Directors for Latour has decided to set new financial targets, which were communicated when the nine-month report was published. Previous targets are shown below 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 be regarded as an intention to further stimulate growth through acquisition. To a certain extent, the lower rate can be set 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*

Two acquisitions were made in the industrial operations in the fourth quarter. Nord-Lock acquired its distributor in Korea, with annual sales of SEK 35 m and 10 employees. South Korea has a massive manufacturing industry which is an extremely important market for Nord-Lock.

In addition, the Latour Group acquired the German company Neuffer Fenster + Türen GmbH, which reports annual sales of EUR 13 m and has 24 employees. Neuffer sells and markets windows via its established online sales sites [fensterversand.com](http://fensterversand.com), [fenetre24.com](http://fenetre24.com) and [fönster24.com](http://fönster24.com). The acquisition constitutes an important step into the digital world for Latour and will help increase expertise throughout the industrial operations. The purchase price amounts to EUR 18 m. In 2015, the company delivered an operating margin of 3 per cent in a strong growth phase.

Earlier in the year, Nord-Lock acquired the British company Boltight, which is a leading manufacturer of hydraulic bolt tensioning equipment. The company has 18 employees and annual sales of approximately GBP 4 m. In the second quarter, REAC AB acquired a smaller business from the Ergolet Group in Poland. 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 measurement and room control in the field of building automation. 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. 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 Group made a smaller acquisition in June with its purchase of Hydraulikhuset. The company has 26 employees and generates sales of approximately SEK 60 m.

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 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. An agreement for the sale was concluded on 9 November 2015. The Swedish Competition Authority approved the sale on 18 December and the purchasers took over on 4 January 2016. In 2015, Specma Group had a turnover of SEK 1,369 m and an operating profit of SEK 72 m. The transaction results in a reduction of Latour's net debt by about SEK 780 m and a capital gain of approximately SEK 180 m, reported in the first quarter of 2016.

# Industrial operations summary

## Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Hultafors Group	446	365	1,549	1,306	75	53	218	177	16.8	14.5	14.1	13.6
Latour Industries	377	286	1,289	1,034	53	29	176	68	14.1	10.2	13.6	6.5
Nord-Lock	193	169	797	722	54	45	236	211	27.9	26.7	29.7	29.3
Swegon	927	870	3,559	3,209	78	98	270	298	8.4	11.2	7.6	9.3
Eliminations	-1	-	-8	-5	-	-1	-	-	-	-	-	-
	<b>1,942</b>	<b>1,690</b>	<b>7,186</b>	<b>6,266</b>	<b>260</b>	<b>224</b>	<b>900</b>	<b>754</b>	<b>13.4</b>	<b>13.3</b>	<b>12.5</b>	<b>12.0</b>
Specma Group <sup>2</sup>	342	328	1,369	1,294	10	5	72	42	2.9	1.5	5.2	3.2
	<b>2,284</b>	<b>2,018</b>	<b>8,555</b>	<b>7,560</b>	<b>270</b>	<b>229</b>	<b>972</b>	<b>796</b>	<b>11.8</b>	<b>11.4</b>	<b>11.4</b>	<b>10.5</b>
expenses	-	-	-	-	-	-	-	-41	-	-	-	-
	<b>2,284</b>	<b>2,018</b>	<b>8,555</b>	<b>7,560</b>	<b>270</b>	<b>229</b>	<b>972</b>	<b>755</b>	<b>11.8</b>	<b>11.4</b>	<b>11.4</b>	<b>10.0</b>
Gain/loss from sale/purchase of businesses	-	-	-	-	-3	-	-2	-13				
Other companies and items <sup>1</sup>	-	-	-	21	2	-18	5	4				
	<b>2,284</b>	<b>2,018</b>	<b>8,555</b>	<b>7,581</b>	<b>269</b>	<b>211</b>	<b>975</b>	<b>746</b>				

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

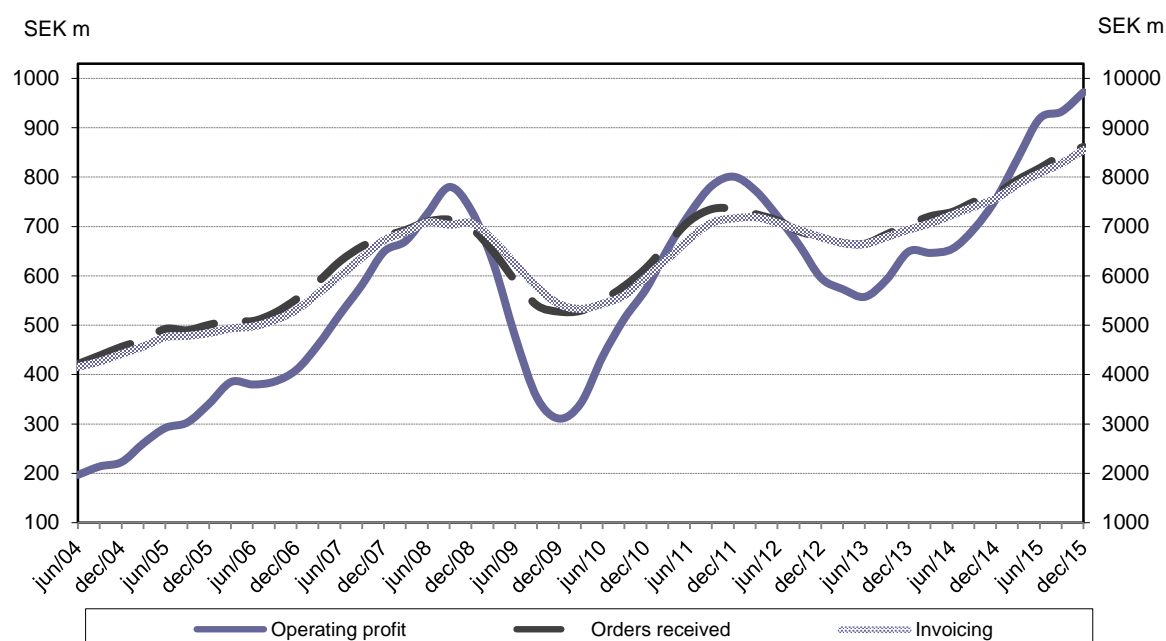
<sup>1</sup> Net sales refer to the operations (Carstens) divested in 2014 previously presented as part of Latour Industries.

