

Investment AB Latour (publ)  
The Annual Accounts Report 2009



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- Group profit after net financial items amounted to SEK 664 (1,590) million.
- Group profit after tax amounted to SEK 552 (1,458) million, which corresponds to SEK 4.21 (11.14) per share.

## INDUSTRIAL AND TRADING OPERATIONS

### Fourth quarter

- Orders received dropped to SEK 1,331 (1,446) million, a reduction of 9 percent\*.
- Net sales amounted to SEK 1,370 (1,699) million, a reduction of 20 percent\*.
- Operating results for continuing operations in industrial and trading operations amounted to SEK 102 (151) million, a reduction of 34 percent\*.
- The Engineering Technology business area acquired 49 percent of Pressmaster.
- The Automotive business area divested HordaGruppen.

### Full year

- Orders received dropped to SEK 5,201 (6,793) million, a reduction of 25 percent\*.
- Net sales amounted to SEK 5,367 (6,900) million, a reduction of 24 percent\*.
- Operating results for continuing operations in industrial and trading operations amounted to SEK 340 (747) million, a reduction of 57 percent\*.
- The Board of Directors proposes a dividend of SEK 2.75 (3.75) per share.

\* Adjusted for acquisitions and divestitures.

## INVESTMENT PORTFOLIO

- The value of Latour's investment portfolio, adjusted for dividends, increased by 45.6 percent compared to the OMX Nordic Exchange Stockholm index that increased by 52.5 percent in the same period.

## EVENTS AFTER THE REPORT PERIOD

- The Hydraulics business area acquired Samwon Tech Europe.
- The Engineering Technology business area divested Specma Automation.
- Reorganisation of the wholly owned operations from 2010 and onward.

## Industrial and trading operations

### Results and market

The development in the fourth quarter confirms that most of Latour's business areas affected by the downward business cycle have passed the lowest point of it. At the same time there have not been any signs of a major increase in volumes in the fourth quarter. Instead the market seems to be stabilising.

During the autumn volumes in the section of the Automotive business area that delivers parts to the auto industry increased. Deliveries to customers in Heavy Vehicles are still at a very low level. The divestiture of the HordaGruppen, which was heavily in the red, in December improved the conditions for profitability for the remaining operations. In the fourth quarter orders received and invoicing in the Hand Tools business area were only 6 percent lower than the same period the previous year. Although the comparison is made with periods that were already affected by the downturn in 2008 we believe that we have hit bottom and begun to move up again. The business area has been professionally active during the downturn and its operating margin of 15.5 percent in the fourth quarter is very good.

The Hydraulics business area had a very tough year-end 2009. Invoicing was 30 percent lower in the fourth quarter compared to the same period last year. There are positive signals from customers in the OEM segment but the increase has so far been too

modest to provide any lasting effect. At the same time there are still fewer orders coming in to the System division.

The Air Treatment business area managed to compensate a quickly shrinking home market by taking market shares in both the Nordic region as well as in Western Europe. In Western Europe sales have increased by 28 percent in an otherwise shrinking market. Orders received in the fourth quarter exceeded those of last year and in spite of reduced invoicing the operating margin amounted to 11.2 percent.

In Machinery Trading, which has had very low order levels since the fourth quarter of 2008, the market is still slow. Industry has investing again on a smaller scale but still far from the volumes that existed before the economic downturn. In the fourth quarter the Engineering Technology business area, which consists of four different operations, orders received were only 3 percent lower than those in 2008. The operating margin amounted to 12.6 percent in the fourth quarter and 15.1 percent for the full year.

The total level of orders received in continuing operations amounted to SEK 5,201 (6,793) million for the full year. Adjusted for exchange rate fluctuations this is equivalent to a 28 percent decline for comparable units. Invoicing shrunk to SEK 5,367 (6,900) million. The combined operating result for the six business areas was SEK 340 (747) million, entailing an operating margin of 6.3 (10.8) percent. The operating result amounted to SEK 102

**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 ten substantial holdings that on 31 December 2009 had a market value of SEK 9.2 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco, and collectively they make up 76 percent of the entire value of the portfolio.

