

INTERIM REPORT  
JANUARY–MARCH  
2011



# Interim Report January – March 2011

## NET ASSET VALUE

- The net asset value amounted to SEK 147 - 167 per share at the end of March, which is unchanged since the year-end.

## INDUSTRIAL AND TRADING OPERATIONS

- Orders received in the industrial and trading operations increased to SEK 1,916 (1,418) m, an increase of 27 percent adjusted for acquisitions, divestitures and exchange effects.
- Net sales in the industrial and trading operations amounted to SEK 1,713 (1,338) m, an increase of 20 percent adjusted for acquisitions, divestitures and exchange effects.
- Operating result in the industrial and trading operations increased to SEK 178 (96) m, an increase of 85 percent, corresponding to an operating margin of 10.4 (7.2) percent, adjusted for acquisitions and divestitures.
- The boards of Latour and Säkl have decided to merge the companies.
- The Latour Industries business area made two smaller acquisitions in the first quarter, Nord-Lock's retailer in Italy, Sigma-3 S.r.l., as well as the acquisition of assets and liabilities in Elator's automation operations.
- The Specma Group business area divested Autotube AB.

## INVESTMENT PORTFOLIO

- The investment portfolio value decreased by 0.5 percent while the comparable index (SIXRX) decreased by 0.6 percent.

## GROUP

- Group result after net financial items amounted to SEK 194 (178) m.
- Group result after tax amounted to SEK 161 (140) m, which corresponds to SEK 1.23 (1.07) per share.

## EVENTS AFTER THE REPORT PERIOD

- In April the Latour Industries business area acquired Denstech AB.

**LATOUR AT A GLANCE** Investment AB Latour is a mixed investment company consisting of wholly owned industrial and trading operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principle owners. The investment portfolio consists of eight substantial holdings that on 31 March 2011 had a market value of about SEK 11 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco, and collectively they make up 75 percent of the entire value of the portfolio. Since the beginning of 2010 the wholly owned industrial and trading operations are organized in four business areas: Hultafors Group, Latour Industries, Specma Group and Swegon. Net sales in 2010 in the industrial and trading operations amounted to SEK 6.0 billion.

## Industrial and trading operations

### *Result and market*

Demand continued to develop very well in all business areas in the first quarter. Adjusted for exchange effects, acquisitions and divestitures, the level of orders received increased by all of 27 percent. Including acquisitions the increase was 43 percent, adjusted for exchange effects. The increase is not only a sign that the economy is recovering, it also confirms that we continue to win market shares in prioritized areas as we become more international. In spite of the generally positive development in volumes development is still weak on some markets, mainly in western Europe (Great Britain and Ireland).

Orders received was SEK 204 m more than billing, which means that the backlog increased considerably during the quarter.

The total level of orders received in continuing operations increased to SEK 1,840 (1,343) m. Invoicing increased to SEK 1,636 (1,264) m. Operating result for the four business areas increased by 75 percent to SEK 170 (97) m, entailing an operating margin of 10.4 (7.7) percent. These numbers do not include divestitures in either year. The operating margin is now on the same level as in 2008 but generated by a lesser net sales, a clear sign Latour has emerged stronger from the downturn in the economy.

Please refer to pages 4-5 for more about the development in each business area.

### *Acquisitions and divestitures*

After a relatively high level of acquisitions at the end of 2010, the first quarter in 2011 was somewhat calmer. The Latour Industries business area acquired, through Nord-Lock International AB, Sigma-3 S.r.l. The company, registered in Turin, is an independent retailer of Nord-Lock's products in Italy. The business area also acquired the assets and liabilities in the automation company Elator. The acquisition was made by the subsidiary AVT Industriteknik, registered in Alingsås, Sweden.

After the end of the quarter the Latour Industries business area acquired Denstech AB. Denstech delivers qualified specialist services in seal technology for the process industry in Scandinavia. Denstech has net sales of SEK 3 m and 18 employees.

The acquisition opportunities we analyse can either be a complement to existing business areas or potential new business areas in Latour. We evaluate both small and large acquisition opportunities. Our ambition is to own stable industrial companies with their own products and with good prerequisites for international expansion.

In the first quarter the Specma Group business area divested the subsidiary Autotube AB. The divestiture was a part of Latour's continuous review of the structures in the industrial and trading operations where the number of business areas was reduced through mergers from six to four in early 2010. Though the transaction net borrowings in the Latour Group shrunk by about SEK 160 m, which means we arrived at a value within the reported net asset value interval. The divestiture of Autotube means the car industry is no longer a principle customer group to any operations in Latour.