<sup>2</sup> Specma Group is reported on a separate line due to the divestment decision.

SEK m	Operating capital <sup>3</sup>		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	1,178	851	18.6	20.8	18.6	4.7	3.4
Latour Industries	1,225	866	14.3	7.8	24.7	13.9	0.6
Nord-Lock	701	562	33.7	37.6	10.3	2.0	10.7
Swegon	2,365	1,744	11.4	17.1	10.9	9.2	2.6
	5,469	4,023	16.5	18.7	14.7	8.2	3.4
Specma Group	603	589	11.9	0.1	5.7	2.4	3.0
Total	6,072	4,612	16.0	16.4	13.2	7.2	3.3

<sup>3</sup> Calculated as total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.

## Group trailing 12 months



## Development per business area

### Hultafors Group

### HULTAFORS GROUP

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Net sales	446	365	1,549	1,306
EBITDA, adjusted*	79	58	233	195
EBITA, adjusted*	76	55	221	182
EBIT, adjusted*	75	53	218	177
EBIT, reported	75	53	218	177
EBITA %, adjusted*	16.9	15.0	14.3	13.9
EBIT %, adjusted*	16.8	14.5	14.1	13.6
Growth %	22.2	9.8	18.6	8.1
Of which exchange effects	1.7	3.8	3.4	3.6
Of which acquisitions	2.7	2.4	4.7	0.7
Average number of employees	679	626	658	617

\* Excluding restructuring costs.

#### Highlights

- Net sales rose 22.2 per cent during the quarter. Growth was 17.3 per cent when adjusted for foreign exchange effects and acquisitions.
- Organic growth in all product areas and increased demand compared to the previous year in most of the markets.
- Increased market investments.
- The launch of the new generation of Workwear dungarees has been successful.
- Record profits.

#### Breakdown of net sales

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Workwear	248	201	800	688
Tools	131	123	503	474
Ladders	35	33	147	135
Tradeport	32	9	98	9
	<b>446</b>	<b>365</b>	<b>1,549</b>	<b>1,306</b>
Pro forma adjustment <sup>1</sup>			-	
<b>Trailing 12 month pro forma</b>			<b>1,549</b>	

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

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

### Latour Industries



(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Net sales	377	286	1,289	1,034
EBITDA, adjusted*	60	34	199	89
EBITA, adjusted*	54	30	178	70
EBIT, adjusted*	53	29	176	68
EBIT, reported	53	29	176	68
EBITA %, adjusted*	14.3	10.4	13.8	6.8
EBIT %, adjusted*	14.1	10.2	13.6	6.5
Growth %	31.9	14.3	24.7	12.1
Of which exchange effects	0.3	0.6	0.6	1.1
Of which acquisitions	17.4	11.1	13.9	7.5
Average number of employees	989	829	938	733

\* Excluding restructuring costs.

#### Highlights

- Net sales rose 31.9 per cent during the quarter. Growth was 12.1 per cent when adjusted for foreign exchange effects and acquisitions.
- For the year as a whole, net sales increased by 9.0 per cent when adjusted for foreign exchange effects and acquisitions.
- Performance improved significantly in the quarter and the year as a whole. All companies in Latour Industries are reporting improved performance over the previous year.

#### Breakdown of net sales

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
LSAB Group	114	112	439	434
REAC	86	63	304	242
Kabona	43	35	146	126
Elvaco	31	23	91	55
Specma Seals	28	26	114	98
AVT	14	14	55	57
Bastec	15	13	51	22
Produal	47	-	91	-
Elimination	-1	-	-2	-
	<b>377</b>	<b>286</b>	<b>1,289</b>	<b>1,034</b>
Pro forma adjustment <sup>1</sup>			101	
<b>Trailing 12 month pro forma</b>			<b>1,390</b>	

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

**Latour Industries** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area which can eventually become new business areas within Latour.

## Nord-Lock



(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Net sales	193	169	797	722
EBITDA, adjusted*	60	50	258	229
EBITA, adjusted*	55	46	241	214
EBIT, adjusted*	54	45	236	211
EBIT, reported	54	45	236	211
EBITA %, adjusted*	28.6	27.1	30.2	29.6
EBIT %, adjusted*	27.9	26.7	29.7	29.3
Growth %	14.7	9.6	10.3	15.8
Of which exchange effects	6.9	8.1	10.7	4.9
Of which acquisitions	6.0	-	2.0	-
Average number of employees	384	361	372	367

\* Excluding restructuring costs.