The wholly owned industrial and trading operations are organised in six business areas; Automotive, Hand Tools, Hydraulics, Air Treatment, Machinery Trading and Engineering Technology. Net sales in 2009 in the industrial and trading operations amounted to SEK 5.4 billion.

(151) million, entailing an operating margin of 7.4 (8.9) percent in the fourth quarter alone.

If all reductions had been in effect the full 12 months, the operating margin for the full year would have amounted to approximately SEK 415 million and the operating margin would have been 7.7 percent.

### Acquisitions and divestitures

Latour's ambition is to continue to develop the wholly owned industrial and trading operations by 10 percent annually, in time over an entire business cycle, through a combination of organic growth and acquisitions. The idea is to own stable industrial companies with their own products and good prerequisites for internationalisation.

In the fourth quarter the Engineering Technology business area acquired 49 percent of shares in Pressmaster Holding AB, owner of Pressmaster AB, through a new issue. At the same time an option was acquired to buy the remaining 51 percent of the shares currently owned by Albin Invest and senior officials in the company over a three-year period. Pressmaster, situated in Älvdalen, develops, manufactures and sells professional hand tools for the international electrical and electronics markets and has annual net sales of about SEK 100 million. Furthermore the Automotive business area divested all shares in the HordaGruppen AB in the fourth quarter. HordaGruppen had net sales of about SEK 90 million in 2009 and up until November 2009 it presented operating losses of SEK -30 million.

In the first quarter the Hand Tools business area acquired the Snickers franchise in Great Britain. The acquisition makes it possible to better structure the sales of all the products in the business area in Great Britain. Snickers Workwear is one of Europe's leading brands in work wear for craftsmen and is represented in 20 countries. There are other strong brands such as Hultafor's Tools and Wibe Ladders in the business area. The Machinery Trading

business area acquired CNC Industriservice A/S in Vejle in Denmark in the second quarter. CNC is one of the largest suppliers of industrial maintenance and service in Denmark.

### Reorganisation of the wholly owned operations

From 1 January 2010 the wholly owned operations are organised in four business areas instead of the previous six. The change is in line with the communicated wish to create fewer, but larger, business areas. Our assessment is that larger business areas allow for greater investment in company managements and better opportunities to attract interesting competence for the operations in the long run. Parallel to this the Boards in each business area will be complemented by more external competence. The overriding goal is that each business area be seen as a well-functioning and professional group ready to stand on its own.

The former Automotive business area (Autotube), which after the divestiture of HordaGruppen only consists of one company Autotube, will be integrated with the Hydraulics business area and be called the Specma Group. Synergies can be found both in production and marketing since most of the companies' production and marketing is directed at Heavy Vehicles and contractor machines.

No changes have been in the strategy for the Hand Tools business area. The business area name will be changed to Hultafor's Group in order to underline the fact that it holds together the three strong brands Hultafor's, Snickers and Wibe Ladders.

Air Treatment, already a well functioning group, with Swegon AB as the parent company, will be renamed Swegon. Its strategy is still to become a leading player in energy efficient ventilation in Europe.

The Machinery Trading and Engineering Technology business areas will be merged into Latour Industries. This creates a group with its own products as well as tech trading operations. The goal in Latour Industries is to build company groups based on their own high tech products that have international expansion poten-