## Merger between Latour and Säkl

On 17 March 2011 the boards of Latour and Säkl announced their decision to merge the companies. The merger is based on the obvious logic of the companies' common history, similar operations and a common management perspective. The merger simplifies the ownership structure in the companies as well as making it more transparent to the market. The merged company will be a larger and stronger player in the market with better investment opportunities and increased financial stability. The merger also creates an investment alternative attractive to the capital market.

At the companies' Annual General Meetings in May 2011 the companies' shareholders will be provided the opportunity to say yes or no to the merger and the merger plan that the boards of Säkl and Latour have established. In order for the merger to go through the merger plan must be approved by the Annual General Meetings by two-thirds majority of both the submitted votes and the shares that are represented at each Annual General Meeting.

As a consequence of the legal merger, in which Säkl will be absorbed by Latour, shares in Säkl will be replaced by shares in Latour. Each share in Säkl will be replaced by 0.57 new B shares in Latour. A shareholder in Säkl holding 100 shares will therefore receive 57 new B shares in Latour. Shareholders in Latour keep their shares in Latour. The exchange relation is supported by two from each other independent Fairness Opinions, issued by SEB Enskilda by order of Latour and Handelsbanken Capital Markets as commissioned by Säkl.

Documents describing the fusion to assist the decisions in the two Annual General Meetings are found on the companies' websites [www.latour.se](http://www.latour.se) and [www.saeki.se](http://www.saeki.se).

## Development per business area

### Hultafors Group



(SEK m)	2011 Q1	2010 Q1	2010 Full year	Rolling 12 mon
Net sales	275	259	1,134	1,150
EBITDA	38	37	168	169
EBITA	34	33	152	153
EBIT	33	31	143	144
EBITA %	12.3	12.7	13.4	13.3
EBIT %	11.8	12.0	12.6	12.6
Growth %	6.0	2.9	7.8	
Of which exchange effects	-7.7	-6.1	-6.8	
Of which acquisitions	-	-	-	
Average number of employees	606	569	568	

#### Highlights first quarter

- Invoicing increased the first quarter, adjusted for exchange effects, by 13.7 percent compared to the same quarter 2010.
- Market development is generally positive but weak in Great Britain, Ireland and Denmark
- In 2011 further investments in product development and marketing will, in the short-term, result in greater costs in relation to net sales.
- The challenge to manage the increasing cost of raw materials and salaries in production continues.

#### Allocation of net sales

(SEK m)	2011 Q1	2010 Q1	2010 Full year	Rolling 12 mon
Workwear	139	137	618	620
Tools	104	90	392	406
Ladders	33	32	124	125
	275	259	1,134	1,150

**Hultafors Group** offers the market three product groups: work wear under the Snickers Workwear brand, hand tools under the Hultafors Tools brand and ladders and scaffolding marketed under the Wibe Ladders brand. Its business concept is to be an attractive partner to distributors of consumables and work equipment in Europe and to be the obvious first hand choice for the end user.

### Latour Industries International



(SEK m)	2011 Q1	2010 Q1	2010 Full year	Rolling 12 mon
Net sales	438	294	1,297	1,440
EBITDA	84	46	201	240
EBITA	75	39	175	211
EBIT	74	38	172	209
EBITA %	17.1	13.1	13.5	14.7
EBIT %	17.0	12.9	13.3	14.5
Growth %	49.0	-16.3	8.4	
Of which exchange effects	-5.3	-1.3	-3.6	
Of which acquisitions	33.2	0.6	-4.9	
Average number of employees	846	540	555	

#### Highlights first quarter

- Invoicing increased by 54 percent adjusted for exchange effects, of which acquisitions were 33 percent. The operating result increased by 96 percent to SEK 74 m. Last year's acquisition activities contributed a profit of SEK 16 m.
- Continued high level of acquisition activity led to a further three acquisitions in 2011. In January AVT, a part of Stenberggruppen, acquired Elator's automation operations. In February Nord-Lock acquired Sigma-3 s.r.l., an independent retailer on the Italian market. Denstech AB, a supplier of service and maintenance to the Nordic process industry, was acquired in April by Specma Seals.
- A greater interest in making investments in Swedish industries had an effect on the orders received in the companies that deliver equipment.
- Operating result cleared from acquisitions and divestitures landed at SEK 58.3 m, which corresponds to an increase by 39 %.

#### Allocation of net sales

(SEK m)	2011 Q1	2010 Q1	2010 Full year	Rolling 12 mon
Nord-Lock	115	85	390	420
Specma Tools	17	13	64	67
Specma Seals	16	17	80	79
BrickPack	17	13	60	64
Stenbergs	96	85	366	376
LSAB Group	90	53	199	236
Carstens	27	27	110	110
REAC	30	0	29	58
Pressmaster	38	0	0	38
	438	294	1,297	1,440
Pro forma adjustment				241 <sup>1)</sup>
<b>Rolling 12 month pro forma</b>				<b>1,681</b>

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

**Latour Industries International** consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent units in the business area that in the long run should be able to create their own business areas in Latour. The common denominator is that most customers are active in manufacturing.