### Highlights

- Net sales rose in the quarter to SEK 193 m (169) which, adjusted for acquisitions and foreign exchange effects, resulted in growth of 1.8 per cent.
- Strong operating profit and higher operating margin.
- Sales growth in all markets.
- Boltight Limited (UK) was acquired on 1 September, and Nord-Lock Korea on 31 December. See page 4 for further information.

### Breakdown of net sales

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Europe	98	87	423	394
North America	55	49	214	198
Asia Pacific	35	31	142	114
Emerging markets	7	5	30	24
Other	-2	-3	-12	-8
	193	169	797	722
Pro forma adjustment <sup>1</sup>			36	
<b>Trailing 12 month pro forma</b>			<b>833</b>	

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

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

## Swegon



(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Net sales	927	870	3,559	3,209
EBITDA, adjusted*	97	116	350	373
EBITA, adjusted*	80	99	278	303
EBIT, adjusted*	78	98	270	298
EBIT, reported	78	98	270	298
EBITA %, adjusted*	8.6	11.4	7.8	9.4
EBIT %, adjusted*	8.4	11.3	7.6	9.3
Growth %	6.6	11.0	10.9	9.3
Of which exchange effects	-0.1	3.3	2.6	3.0
Of which acquisitions	0.3	17.1	9.2	13.8
Average number of employees	1,840	1,807	1,840	1,674

\* Excluding restructuring costs.

### Highlights

- The year's positive trend in order intake had an impact on invoiced sales in the fourth quarter with more than 6 per cent in organic growth. Home Solutions and North America were strongest.
- Sweden, the domestic market, delivered an all-time-high in 2015 in both order intake and invoiced sales.
- The rest of Europe has a fragmented picture for sales and market development in the quarter. Poland, Belgium and Italy were strong markets.
- Vibro-Acoustics in North America enjoyed very strong growth during the period and the year as a whole. The GOLD air handling unit has been launched and local production has commenced in the North American market.
- Increased investments in marketing and product development were charged to operating profit.

### Breakdown of net sales

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Sweden	236	180	848	712
Rest of Nordic region	190	200	751	767
Rest of world	501	490	1,960	1,730
	927	870	3,559	3,209

Pro forma adjustment<sup>1</sup>

<b>Trailing 12 month pro forma</b>	<b>3,559</b>
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<sup>1</sup> Pro forma for completed acquisitions.

(SEK m)	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Cooling	243	236	970	848
Home Solutions	64	47	241	171
Commercial Ventilation	576	573	2,187	2,169
North America	63	38	217	81
Eliminations	-19	-24	-56	-60
	927	870	3,559	3,209

**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.



# 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 indicative value stated below is not a complete market valuation of Latour's holdings.

The net asset value increased to SEK 317 per share during the period from SEK 250 at the beginning of the year. The net asset value consequently increased by 29.9 per cent, adjusted for dividends, which can be compared to SIXRX which rose 10.4 per cent.

SEK m	Net sales <sup>1</sup>	EBIT <sup>1</sup>	EBIT multiple or EV/sales multiple Range	Valuation <sup>2</sup> Range	Valuation <sup>2</sup> Average	Valuation <sup>2</sup> SEK/share <sup>3</sup> Range
Hultafors Group	1,549	218	11 – 15	2,398 – 3,270	2,834	15 – 21
Latour Industries	1,390	195	11 – 15	2,145 – 2,925	2,535	13 – 18
Nord-Lock	833	236	12 – 16	2,832 – 3,776	3,304	18 – 24
Swegon	3,559	270	13 – 17	3,510 – 4,590	4,050	22 – 29
	<b>7,331</b>	<b>919</b>		<b>10,885 – 14,561</b>	<b>12,723</b>	<b>68 – 91</b>
Specma Group <sup>6</sup>	1,369	72	–	780 – 780	780	5 – 5
<b>Listed shares (see table on page 10 for breakdown)</b>					<b>39,146</b>	<b>245</b>
<b>Unlisted part-owned companies</b>						
Diamorph <sup>4</sup> , 21.2 %					125	1
Oxeon <sup>5</sup> , 31.1 %					25	0
Steelwrist <sup>5</sup> , 18.0 %					20	0
<b>Other assets</b>						
Short trading portfolio					46	0
Dilution effect of option programme					-88	-1
<b>Consolidated net debt</b>					<b>-2,205</b>	<b>-14</b>
<b>Estimated value</b>					<b>50,572</b>	<b>317</b>
					<b>(48 734 – 52 410)</b>	<b>(305 – 328)</b>