## Business area results

SEK m	Net sales				Operating results				Operating margin %			
	2009 Q4	2008 Q4	2009 12 mon	2008 12 mon	2009 Q4	2008 Q4	2009 12 mon	2008 12 mon	2009 Q4	2008 Q4	2009 12 mon	2008 12 mon
Autotube	66	76	222	388	-4	-3	-36	21	-6.2	-3.5	-16.3	5.4
Hand Tools	300	320	1,052	1,213	46	40	114	148	15.5	12.5	10.9	12.2
Hydraulics	207	296	825	1,271	-7	13	-28	100	-3.3	4.4	-3.3	7.9
Air Treatment	502	577	2,081	2,312	56	71	226	293	11.2	12.3	10.8	12.7
Machinery Trading	172	285	682	1,126	-5	19	-14	86	-3.2	6.3	-2.1	7.6
Engineering Technology	127	148	515	604	16	11	78	99	12.6	7.4	15.1	16.4
Elimination	-4	-3	-10	-14	-	-	-	-	-	-	-	-
	<b>1,370</b>	<b>1,699</b>	<b>5,367</b>	<b>6,900</b>	<b>102</b>	<b>151</b>	<b>340</b>	<b>747</b>	<b>7.4</b>	<b>8.9</b>	<b>6.3</b>	<b>10.8</b>
Capital gains from divested companies	-	-	-	-	-27	-	-27	-45				
Other companies and items <sup>2</sup>	17	28	73	171	-12	-33	-17	-31				
	<b>1,387</b>	<b>1,727</b>	<b>5,440</b>	<b>7,071</b>	<b>63</b>	<b>118</b>	<b>296</b>	<b>671</b>				

SEK m	Operating capital <sup>1)</sup>		Return on operating capital%		Growth in net sales %		
	2009 roll 12	2008 roll 12	2009 roll 12	2008 roll 12	2009 12 mon	From acquisitions	From change effects
Autotube	118	149	-30.6	14.1	-43.0	-	-
Hand Tools	817	874	14.0	16.9	-13.3	2.5	4.6
Hydraulics	475	532	-5.8	18.9	-35.1	-	1.7
Air Treatment	673	605	33.5	48.4	-10.0	-	3.2
Machinery Trading	283	271	-5.1	31.6	-39.5	-2.8	3.4
Engineering Technology	308	238	25.3	41.7	-14.7	8.6	1.3
<b>Total</b>	<b>2,674</b>	<b>2,669</b>	<b>12.7</b>	<b>28.0</b>	<b>-22.2</b>	<b>0.7</b>	<b>2.9</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.

<sup>2)</sup> Divested company HordaGruppen AB included here.

## 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. As in earlier calculations deductions for the company's net debt have been made. 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 description can be found on pages 8-9 in Latour's Annual Report for 2008.

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
Autotube	222	-36	0.4 – 0.6	89 – 133	1 – 1
Hand Tools	1,052	115	13 – 17	1,490 – 1,948	11 – 15
Hydraulics	825	-28	0.6 – 0.8	495 – 660	4 – 5
Air Treatment	2,081	226	13 – 17	2,934 – 3,837	22 – 29
Machinery Trading	693	-14	0.6 – 0.8	416 – 555	3 – 4
Engineering Technology	515	78	11 – 15	856 – 1,167	7 – 9
		<b>341</b>		<b>6,280 – 8,300</b>	<b>48 – 63</b>
<b>Listed shares</b> (see table below)				<b>9,203</b>	<b>70</b>
Other assets				52	1
Net debt				-695	-5
<b>Calculated value</b>				<b>14,840 – 16,860</b>	<b>114 – 129</b>

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

<sup>2)</sup> EBIT-multiple recalculated taking into consideration the share price 2009-12-31 for comparable companies in each business area.