(SEK m)	2011 Q1	2010 Q1Full year	2010 Full year	Rolling 12 mon
Net sales	336	246	1,065	1,155
EBITDA	26	8	19	67
EBITA	21	3	30	48
EBIT	21	3	29	47
EBITA %	6.3	1.2	2.8	4.2
EBIT %	6.2	1.2	2.7	4.1
Growth %	36.7	5.0	28.2	
Of which exchange effects	-4.4	-2.7	-4.0	
Of which acquisitions	3.3	3.6	5.5	
Average number of employees	683	551	600	

### Highlights first quarter

- Continued increase in orders received and invoicing in the first quarter.
- Price increases to compensate for higher material prices are gradually being implemented.
- High capacity utilisation in production units.
- Focus on optimising costs in order to obtain full effect from increase in volumes.
- In the first quarter Autotube AB was sold as a part of Latour's concentration. The numbers for Autotube have been removed from both 2010 and 2011 for the sake of comparison.

### Allocation of net sales

(SEK m)	2011 Q1	2010 Q1Full year	2010 Full year	Rolling 12 mon
OEM	184	129	564	619
System	77	52	238	263
Component	75	65	263	273
	336	246	1,065	1,155

**Specma Group** has operations in divisions. The OEM division primarily serves customers in mobile hydraulics, System Division customers are active in marine industry and industrial hydraulics and Components Division is focused on after sales customers.

(SEK m)	2011 Q1	2010 Q1Full year	2010 Full year	Rolling 12 mon
Net sales	592	469	2,153	2,276
EBITDA	59	39	262	282
EBITA	43	26	211	228
EBIT	42	25	208	225
EBITA %	7.2	5.5	9.8	10.0
EBIT %	7.1	5.4	9.7	9.9
Growth %	26.4	-12.3	3.5	
Of which exchange effects	-6.7	-3.1	-5	
Of which acquisitions	19.9	0	5.5	
Average number of employees	1,263	949	1,054	

### Highlights first quarter

- New European standards and regulations raised the demand for energy efficient solutions.
- Renovations of the old Swedish housing projects resulted in higher housing ventilation sales.
- Orders received were 19 % better than the previous year, adjusted for exchange effects and acquired units. Many customers postponed delivery dates because of the cold winter, which led to an increase in backlog.
- Market shares continue to grow dramatically outside the Nordic region.
- Integration of Blue Box, the Italian chillers manufacturer acquired in the autumn 2010, continued according to plan.
- Future challenges are to continue strengthening Swegon's lead in products and systems. Further investments in product development and marketing in 2011 will, in the short-term, result in higher costs in relation to net sales.

### Allocation of net sales

(SEK m)	2011 Q1	2010 Q1Full year	2010 Full year	Rolling 12 mon
Sweden	197	155	659	701
Other in the Nordic Region	186	193	780	773
Other in the world	209	121	714	802
	592	469	2,153	2,276

Pro forma adjustment 275<sup>1)</sup>

**Rolling 12 month pro forma 2,551**

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

**Swegon** provides energy efficient air treatment aggregates as well as air and water borne climate systems for all kinds of buildings. Swegon delivers well thought-out system solutions that create a good indoor climate, which highly contributes to saving energy.

## Business area results

SEK m	Net sales		Operating result		Operating margin %	
	2011 3 mon	2010 3 mon	2011 3 mon	2010 3 mon	2011 3 mon	2010 3 mon
Hultafors Group	275	259	33	31	11.8	12.0
Latour Industries	438	294	74	38	17.0	12.9
Specma Group	336	246	21	3	6.2	1.2
Swegon	592	469	42	25	7.1	5.4
Elimination	-5	-4	-	-	-	-
	<b>1,636</b>	<b>1,264</b>	<b>170</b>	<b>97</b>	<b>10.4</b>	<b>7.7</b>
Capital gains from divested companies	-	-	-2	3		
Other companies and items	77	74	-9	21		
	<b>1,713</b>	<b>1,338</b>	<b>159</b>	<b>121</b>		

SEK m	Operating capital <sup>1)</sup>		Return on operating capital %		Growth in net sales %		
	2011 roll 12	2010 roll 12	2011 roll 12	2010 roll 12	2011 acquisitions	From exchange effects	
Hultafors Group	760	796	19.0	15.2	6.0	0.0	-7.7
Latour Industries	675	584	31.0	12.2	49.0	33.2	-5.3
Specma Group	566	477	8.3	-4.5	36.7	3.3	-4.4
Air Treatment	866	659	26.0	31.7	26.4	19.9	-6.7
<b>Total</b>	<b>2,867</b>	<b>2,515</b>	<b>21.8</b>	<b>15.1</b>	<b>29.4</b>	<b>15.7</b>	<b>-6.1</b>

<sup>1)</sup> Calculated as total assets, reduced by liquid funds and other interest-bearing assets and reduced by non interest-bearing liabilities.  
Calculated on the average of the past 12 months.