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

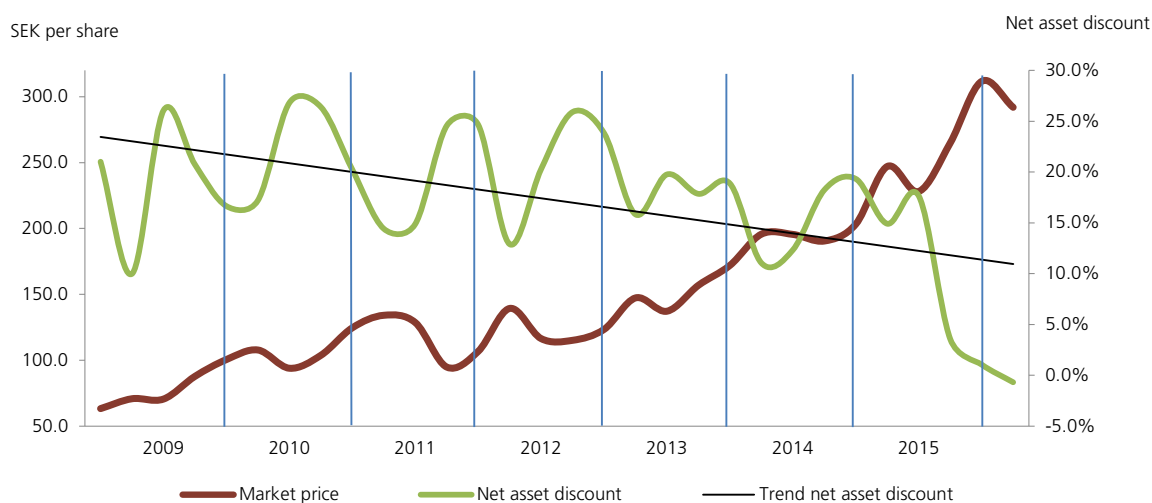
<sup>2</sup> EBIT and EV/sales recalculated taking into consideration the listed share price on 31 December 2015 for comparable companies in each business area.

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

<sup>4</sup> Valued according to the latest transaction.

<sup>5</sup> Valued according to Latour's latest acquisition price.

<sup>6</sup> Valued according to Latour's acquisition price in January 2016.





# Investment portfolio 31 December 2015

In the year as a whole, the aggregate value of the investment portfolio increased by 31.6 per cent, adjusted for dividends, while the comparable index (SIXRX) increased by 10.4 per cent.

During the first quarter, 6,020,000 shares in Troax were purchased, representing 30.1 per cent of the company's capital and votes. In addition, 18,450,106 shares in Nobia were sold, which is a reduction in the shareholding to 2.8 per cent.

Aktie	Number	Cost SEK m	Listed share price <sup>1</sup> SEK	Market value SEK m	Share of votes <sup>7</sup> %	Share of equity <sup>7</sup> %
Assa Abloy <sup>2 3</sup>	105,495,729	1,697	178	18,778	29.5	9.5
Fagerhult <sup>3 4</sup>	18,620,400	571	158	2,933	49.0	49.2
HMS Networks <sup>3</sup>	3,027,322	250	245	742	26.8	26.8
Loomis <sup>2 3</sup>	7,538,328	108	265	1,994	28.6	10.0
Nederman <sup>3</sup>	3,512,829	306	256	898	30.1	30.1
Nobia	4,649,894	94	106	493	2.8	2.8
Securitas <sup>2 3</sup>	39,732,600	1,081	130	5,165	29.6	10.9
Sweco <sup>2 3</sup>	32,622,480	445	124	4,053	21.0	27.3
Tomra <sup>3 5</sup>	36,560,000	1,795	96 NOK <sup>6</sup>	3,338	24.7	24.7
Troax <sup>3</sup>	6,020,000	397	125	752	30.1	30.1
<b>Total</b>		<b>6,745</b>		<b>39,146</b>		

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

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

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

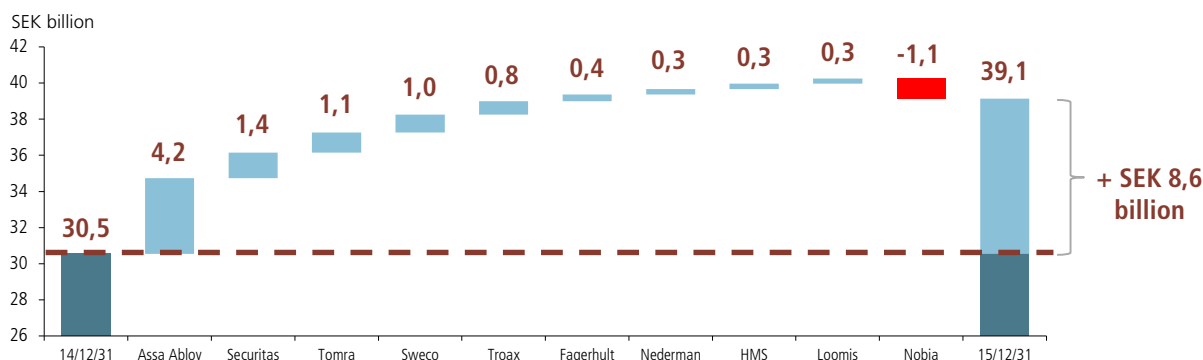
<sup>4</sup> At the end of December 2015, 90,000 shares were loaned out and are therefore not counted in Latour's share of votes.

<sup>5</sup> At the end of the report period, the listed share price was NOK 95.50 which has been translated to SEK at the exchange rate on the balance sheet date.