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

## Investment portfolio 2009-12-31

During the year the value of the investment portfolio increased by 45.6 percent while the comparable index (SIXRX) increased by 52.5 percent. In 2009 another 252,579 shares in HMS Networks were acquired, thereby increasing ownership to

14.2 percent of capital and votes. The entire holdings in OEM International and 1,750,000 B shares in Sweco were sold in the fourth quarter. After the sale ownership in Sweco was reduced to 32.6 percent of capital and 23.1 percent of 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	138	929		
Assa Abloy B	19,000,000	414	138	2,616	16.1	7.0
Elanders B	2,210,000	397	34	76	14.7	22.6
Fagerhult <sup>3)</sup> 4)	4,106,800	296	126	515	32.6	32.6
HMS Networks	1,582,579	107	59	93	14.2	14.2
Loomis A <sup>2)</sup>	800,000	10	78	63		
Loomis B	4,618,000	55	78	361	12.1	7.4
Munters	10,950,000	631	47	510	14.8	14.8
Nederman <sup>3)</sup>	3,100,000	265	67	206	26.5	26.5
Niscayah Group A <sup>2)</sup>	4,000,000	87	15	59		
Niscayah Group B	24,000,000	93	15	355	12.3	7.7
Securitas A <sup>2)</sup>	4,000,000	309	70	280		
Securitas B	23,090,000	275	70	1,618	12.1	7.4
Sweco A <sup>3)</sup> 5)	1,222,760	8	53	64		
Sweco B <sup>3)</sup>	27,775,000	149	53	1,458	23.1	32.6
<b>Total</b>		<b>3,882</b>		<b>9,203</b>		

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

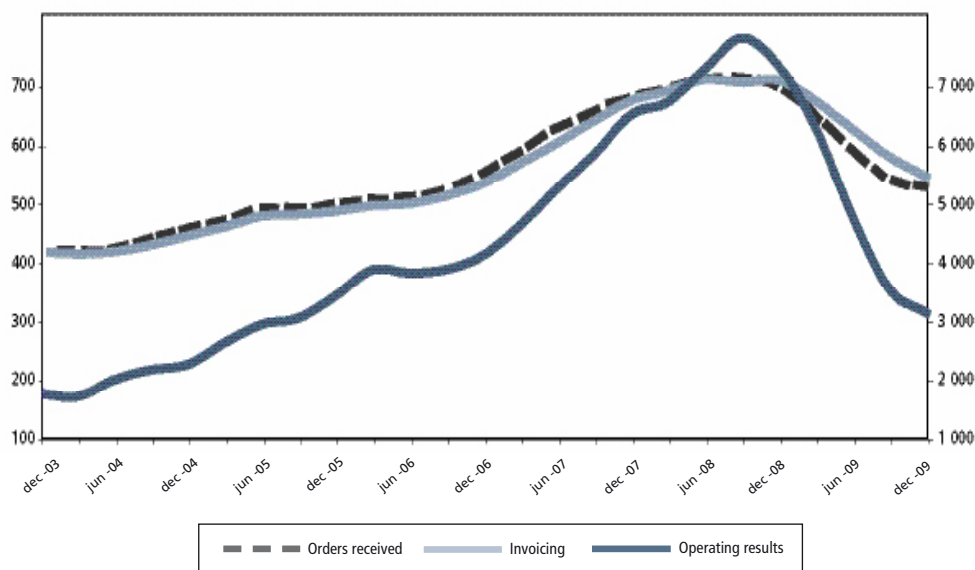
<sup>2)</sup> A shares in Assa Abloy, Loomis, Niscayah Group, OEM International and Securitas are unlisted. In this table they have been given the same listing price as corresponding B shares.

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

<sup>4)</sup> At the end of 2009 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.

Group – rolling 12 months



## RESULTS AND FINANCIAL POSITION

### Group

Group profit after net financial items was SEK 664 (1,590) million. Group profit after tax amounted to SEK 552 (1,458) million, which corresponds to SEK 4.21 (11.14) per share. .

Group cash in hand and liquid investments amounted to SEK 564 (264) million. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 1,176 (1,413) million. Group net borrowings, including pension liabilities, totalled SEK 696 million. The equity ratio was 81 (73) percent calculated on reported equity in relation to total assets. Including surplus value in associated companies the equity ratio was 82 (75) percent.