## The Latour share's net asset value

In order to facilitate the evaluation of Latour's asset value, Latour provides an estimated interval of the value (Enterprise Value) for each business area based in 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 shown in the tables by valuating each business area in an interval. Deductions for the company's net debt have been made as in earlier calculations. The evaluation of comparable companies has been made based on the market price after the balance sheet date and rolling 12 months' EBIT. A more detailed de-

scription can be found on pages 8-9 in Latour's Annual Report for 2010.

The present situation in the business cycle has led to substantial variations in the results for both business areas and comparable companies. This in turn has caused comparable valuation multiples to stretch over a very large interval. For this reason this report has adjusted the multiples used to avoid unreasonable values. Other valuation multiples (for instance EV/sales) have also been used as support for the chosen multiple intervals. The indicative value stated below is not a complete market valuation of Latour's holdings.

	Net sales <sup>1)</sup>	EBIT <sup>1)</sup> SEK m	EBIT-multiple alt EV/sales-multiple Interval	Valuation SEK m <sup>2)</sup> Interval	Valuation SEK/share <sup>3)</sup> Interval
Hultafors Group	1,150	145	12 – 15	1,734 – 2,168	13 – 16
Latour Industries					
– Engineering Technology	832	223	11 – 15	2,457 – 3,351	19 – 26
– Machinery Trading/ Machinery Accessories	849	14	0.5 – 0.7	424 – 594	3 – 5
Specma Group	1,155	47	0.6 – 0.8	693 – 924	5 – 7
Swegon	2,551	244	14 – 18	3,410 – 4,385	26 – 33
	<b>6,537</b>	<b>673</b>		<b>8,719 – 11,421</b>	<b>67 – 87</b>
<b>Listed shares</b> (see tables on the following page)				<b>10,736</b>	<b>82</b>
Other assets					
Oxeon <sup>4)</sup> 31.6 %				32	0
Short position portfolio				46	0
Other listed holdings				20	0
Other				3	0
Liabilities				-308	-2
<b>Calculated value</b>				<b>19,248 – 21,950</b>	<b>147 – 167</b>

<sup>1)</sup> Rolling 12 months for current company structure.

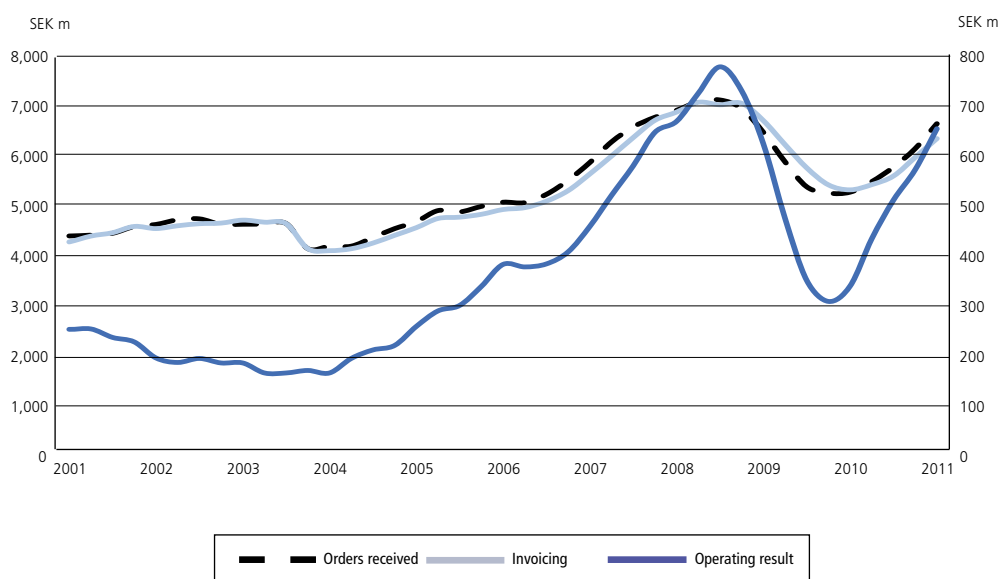
<sup>2)</sup> EBIT and EV/sales multiple recalculated taking into consideration the share price 2011-03-31 for comparable companies in each business area.