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

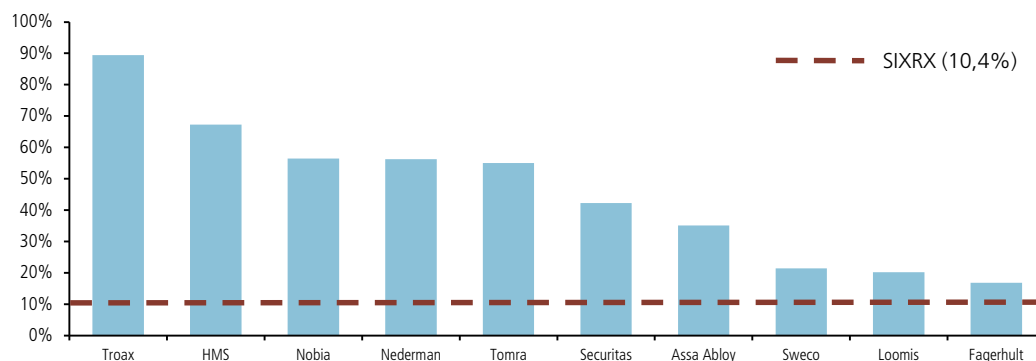
<sup>7</sup> Shares calculated after deduction of treasury shares.

## 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 4,299 m (2,064). Profit after tax was SEK 4,117 m (1,874), which is equivalent to SEK 25.81 (11.75) per share.

The Group's cash in hand and liquid investments amounted to SEK 858 m (428). Interest-bearing debt, excluding pension liabilities, totalled SEK 3,162 m (3,981). The Group's net debt, including pension liabilities, was SEK 2,205 m (3,516). The equity ratio was 89 (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 186 m (197) was invested in property, plant and equipment, of which SEK 151 m (129) was machinery and equipment, SEK 26 m (30) vehicles and 9 m (38) buildings. Out of total investments for the year, SEK 41 m (46) refers to fixed assets in new acquisitions.

## Parent company

The parent company's profit after financial items was SEK 3,087 m (816). The parent company's equity ratio was 99 (85) per cent.

Not including repurchased shares, the number of outstanding shares at 31 December 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 11,918,648 class A shares and 148,041,352 class B shares.

## Events after the reporting period

The acquisition of Neuffer Fenster + Türen GmbH was finalised on 1 January 2016. The disposal of Specma Group was finalised on 4 January. Otherwise, there were no material events subsequent to the end of the reporting period.

## Dividends

The Board of Directors proposes an increase of the regular dividend to SEK 6.75 (6.00) per share. In absolute terms, this corresponds to a dividend payout of SEK 1,077 m.

## 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 four 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 December 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.

## Nomination Committee

The Nomination Committee for the Annual General Meeting on 3 May 2016 comprises the following members: Gustaf Douglas (Chairman, principal owner)  
Björn Karlsson (Bertil Svensson's family and trust)  
Johan Strandberg (SEB funds)

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

Gothenburg, 18 February 2016  
Jan Svensson  
*President and CEO*

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**For further information please contact:**

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

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

**Conference call**

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

The number to call is +46 (0)8 566 425 08. The conference will be broadcast on the Internet.

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

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

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

*The interim report for the period January – June 2016 will be published on 23 August 2016*

*The interim report for the period January – September 2016 will be published on 3 November 2016*

<p>The information contained in this report constitutes information which the company is required to disclose under the Swedish Securities Market Act. The information was submitted for publication on 18 February 2016, at 8.30 a.m.</p>
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## Consolidated income statement

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Net sales	1,942	1,690	7,186	6,287
Cost of goods sold	-1,142	-994	-4,213	-3,690
<b>Gross profit</b>	<b>800</b>	<b>696</b>	<b>2,973</b>	<b>2,597</b>
Sales costs	-384	-351	-1,425	-1,301
Administrative costs	-134	-106	-534	-464
Research and development costs	-53	-50	-194	-155
Other operating income	33	16	91	81
Other operating expenses	-3	1	-7	-14
<b>Operating profit</b>	<b>259</b>	<b>206</b>	<b>904</b>	<b>744</b>
Income from interests in associates	459	426	1,952	1,347
Income from portfolio management	1,087	-	1,493	36
Management costs	-3	-4	-15	-15
<b>Profit before financial items</b>	<b>1,802</b>	<b>628</b>	<b>4,334</b>	<b>2,112</b>
Finance income	28	39	111	81
Finance expense incl redemption of pension liability	-37	-67	-146	-129
<b>Profit after financial items</b>	<b>1,793</b>	<b>600</b>	<b>4,299</b>	<b>2,064</b>
Taxes	-54	-52	-230	-188
Net income of disposal group classified as held for sale and discontinued operations	6	4	48	-2
<b>Profit for the period</b>	<b>1,745</b>	<b>552</b>	<b>4,117</b>	<b>1,874</b>
<b>Attributable to:</b>				
Parent company shareholders	1,745	552	4,117	1,874
Non-controlling interests	-	-	-	-
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	10.94	3.46	25.81	11.75
Diluted share, SEK	10.89	3.45	25.70	11.70
Average number of basic shares outstanding	159,557,500	159,493,000	159,530,816	159,445,425
Average number of diluted shares outstanding	160,220,000	160,223,000	160,179,053	160,121,214
Number of outstanding shares	159,557,500	159,493,000	159,557,500	159,493,000