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

### Investments

During the period an investment of SEK 171 (203) million was made in tangible assets, of which SEK 121 (126) million was machinery and equipment, SEK 12 (18) million vehicles and SEK 38 (59) million buildings. Of the investments for the year SEK 10 (47) million were fixed assets in newly acquired companies.

### Parent company

Parent company profit after net financial items amounted to SEK 380 (882) million. The parent company equity ratio amounted to 98 (98) percent. Income from dividends amounted to SEK 292 (320) million.

### The Latour share

The number of outstanding shares, including bought back shares, amounted to 131,460,000 on 31 December 2009. No shares were bought back in 2009. Latour owns 460,000 B shares bought back previously. Call options have been issued to senior officers for 115,000 of the bought back shares. The Annual General Meeting on 13 May 2009 authorised members of the board to make decisions regarding the acquisition of own shares as well as the transfer of own shares.

## FORECAST FOR THE LATOUR GROUP

The drop in the economy has affected orders received throughout Latour's wholly owned operations to a much higher degree than expected a year ago. The dramatic downturn has led us to take considerable measures in our organisations.

These measures mean have given us a good platform for continued weak demand and at the same time we have good possibilities to increase profitability if there is a change in the economy.

The tough development in 2009 does not alter Latour's long-term ambitions. Work on developing the industrial and trading companies into larger, more international operations still has high priority. Measures for organic growth are important but we continuously evaluate acquisitions, in Sweden and Europe.

Like its wholly owned operations, Latour's listed holdings continue to report relatively good developments in net sales and results. We have not changed our positive attitude to the holdings on a long-term basis.

No forecast is made for 2010.

## Events after the balance sheet date

At the beginning of January the Hydraulics business area acquired British Samwon Tech (Europe) Limited. The company, situated in Newton Aycliffe in north east England, delivers fittings for hydraulics applications and is the retailer of SAMWON Tech Co Ltd, Korea's products on the European market. Their main customers are international OEM customers and their main market is in Great Britain with approximately 70 percent of net sales in 2008. The company has net sales of about GBP 1.7 million annually.

At the beginning of 2010 Specma Automation, situated in Laxå, was sold to Artech Automation AB. Specma Automation had net sales of approximately SEK 40 million annually and 25 employees. Latour will continue its automation operations through the subsidiary AVT Industriteknik AB, situated in Alingsås.

## Dividends

The Board of Directors proposes a dividend of SEK 2.75 (3.75) per share, representing total dividends of SEK 360 million.

## 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 ten listed holdings and six 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 2008 have cropped up.

## Accounting principles

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 2.2 Accounting for legal entities. As of 2009 Latour applies IFRS 8 Operating Segments when reporting operating segments. The application of IFRS 8 has not changed the number of reported operating segments or the presentation thereof. Revised IAS 1 Presentation of financial statements is applied from 1 January 2009. Implementation entails, among other things, that income and expenses previously recognised directly in equity are now presented in a separate report, Statement of comprehensive income, directly after the income statement. Application of IAS 1 has not affected any valuation principles. In all other aspects the same accounting principles and calculation methods as those in the latest annual accounts have been used.

## Review

The company auditors have not reviewed this report.

## Nominating committee

The nominating committee for the Annual General Meeting on 11 May 2010 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, 23 February 2010

Jan Svensson  
Chief Executive Office

## For further information please contact:

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## Coming reports:

The Annual Report will be sent to shareholders in the week that starts on April 12th and will be available at Latour's office in Gothenburg.

Interim Report January-March 2010 will be published 2010-05-04.

The Annual General Meeting will be held 11 May 2010 at Radisson BLU Scandinavia Hotel in Gothenburg, Sweden.

Shareholders who have nominee registered their shares must, through the services of a nominee, temporarily register their shares in their own name no later than 5 May 2010 and they must register their wish to participate in the Annual General Meeting with Investment AB Latour in Gothenburg or Stockholm no later than 5 May 2010.

Interim Report January-June 2010 will be published 2010-08-20.