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

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

<sup>5)</sup> Acquisition value.

## Group rolling 12 months



### Investment portfolio 2011-03-31

In the first quarter the value of the investment portfolio decreased by 0.5 percent while comparable index (SIXRX)

decreased by 0.6 percent. During the quarter 60,000 shares in HMS Networks were acquired increasing ownership to 17.1 percent of capital and votes.

Share	Number	Acquisition value SEK m	Listed price <sup>1)</sup> SEK	Market value SEK m	Share of votes %	Share of equity %
Assa Abloy A <sup>2)</sup>	6,746,425	786	181	1,224		
Assa Abloy B	19,000,000	414	181	3,447	16.1	7.0
Fagerhult <sup>3) 4)</sup>	4,106,800	296	175	717	32.6	32.6
HMS Networks	1,911,000	139	105	201	17.1	17.1
Loomis A <sup>2)</sup>	800,000	10	100	80		
Loomis B	4,618,000	55	100	459	12.2	7.4
Nederman <sup>3)</sup>	3,171,000	271	112	355	27.1	27.1
Niscayah Group A <sup>2)</sup>	4,000,000	87	12	49		
Niscayah Group B	24,000,000	93	12	291	12.3	7.7
Securitas A <sup>2)</sup>	4,000,000	309	75	301		
Securitas B	23,090,000	276	75	1,735	12.2	7.4
Sweco A <sup>3) 5)</sup>	1,222,760	8	65	79		
Sweco B <sup>3)</sup>	27,775,000	144	65	1,798	22.8	31.9
<b>Total</b>		<b>2,888</b>		<b>10,736</b>		

<sup>1)</sup> Market price.

<sup>2)</sup> A shares in Assa Abloy, Loomis, Niscayah Group and Securitas are unlisted. In this table they have been given the same listing price as corresponding B shares.

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

<sup>4)</sup> At the end of March 2011 30,000 shares were loaned out.

<sup>5)</sup> The A share in Sweco is listed, but due to limited trade it has been given the same listed price as the B share.

### Results and financial position

#### Group

Group profit after financial items was SEK 194 (178) million. Group profit after tax amounted to SEK 161 (140) million, which corresponds to SEK 1.23 (1.07) per share.

Group cash in hand and liquid investments amounted to SEK 511 (483) million. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 686 (1,157) million. Group net borrowings, including pension liabilities, totalled SEK 308 (757) million. The equity ratio was 84 (81) percent calculated on reported equity in relation to total assets. Including surplus value in associated companies the equity ratio was 86 (83) percent.

No transactions with related parties have influenced Group results significantly and they are not presented.

#### Investments

During the period an investment of SEK 23 (24) million was made in tangible assets, of which SEK 15 (20) million was machinery, SEK 6 (4) million vehicles and SEK 2 (0) million buildings. Fixed assets in newly acquired companies made up SEK 1 (1) million of the investments for the period.

#### Parent company

Parent company profit after financial items amounted to SEK

9 (34) million. The parent company equity ratio amounted to 100 (98) percent.

The number of outstanding shares amounted to 131,000,000 on 31 March 2011. In the first quarter no shares were bought back. Latour already owns 460,000 repurchased B shares. Call options have been issued to senior officers for 230,000 of the repurchased shares. At the Annual General Meeting on 12 May 2011 the board will propose that it be allowed to continue to repurchase Latour shares as well as decide on the transfer of own shares.

In 2010 4,612,770 A shares were converted to B shares. The current allocation of issued shares is 12,084,160 A shares and 119,375,840 B shares.

The board has proposed dividends of SEK 3.75 (2.75) per share. With the current number of outstanding shares this dividend represents SEK 491.2 (360.2) m.

### Events after the balance sheet date

In April the Latour Industries business area acquired Denstech AB. Denstech delivers qualified specialist services in sealing technology for the process industry in Scandinavia. Denstech has net sales of SEK 30 m and 18 employees.

### Risks and uncertainties

The Group's and the parent company's main risk lies in changes in the value of financial instruments and can be due to a general dip in the stock market or in a certain holding. This includes uncertainties concerning exchange and interest developments. Latour has a good diversification of risk through a wide variety of shareholdings divided among eight listed holdings and four wholly owned business areas. This means that the development of an individual holding will not have a dramatic effect on the Group in general. Because the wholly owned industrial and trading operations have grown changes in them have a greater impact on Latour. The Group as a whole is considered to have good risk diversification in its holdings in several different industries, but there is a certain

dominance of industries with exposure to the construction industry. However, this industry can also be divided into a number of dimensions, such as new construction or repairs and maintenance, locally or globally, and it is also spread over housing, offices, industrial properties and infrastructure projects. No significant risks besides those described in note 33 in Latour's Annual Report 2010 have cropped up.