## Consolidated statement of comprehensive income

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Profit for the period	1,745	552	4,117	1,874
<b>Other comprehensive income:</b>				
<b>Items that will not be recycled to the income statement</b>				
Restatement of net pension obligations	-2	-3	-2	-3
	-2	-3	-2	-3
<b>Items that may subsequently be recycled to the income statement</b>				
Change in translation reserve for the period	-87	62	-77	123
Change in fair value reserve for the period	-1,047	150	-736	343
Change in hedging reserve for the period	9	11	34	5
Change in associated companies' equity	-149	22	181	383
	-1,274	245	-598	854
<b>Other comprehensive income, net after tax</b>	<b>-1,276</b>	<b>242</b>	<b>-600</b>	<b>851</b>
<b>Comprehensive income for the period</b>	<b>469</b>	<b>794</b>	<b>3,517</b>	<b>2,725</b>
<b>Attributable to:</b>				
Parent company shareholders	469	794	3,517	2,725
Non-controlling interests	-	-	-	-

## Consolidated cash flow statement

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Operating cash flows before movements in working capital	273	240	859	762
Movements in working capital	96	15	-124	-272
<b>Operating cash flows</b>	<b>369</b>	<b>255</b>	<b>735</b>	<b>490</b>
Acquisitions of subsidiaries	-214	-88	-747	-722
Sale of subsidiaries	-	-	7	4
Other investments	-89	-84	-187	-149
Portfolio management	1,079	-103	2,228	266
<b>Cash flow after investments</b>	<b>1,145</b>	<b>-20</b>	<b>2,036</b>	<b>-111</b>
Financial payments	-697	37	-1,550	9
Cash flow from disposal group classified as held for sale	28	2	41	16
<b>Cash flow for the period</b>	<b>476</b>	<b>19</b>	<b>527</b>	<b>-86</b>

## Consolidated balance sheet

SEK m	2015/12/31	2014/12/31
<b>ASSETS</b>		
Goodwill	3,702	3,506
Other intangible assets	114	70
Property, plant and equipment	703	741
Financial assets	12,511	11,613
Inventories etc.	1,053	1,250
Current receivables	1,463	1,582
Cash and bank	858	428
Assets of disposal group classified as held for sale	871	-
<b>Total assets</b>	<b>21,275</b>	<b>19,190</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	16,080	13,523
Non-controlling interests	0	0
<i>Total equity</i>	<i>16,080</i>	<i>13,523</i>
Interest-bearing long-term liabilities	707	842
Non-interest-bearing long-term liabilities	256	221
Interest-bearing current liabilities	2,455	3,139
Non-interest-bearing current liabilities	1,372	1,465
Liabilities of disposal group classified as held for sale	405	-
<b>Equity and liabilities</b>	<b>21,275</b>	<b>19,190</b>

## Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 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
Sold repurchased own shares		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			-779	4,296		3,517
Issued call options				4		4
Sold repurchased own shares		17		13		30
Repurchased treasury shares		-37				-37
Dividends				-957		-957
Closing balance 31 Dec 2015	133	-58	417	15,588	0	16,080

## Key ratios, Group\*

	2015/12/31	2014/12/31
Return on equity (%)	28	15
Return on total capital (%)	22	13
Equity ratio (%)	76	70
Adjusted equity ratio <sup>1</sup> (%)	89	85
Adjusted equity <sup>1</sup> (SEK m)	43,161	33,015
Surplus value in associated companies <sup>2</sup> (SEK m)	27,081	19,492
Net debt/equity ratio (%)	5	11
Net debt/EBITDA	2.7	3.8
Listed share price (SEK)	312	203
Repurchased shares	402,500	467,000
Average number of repurchased shares	429,184	514,575
Average number of employees	4,570	4,185
Outstanding convertible bonds	-	-
Issued warrants	-	-
Issued call options on repurchased shares	662,500	730,000

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

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

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

## Parent company income statement

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Income from interests i Group companies	-	-	365	330
Income from interest in associates companies	-21	-	817	464
Income from portfolio management	1,578	-1	1,898	22
Management costs	-2	-2	-9	-9
<b>Profit before financial items</b>	<b>1,555</b>	<b>-3</b>	<b>3,071</b>	<b>807</b>
Interest income and similar items	16	10	31	48
Interest expense and similar items	-	-9	-15	-39
<b>Profit after financial items</b>	<b>1,571</b>	<b>-2</b>	<b>3,087</b>	<b>816</b>
Taxes	-	-	-	-
<b>Profit for the period</b>	<b>1,571</b>	<b>-2</b>	<b>3,087</b>	<b>816</b>

## Parent company statement of comprehensive income

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Profit for the period	1,571	-2	3,087	816
Change in fair value reserve for the period	-1,448	142	-1,091	326
Total other comprehensive income	-1,448	142	-1,091	326
<b>Comprehensive income for the period</b>	<b>123</b>	<b>140</b>	<b>1,996</b>	<b>1,142</b>

## Parent company balance sheet

SEK m	2015/12/31	2014/12/31
<b>ASSETS</b>		
Financial assets	9,510	9,858
Current receivables from Group companies	-	10
Other current liabilities	2	2
Cash and bank	5	6
<b>Total assets</b>	<b>9,517</b>	<b>9,876</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	9,407	8,371
Interese-bearing long-term lilabilities	101	101
Non-interest-bearing long-term liabilities	5	5
Interese-bearing current liabilities	-	1,395
Non-interest-bearing current liabilities	4	4
<b>Equity and liabilities</b>	<b>9,517</b>	<b>9,876</b>