Interim Report January-September will be published 2010-11-03.

The information in this interim report is disclosed pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act.  
The information was made public on 23 February 2010 at 08.30 a.m.

## Consolidated income statement Group

SEK m	3 mon Oct-Dec 2009	3 mon Oct-Dec 2008	12 mon Jan-Dec 2009	12 mon Jan-Dec 2008
Net sales	1,387	1,727	5,440	7,071
Costs of goods sold	-881	-1,233	-3,677	-4,996
<b>Gross profit</b>	<b>506</b>	<b>494</b>	<b>1,763</b>	<b>2,075</b>
Sales costs	-350	-205	-1,088	-922
Administrative costs	-106	-117	-343	-375
Research and development costs	-20	-18	-80	-68
Other operating income	7	28	60	66
Other operating costs	26	-64	-16	-105
<b>Operating result</b>	<b>63</b>	<b>118</b>	<b>296</b>	<b>671</b>
Result from participation in associated companies	96	-74	242	142
Result from portfolio management	-32	-2	189	843
<b>Profit before financial items</b>	<b>127</b>	<b>42</b>	<b>727</b>	<b>1,656</b>
Financial income	2	13	6	22
Financial costs	-11	-21	-69	-88
<b>Profit after financial items</b>	<b>118</b>	<b>34</b>	<b>664</b>	<b>1,590</b>
Taxes	-25	2	-112	-132
<b>Result for the period</b>	<b>93</b>	<b>36</b>	<b>552</b>	<b>1,458</b>
<b>Attributable to:</b>				
Parent company shareholders	95	37	552	1,459
Minority interests	-2	-1	0	-1
<b>Earnings per share</b> regarding profit attributable to parent company shareholders:				
Before dilution	0.73 SEK	0.28 SEK	4.21 SEK	11.14 SEK
After dilution	0.72 SEK	0.28 SEK	4.21 SEK	11.14 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	131,115,000	131,000,000	131,067,110	131,000,000
Number of outstanding shares	131,000,000	131,000,000	131,000,000	131,000,000

## Statement of comprehensive income

SEK m	3 mon Oct-Dec 2009	3 mon Oct-Dec 2008	12 mon Jan-Dec 2009	12 mon Jan-Dec 2008
<b>Result for the period</b>	<b>93</b>	<b>36</b>	<b>552</b>	<b>1,458</b>
<b>Other comprehensive income, net after tax</b>				
Change in translation provision for the period	12	55	-20	80
Change in fair value reserve for the period	716	-290	2,005	-3,321
Change in hedging reserve for the period	-2	-28	20	-33
Changes in equity in associated companies	11	15	2	22
Other	-5	4	-7	6
<b>Other comprehensive result, net after tax</b>	<b>732</b>	<b>-244</b>	<b>2,000</b>	<b>-3,246</b>
<b>Comprehensive result for the period</b>	<b>825</b>	<b>-208</b>	<b>2,552</b>	<b>-1,788</b>
<b>Attributable to:</b>				
Parent company shareholders	827	-207	2,552	-1,787
Minority interests	-2	-1	0	-1

## Consolidated cash flow statement

SEK m	3 mon Oct-Dec 2009	3 mon Oct-Dec 2008	12 mon Jan-Dec 2009	12 mon Jan-Dec 2008
Cash flow from current operations				
before changes in operating capital	180	135	420	688
Changes in operating capital	135	110	284	-100
<b>Cash flow from current operations</b>	<b>315</b>	<b>245</b>	<b>704</b>	<b>588</b>
Acquisition of subsidiaries	-16	-27	-28	-214
Sales of subsidiaries	0	0	0	42
Other investments	-21	-47	-118	-173
Portfolio management	153	-48	561	923
<b>Cash flow after investments</b>	<b>431</b>	<b>123</b>	<b>1,119</b>	<b>1,166</b>
Financial payments	-195	-9	-823	-1,068
<b>Cash flow for the period</b>	<b>236</b>	<b>114</b>	<b>296</b>	<b>98</b>