### Review and accounting principles

The company auditors have not reviewed this report.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and for the parent company in accordance with the Annual Accounts Acts and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities.

The same accounting principles and calculation methods have been used as those in the latest annual accounts.

### Nominating committee

The nominating committee until the Annual General Meeting 12 May 2011 consists of the following persons:

Gustaf Douglas (chairman, principal owner)

Björn Karlsson (Bertil Svensson's family and foundation)

Per Erik Mohlin (SEB Funds)

The nominating committee can be contacted via Latour's website [www.latour.se/en](http://www.latour.se/en), About Latour, Organisation.

Gothenburg 6 May 2011

Jan Svensson  
President and CEO

### Further information

Jan Svensson, President and CEO, tel. +46 705 77 16 40.

Anders Mörck, CFO, tel. +46 706 46 52 11, or +46 31 89 17 90.

### Telephone conference

Investment AB Latour will hold a telephone conference with Jan Svensson and Anders Mörck today at 11 a.m.

The number for joining is: +46 (8) 505 598 53.

The conference will be broadcasted over the Internet. In order to follow the presentation please visit our website [www.latour.se](http://www.latour.se).

*Annual General Meeting will be held 12 May 2011 at Blu Scandinavia Hotel in Gothenburg, Sweden.*

*Interim Report January-June 2011 will be published 2011-08-22.*

*Interim Report January-September 2011 will be published 2011-11-08.*

*Annual Accounts Report 2011 will be published 2012-02-22.*



## Consolidated income statement

SEK m	3 mon Jan-Mar 2011	3 mon Jan-Mar 2010	12 mon Apr-Mar 2011/2010	12 mon Jan-Dec 2010
<b>Net sales</b>	<b>1, 713</b>	<b>1,338</b>	<b>6,366</b>	<b>5,991</b>
Costs of goods sold	-1,120	-878	-4,162	-3,920
<b>Gross profit</b>	<b>593</b>	<b>460</b>	<b>2,204</b>	<b>2,071</b>
Sales costs	-295	-259	-1,107	-1,071
Administrative costs	-106	-94	-375	-363
Research and development costs	-29	-20	-115	-106
Other operating income	14	38	77	101
Other operating costs	-18	-4	-26	-12
<b>Operating result</b>	<b>159</b>	<b>121</b>	<b>658</b>	<b>620</b>
Result from participation in associated companies	63	83	206	226
Result from portfolio management	-2	-10	86	78
<b>Profit before financial items</b>	<b>220</b>	<b>194</b>	<b>950</b>	<b>924</b>
Financial income	3	4	26	27
Financial costs	-29	-20	-90	-81
<b>Profit after financial items</b>	<b>194</b>	<b>178</b>	<b>886</b>	<b>870</b>
Taxes	-33	-38	-163	-168
<b>Result for the period</b>	<b>161</b>	<b>140</b>	<b>723</b>	<b>702</b>
<b>Attributable to:</b>				
Parent company shareholders	161	140	724	703
Non-controlling interest holding	0	0	-1	-1
Earnings per share regarding profit attributable to parent company shareholders				
Before dilution	1.23 SEK	1.07 SEK	5.53 SEK	5.37 SEK
After dilution	1.23 SEK	1.07 SEK	5.52 SEK	5.36 SEK
Average number of outstanding shares before dilution	131,000,000	131,000,000	131,000,000	131,000,000
Average number of outstanding shares after dilution	131,230,000	131,115,000	131,172,500	131,172,973
Number of outstanding shares	131,000,000	131,000,000	131,000,000	131,000,000

## Statement of comprehensive income

SEK m	3 mon Jan-Mar 2011	3 mon Jan-Mar 2010	12 mon Apr-Mar 2011/2010	12 mon Jan-Dec 2010
Result for the period	161	140	723	702
<b>Other comprehensive income, net after tax</b>				
Change in translation reserve for the period	-14	-42	-80	-108
Change in fair value reserve for the period	-358	394	1 427	2,179
Change in hedging reserve for the period	2	11	14	23
Changes in equity in associated companies	-14	-23	-102	-111
Other	-	-1	-1	-2
<b>Other comprehensive result, net after tax</b>	<b>-384</b>	<b>339</b>	<b>1,258</b>	<b>1,981</b>
<b>Comprehensive result for the period</b>	<b>-223</b>	<b>479</b>	<b>1,981</b>	<b>2,683</b>
Attributable to:				
Parent company shareholders	-223	479	1,982	2,684
Non-controlling interest holding	0	0	-1	-1