## Parent company statement of changes in equity

SEK m	2015/12/31	2014/12/31
Amount at beginning of year	8,371	8,089
Total comprehensive income for the period	1,996	1,142
Issued call options	4	3
Sold repurchased own shares	30	14
Repurchased treasury shares	-37	-
Dividends	-957	-877
<b>Amount at end of year</b>	<b>9,407</b>	<b>8,371</b>

## Segment reporting:

### Development per business area 1 Jan 2015 - 31 Dec 2015

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
<b>INCOME</b>							
External sales	1,549	1,283	796	3,558			7,186
Internal sales		6	1	1			8
<b>RESULT</b>							
Operating profit	218	176	236	270	4		904
Income from portfolio management						3,430	3,430
Finance income							111
Finance expense							-146
Taxes							-230
Profit for the disposal group classified as held for sale							48
<b>Profit for the period</b>							<b>4,117</b>
<b>OTHER DISCLOSURES</b>							
Investments in:							
property, plant and equipment	11	46	35	54	28		174
intangible assets		369	156	16			541
Depreciation/amortisation	15	24	21	80	18		158

## Segment reporting:

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

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
<b>INCOME</b>							
External sales	1,305	1,051	722	3,209	-		6,287
Internal sales	1	4	-	-	-		5
<b>RESULTS</b>							
Operating result	177	68	211	298	-10		744
Income from portfolio management						1,368	1,368
Finance income							81
Finance expense							-129
Taxes							-188
Profit for the disposal group classified as held for sale							-2
<b>Profit for the period</b>							<b>1,874</b>
<b>OTHER DISCLOSURES</b>							
Investments in:							
property, plant and equipment	9	17	20	102	31	-	179
intangible assets	217	240		966		-	1,423
Depreciation/amortisation	17	21	18	75	17		148

## Change in consolidated interest-bearing net debt\*

SEK m	2014/12/31	Change in cash	Change in loans	Other changes	2015/12/31
Interest-bearing receivables	37			167	204
Cash	428	506			934
Pensions provisions	-30			-2	-32
Long-term liabilities	-812		-41		-853
Utilised bank overdraft facilities	-45		2		-43
Interest-bearing current liabilities	-3,094		679		-2,415
<b>Interest-bearing net debt</b>	<b>-3,516</b>	<b>506</b>	<b>640</b>	<b>165</b>	<b>-2,205</b>

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



## Five year overview\*

SEK m	2015	2014	2013	2012	2011
Net sales, SEK m	8,555	7,581	6,944	6,788	7,171
Operating profit, SEK m	975	746	621	635	883
Income from interest in associated companies, SEK m	1,952	1,347	1,060	914	1,449
Income from portfolio management, SEK m	1,493	36	43	35	-41
Profit after finance items, SEK m	4,405	2,064	1,710	1,497	2,230
Earnings per share, SEK	26	12	9	8	14
Return on equity, %	28	15	13	13	18
Return on total capital, %	22	13	12	12	17
Adjusted equity ratio, %	89	86	88	86	84
Net debt/equity ratio, %	5	10	7	8	7

\* 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
1 November 2015	Tech Eng Australia Pty Ltd	Australia	Nord-Lock	3
30 December 2015	Nord-lock Korea Co., Ltd	Korea	Nord-Lock	35

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	176
Property, plant and equipment	32
Financial assets	183
Inventories	51
Account receivable	46
Other receivable	3
Cash	68
Long-term liabilities	-2
Current liabilities	-52
<b>Net indentifiable assets and liabilities</b>	<b>505</b>
Group goodwill	340
<b>Total purchase price</b>	<b>845</b>
Additional purchase price	-8
<b>Cash settlement purchase price</b>	<b>837</b>
Acquisition of non-cash items	-
Acquired cash	-68
<b>Effect of Group cash</b>	<b>769</b>

During the period, Latour acquired the entire shareholdings of Reac Components Sp zoo, Laudorp Holding Oy, Hydraulikhuset BKH AB, Boltight Limited, Tech Eng Australia Pty Ltd and Nord-Lock Korea Co., Ltd.

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 contributed SEK 88 m in income and SEK 17 m in operating profit.

During the period, Reac Components contributed SEK 8 m in income and SEK -6 m in operating profit. Hydraulikhuset BKH AB contributed SEK 24 m in income and SEK 1 m in operating profit. During the period, Boltight Limited contributed SEK 13 m in income and SEK 2 m in operating profit. Tech Eng and Nord-Lock Korea did not contribute any income or operating profit during the period.

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

Transaction costs for acquisitions made during the period amount to SEK 8 m.

Estimated additional purchase prices amounting to SEK 7 m for the acquisition of Hydraulikhuset BKH AB and SEK 1 m for the acquisition of Tech Eng Australia have been booked.

## 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, no transfers were made in 2015 between the different levels of fair value hierarchy and no changes have occurred in the applied valuation techniques and/or principles.