## Consolidated balance sheet

SEK m	2009-12-31	2008-12-31
<b>ASSETS</b>		
Goodwill	962	912
Other intangible assets	58	75
Tangible assets	691	770
Financial assets	8,227	6,193
Inventories etc.	901	1,300
Current receivables	940	1,293
Cash and bank	564	264
<b>Total assets</b>	<b>12,343</b>	<b>10,807</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	9,955	7,893
Minority interest	1	1
<i>Total equity</i>	<i>9,956</i>	<i>7,894</i>
Interest-bearing long-term liabilities	200	157
Non-interest-bearing long-term liabilities	114	150
Interest-bearing current liabilities	1,120	1,396
Non-interest-bearing current liabilities	953	1,210
<b>Total equity and liabilities</b>	<b>12,343</b>	<b>10,807</b>

## Change in consolidated equity

SEK m	Share capital	Shares bought back	Other reserves	Profit brought forward	Minority interests	Total
<b>Opening balance 2008-01-01</b>	<b>110</b>	<b>-29</b>	<b>5,116</b>	<b>4,942</b>	<b>1</b>	<b>10,140</b>
Comprehensive result for the period			-3,274	1,486		-1,788
Dividends				-458		-458
<b>Closing balance 2008-12-31</b>	<b>110</b>	<b>-29</b>	<b>1,842</b>	<b>5,970</b>	<b>1</b>	<b>7,894</b>
Opening balance 2009-01-01	110	-29	1,842	5,970	1	7,894
Comprehensive result for the period			2,005	547		2,552
Issued call options			1			1
Dividends				-491		-491
<b>Closing balance 2009-12-31</b>	<b>110</b>	<b>-29</b>	<b>3,848</b>	<b>6,026</b>	<b>1</b>	<b>9,956</b>

## Group key ratios

	2009-12-31	2008-12-31
Return on equity	6%	16%
Return on capital employed	6%	14%
Equity/debt ratio	81%	73%
Adjusted equity/debt ratio	82%	75%
Adjusted equity (SEK m)	11,051	8,524
Surplus value in associated companies <sup>1)</sup> (SEK m)	1,095	630
Net debt/equity ratio	7%	15%
Net borrowings/EBITDA	1.5	1.5
Market value	99 kr	62 kr
Bought back shares	460,000	460,000
Average number of bought back shares	460,000	460,000
Average number of employees	2,956	3,515
Outstanding conversion loans	0	0
Issued subscription options	0	0
Issued call options for repurchased shares	115,000	0

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



## Five year overview – Group

	2009	2008	2007	2006	2005
Net sales, SEK m	5,440	7,071	6,730	5,313	4,852
Operating result, SEK m	296	671	652	710	342
Result from participation in associated companies, SEK m	242	142	210	171	133
Result from portfolio management, SEK m	189	843	240	384	367
Result after financial items, SEK m	664	1,590	1,102	1,265	792
Earnings per share, SEK <sup>1)</sup>	4.21	11.14	6.71	8.54	5.40
Return on equity, %	6	16	8	11	9
Return on capital employed, %	6	14	8	10	10
Operating margin, %	6.3	10.3	9.6	7.7	7.0
Equity ratio, %	81	73	75	78	76
Adjusted equity ratio, %	82	75	78	80	78
Net debt/equity ratio, %	7	15	15	13	16
Market value, SEK <sup>1)</sup>	99	62	104	94	68

<sup>1)</sup> Recalculated for the 3:1 split carried out in June 2007.