## Consolidated cash flow statement

SEK m	3 mon Jan-Mar 2011	3 mon Jan-Mar 2010	12 mon Apr-Mar 2011/2010	12 mon Jan-Dec 2010
Cash flow from current operations before changes in operating capital	178	75	681	578
Changes in operating capital	-224	-87	-230	-93
Cash flow from current operations	<b>-46</b>	<b>12</b>	<b>451</b>	<b>485</b>
Acquisition of subsidiaries	-11	-10	-438	-437
Sale of subsidiaries	123	0	130	7
Other investments	-45	-23	-114	-92
Portfolio management	-38	10	1,160	1,208
<b>Cash flow after investments</b>	<b>-17</b>	<b>-35</b>	<b>1,189</b>	<b>1,171</b>
Financial payments	-30	-36	-1,128	-1,134
<b>Cash flow for the period</b>	<b>-47</b>	<b>-71</b>	<b>61</b>	<b>37</b>

## Consolidated balance sheet

SEK m	2011-03-31	2010-03-31	2010-12-31
<b>ASSETS</b>			
Goodwill	1,353	968	1,388
Other intangible assets	48	53	51
Tangible assets	785	672	847
Financial assets	9,082	8,673	9,421
Inventories etc.	1,119	878	1,030
Current receivables	1,444	1,125	1,398
Cash and bank	511	483	573
<b>Total assets</b>	<b>14,342</b>	<b>12,852</b>	<b>14,708</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to parent company shareholders	12,057	10,434	12,280
Non-controlling interest holding	0	1	0
<i>Total equity</i>	<i>12,057</i>	<i>10,435</i>	<i>12,280</i>
Interest-bearing long-term liabilities	306	200	337
Non-interest-bearing long-term liabilities	114	131	90
Interest-bearing current liabilities	538	1,101	581
Non-interest-bearing current liabilities	1,327	985	1,420
<b>Total equity and liabilities</b>	<b>14,342</b>	<b>12,852</b>	<b>14,708</b>

## Change in consolidated equity

SEK m	Share capital	Shares bought back	Other reserves	Profit brought forward	Non-controlling interest holding	Total
Opening balance 2010-01-01	110	-29	3,847	6,027	1	9,956
Comprehensive result for the period			2,094	590	-1	2,683
Issued call options				1		1
Dividends				-360		-360
<b>Closing balance 2010-12-31</b>	<b>110</b>	<b>-29</b>	<b>5,941</b>	<b>6,258</b>	<b>0</b>	<b>12,280</b>
Opening balance 2011-01-01	110	-29	5,941	6,258	0	12,280
Comprehensive result for the period			-370	147		-223
Dividends				0		0
<b>Closing balance 2011-03-31</b>	<b>110</b>	<b>-29</b>	<b>5,571</b>	<b>6,405</b>	<b>0</b>	<b>12,057</b>

## Group key ratios

	2011-03-31	2010-03-31	2010-12-31
Return on equity	5%	5%	6%
Return on capital employed	6%	6%	7%
Equity ratio	84%	81%	83%
Adjusted equity ratio	86%	83%	85%
Adjusted equity (SEK m)	13,813	11,756	13,783
Surplus value in associated companies <sup>1)</sup> (SEK m)	1,756	1,321	1,503
Net debt/equity ratio	2%	7%	2%
Net borrowings/EBITDA	0.4	1.5	0.4
Market value	134 SEK	107 SEK	124 SEK
Bought back shares	460,000	460,000	460,000
Average number of repurchased shares	460,000	460,000	460,000
Average number of employees	3,556	2,821	3,057
Outstanding convertible bonds	0	0	0
Issued subscription options	0	0	0
Issued call options on repurchased shares	230,000	115,000	230,000

<sup>1)</sup> Difference between acquisition value and market value.