### Financial instruments – Fair value\*

THE GROUP 31 Dec 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
<b>FINANCIAL ASSETS</b>						
Listed shares, management	493 <sup>1</sup>					493
Other long-term securities holdings	24 <sup>2</sup>					24
Other long-term receivables				204 <sup>3</sup>		204
Listed shares, trading		46 <sup>1</sup>				46
Unrealised gains, currency derivatives			67 <sup>2</sup>			67
Other current receivables				1 473 <sup>3</sup>		1,473
Cash				934 <sup>3</sup>		934
<b>Total</b>	<b>517</b>	<b>46</b>	<b>67</b>	<b>2,611</b>	<b>0</b>	<b>3,241</b>
<b>FINANCIAL LIABILITIES</b>						
Long-term loans					853 <sup>3</sup>	853
Bank overdraft facilities					43 <sup>3</sup>	43
Current loans					2 415 <sup>3</sup>	2,415
Other liabilities					886 <sup>3</sup>	886
Unrealised gains, currency derivatives			15 <sup>2</sup>			15
<b>Total</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>4,197</b>	<b>4,212</b>

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

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

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

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

Listed financial assets are valued at their quoted market price on the balance sheet date. Fair value of 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. Specma Group was sold on 4 January 2016.

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

SEK m	2015 Q4	2014 Q4	2015 Full Year	2014 Full Year
Income	342	328	1,369	1,294
Costs	-332	-323	-1,298	-1,292
Net financial items	-2	2	-8	-2
Tax	-2	-3	-15	-2
<b>Profit of disposal group after tax</b>	<b>6</b>	<b>4</b>	<b>48</b>	<b>-2</b>

## Information by quarter\*

SEK m	2015					2014					2013				
	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
<b>INCOME STATEMENT</b>															
Net sales	8,555	2,284	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	-5,295	-1,417	-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	3,260	865	803	822	770	2,824	761	746	677	640	2,545	671	639	647	588
Costs etc. for the operation	-2,285	-596	-544	-580	-565	-2,078	-550	-484	-515	-529	-1,924	-534	-437	-496	-457
Operating profit	975	269	259	242	205	746	211	262	162	111	621	137	202	151	131
Total portfolio management	3,430	1,543	463	759	665	1,368	422	304	335	307	1,089	283	354	238	214
Profit before financial items	4,405	1,812	722	1,001	870	2,114	633	566	497	418	1,710	420	556	389	345
Net financial items	-43	-11	-33	-18	19	-50	-26	-6	-6	-12	-52	-4	-24	-7	-17
Profit after financial items	4,362	1,081	689	983	889	2,064	607	560	491	406	1,658	416	532	382	328
Taxes	-245	-56	-52	-81	-56	-190	-55	-67	-38	-30	-175	-36	-53	-52	-34
Profit for the period	4,117	1,745	637	902	833	1,874	552	493	453	376	1,483	380	479	330	294
<b>KEY RATIOS</b>															
Earnings per share, SEK	25.81	10.94	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	527	476	45	29	-23	-86	19	121	-47	-179	230	194	73	-9	-28
Adjusted equity ratio, %	89	89	86	86	87	85	85	85	86	87	88	88	86	84	86
Adjusted equity	43,161	43,161	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	50,572	50,572	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	317	317	275	277	291	250	250	233	223	220	212	212	191	171	175
Listed share price, SSEK	312	312	265	228	247	203	203	191	196	196	172	172	157	135	148
<b>NET SALES</b>															
Hultafors Group	1,549	446	390	362	350	1,306	365	315	322	304	1,208	333	305	282	288
Latour Industries	1,289	377	311	311	290	1,055	286	229	281	243	982	264	223	256	239
Nord-Lock	797	193	198	197	208	722	169	193	192	169	624	154	162	158	150
Swegon	3,559	927	861	928	842	3,209	870	838	801	700	2,936	783	748	753	652
Other companies and eliminations	-8	-1	-1	0	-4	-5	-	0	0	10	42	4	13	13	12
	7,186	1,942	1,759	1,798	1,686	6,287	1,690	1,575	1,596	1,426	5,792	1,538	1,451	1,462	1,341
Specma Group	1,369	342	320	363	344	1,294	328	302	344	320	1,152	306	265	302	279
	8,555	2,284	3,137	3,286	3,076	7,581	2,018	1,877	1,940	1,746	6,944	1,844	1,716	1,764	1,620
<b>OPERATING PROFIT</b>															
Hultafors Group	218	75	54	48	42	177	53	50	41	33	126	54	40	12	20
Latour Industries	176	53	44	41	37	68	29	11	20	8	63	16	18	13	16
Nord-Lock	236	54	59	57	66	211	45	68	57	42	114	13	36	35	30
Swegon	270	78	74	80	39	298	98	90	74	37	346	89	101	96	59
	900	260	231	226	184	754	225	219	192	120	649	172	195	156	125
Specma Group	72	10	19	20	23	1	5	18	-26	4	0	-3	0	2	1
	972	270	250	246	207	755	229	237	166	124	649	169	196	158	126
Gain/loss from sale/purchase of busi	-2	-3	6	-3	-2	-13	0	-4	-8	-1	-25	-20	-2	-	-3
Other companies and items	5	2	3	-1	0	4	-18	29	4	-12	-3	-13	8	-7	8
	975	269	509	488	412	746	211	499	328	235	1,269	305	398	308	258
<b>OPERATING MARGIN (%)</b>															
Hultafors Group	14.1	16.8	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	13.6	14.1	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	29.7	27.9	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
Swegon	7.6	8.4	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
	12.5	13.4	13.1	12.6	10.9	12.0	13.3	13.9	12.0	8.4	11.2	11.2	13.5	10.6	9.3

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



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