## Income statement – Parent company

SEK m	3 mon Oct-Dec 2009	3 mon Oct-Dec 2008	12 mon Jan-Dec 2009	12 mon Jan-Dec 2008
Result from participation in associated companies	90	-107	131	-107
Result from portfolio management	-32	12	257	995
<b>Profit before financial items</b>	<b>58</b>	<b>-95</b>	<b>388</b>	<b>888</b>
Interest income and similar profit items	0	4	0	19
Interest costs and similar loss items	-3	-4	-8	-25
<b>Profit after financial items</b>	<b>55</b>	<b>-95</b>	<b>380</b>	<b>882</b>
Taxes	-	-	-	-
<b>Result for the period</b>	<b>55</b>	<b>-95</b>	<b>380</b>	<b>882</b>

## Balance sheet – Parent company

SEK m	2009-12-31	2008-12-31
<b>ASSETS</b>		
Financial assets	7,861	5,910
Current assets	1	-
Cash and bank	6	6
<b>Total assets</b>	<b>7,868</b>	<b>5,916</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	7,695	5,800
Interest-bearing long-term liabilities	167	110
Non-interest-bearing long-term liabilities	5	5
Non-interest-bearing current liabilities	1	1
<b>Total equity and liabilities</b>	<b>7,868</b>	<b>5,916</b>

## Segment reporting:

### Development per business area 2009-01-01 – 2009-12-31

	Industrial and trading								
SEK m	Autotube	Hand Tools	Hydraulics	Air Treatment	Machinery Trading	Engineering Technology	Other <sup>1</sup>	Portfolio Management	Total
INCOME									
External sales	222	1,051	823	2,079	681	511	73		5,440
Internal sales	–	1	2	2	1	4	–		10
RESULT									
Operating result	–36	114	–28	226	–14	78	–44		296
Result from participation in associated companies								242	242
Result from portfolio management								189	189
Financial income									6
Financial costs									–69
Taxes									–112
Result for the period									552
OTHER INFORMATION									
Investments in:									
tangible assets	22	19	12	82	12	10	14	–	171
intangible assets	–	9	–	–	21	38	–	–	68
Depreciation	17	27	23	54	12	18	26	–	177

### Development per business area 2008-01-01 – 2008-12-31

	Industrial and trading								
SEK m	Autotube	Hand Tools	Hydraulics	Air Treatment	Machiner Trading	Engineering Technology	Other <sup>1</sup>	Portfolio Management	Total
INCOME									
External sales	388	1,213	1,262	2,310	1,125	602	171		7,071
Internal sales	–	–	9	2	1	2	–		14
RESULT									
Operating result	21	148	100	293	85	99	–75		671
Result from participation in associated companies								142	142
Result from portfolio management								843	843
Financial income									20
Financial costs									–86
Taxes									–132
Result for the period									1,458
OTHER INFORMATION									
Investments in:									
tangible assets	14	39	22	70	17	22	19	–	203
intangible assets	–	81	–	38	28	96	–	–	243
Depreciation	17	26	21	44	12	16	29	–	165

<sup>1)</sup> Divested company HordaGruppen AB included here.

## Company acquisitions

### Specification of acquisitions

Transfer date		Country	Business area	Number employees
1 January 2009	Snickers Original Ltd.	Great Britain	Hand Tools	39
2 February 2009	Rolf Willstrand AB	Sweden	Machinery Trading	1
31 May 2009	CNC Industriservice A/S	Denmark	Machinery Trading	21
1 December 2009	Pressmaster Holding AB	Sweden	Engineering Technology	65

### Assets and liabilities in acquisitions

	Recorded value in acquisitions	Fair value adjustment	Recorded value in Group
Intangible assets	0		0
Tangible assets	7		7
Financial assets	12		12
Inventories	10		10
Accounts receivable	24		24
Other receivables	2		2
Cash	12		12
Deferred tax liability	–2		–2
Long-term liabilities	–48		–48
Current liabilities	–43		–43
<b>Net identifiable assets and liabilities</b>	<b>–26</b>	<b>0</b>	<b>–26</b>
Group goodwill			68
Cash settlement purchase price			42
Acquisitions of items not included in cash flow			–2
Acquired cash			–12
Effect on Group liquid assets			28



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