## Income statement – Parent company

SEK m	3 mon Jan-Mar 2011	3 mon Jan-Mar 2010	12 mon Apr-Mar 2011/2010	12 mon Jan-Dec 2010
Result from participation in Group companies	–	–	100	100
Result from participation in associated companies	–	50	61	111
Result from portfolio management	1	–14	160	145
<b>Profit before financial items</b>	<b>1</b>	<b>36</b>	<b>321</b>	<b>356</b>
Interest income and similar profit items	8	0	8	–
Interest costs and similar loss items	–	–2	–	–2
<b>Profit after financial items</b>	<b>9</b>	<b>34</b>	<b>329</b>	<b>354</b>
Tax	–	–	–	–
<b>Result for the period</b>	<b>9</b>	<b>34</b>	<b>329</b>	<b>354</b>

## Statement of the comprehensive income – Parent company

SEK m	3 mon Jan-Mar 2011	3 mon Jan-Mar 2010	12 mon Apr-Mar 2011/2010	12 mon Jan-Dec 2010
Result for the period	9	34	329	354
Change in the fair value reserve for the period	–358	394	1,427	2,179
Total other comprehensive income	–358	394	1,427	2,179
<b>Result for the period</b>	<b>–349</b>	<b>428</b>	<b>1,756</b>	<b>2,533</b>

## Balance sheet – parent company

SEK m	2011-03-31	2010-03-31	2010-12-31
<b>ASSETS</b>			
Financial assets	8,748	8,290	9,872
Current assets	775	–	–
Cash and bank	6	6	6
<b>Total assets</b>	<b>9,529</b>	<b>8,296</b>	<b>9,878</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	9,520	8,123	9,869
Interest-bearing long-term liabilities	0	66	1
Non-interest-bearing long-term liabilities	6	6	5
Non-interest-bearing current liabilities	3	1	3
<b>Total equity and liabilities</b>	<b>9,529</b>	<b>8,296</b>	<b>9,878</b>

## Change in equity – parent company

SEK m	2011-03-31	2010-03-31	2010-12-31
Equity at the beginning of the year	9,869	7,695	7,695
Comprehensive result for the period	–349	428	2,533
Issued call options	–	–	1
Dividends	–	–	–360
<b>Equity at year-end</b>	<b>9,520</b>	<b>8,123</b>	<b>9,869</b>

## Segment reporting:

### Development per business area 2011-01-01 – 2011-03-31

	Industry and trading					Portfolio Management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	275	437	333	591	77		1,713
Internal sales	–	1	3	1	3		8
RESULT							
Operating profit	33	74	21	42	–11		159
Result from participation in associated companies						63	63
Result from portfolio management						–2	–2
Financial income							3
Financial costs							–29
Tax							–33
Result for the period							161
OTHER INFORMATION							
Investments in:							
tangible assets	2	5	2	6	8	–	23
intangible assets	–	11	–	–	–	–	11
Depreciation	6	10	5	17	6	–	44

### Development per business area 2010-01-01 – 2010-03-31

	Industry and trading					Portfolio Management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	259	292	245	468	74		1,338
Internal sales	–	2	1	1	6		10
RESULT							
Operating profit	31	38	3	25	24		121
Result from participation in associated companies						83	83
Result from portfolio management						–10	–10
Financial income							4
Financial costs							–20
Tax							–38
Result for the period							140
OTHER INFORMATION							
Investments in:							
tangible assets	1	3	4	12	4	–	24
intangible assets	–	3	25	–	–	–	28
Depreciation	7	8	5	13	8	–	41

## Five year overview

	Apr 2010–Mar 2011	2010	2009	2008	2007
Net sales, SEK m	6,366	5,991	5,440	7,071	6,730
Operating result, SEK m	658	620	296	671	652
Result from participation in associated companies, SEK m	206	226	242	142	210
Result from portfolio management, SEK m	86	78	189	843	240
Result after financial items, SEK m	886	870	664	1,590	1,102
Earnings per share, SEK	5.53	5.37	4.21	11.14	6.71
Return on equity, %	6	6	6	16	8
Return on capital employed, %	7	7	6	14	8
Operating margin, %	10.3	9.6	6.3	10.3	9.6
Equity ratio, %	84	83	81	73	75
Adjusted equity ratio, %	86	85	82	75	78
Net debt/equity ratio, %	2	2	7	15	15
Market value, SEK	134	124	99	62	104

## Note 1: Company acquisitions

### Specification of acquisitions

Transfer date		Country	Business area	Number of employees
2 February 2011	Sigma-3 S.r.l.	Italy	Latour Industries	4

### Assets and liabilities in acquisitions

	Recorded value in Group
Intangible assets	0
Tangible assets	1
Inventories	1
Accounts receivable	5
Other receivables	0
Cash	0
Long-term liabilities	0
Deferred tax liability	0
Current liabilities	–4
<b>Net identifiable assets and liabilities</b>	<b>3</b>
Group goodwill	8
<b>Cash settlement purchase price</b>	<b>11</b>
Acquisitions of items not included in the cash flow	–
Acquired cash	–
<b>Effect on Group liquid assets</b>	<b>11</b>

During the period Latour acquired 100 percent of shares in Sigm-3 S.r.l.. During the period Sigm-3 S.r.l. contributed income of SEK 0.8 m and an operating result of SEK -0.1 m.



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