

YEAR-END REPORT  
2011



# YEAR-END REPORT 2011

## NET ASSET VALUE

- The net asset value amounted to SEK 142 per share on 31 December, compared to SEK 157 per share at the beginning of the year. Adjusted for dividends the reduction corresponds to –7.3 percent compared to SIXRX that decreased by –13.5 percent.

## INDUSTRIAL OPERATIONS

### Fourth quarter

- Orders received in the industrial operations increased to SEK 1,726 (1,506) m, which is an organic increase for comparable units of 7 percent adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 1,846 (1,571) m, an organic increase in comparable units of 10 percent adjusted for exchange effects.
- Operating result increased to SEK 180 (162) m, an increase of 11 percent which corresponds to an operating margin of 9.8 (10.3) percent in continuing operations.

### Full year

- Orders received in the industrial operations increased to SEK 6,950 (5,479) m, which is an organic increase in comparable units of 15 percent adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 6,831 (5,316) m, an organic increase of 16 percent adjusted for exchange effects.
- Operating result increased to SEK 790 (580) m, an increase of 36 percent which corresponds to an operating margin of 11.6 (10.9) percent in continuing operations.
- Industrial operations made five acquisitions in 2011 adding about SEK 300 m in annual net sales.
- The final steps were taken to concentrate our business on industrial operations (previously industrial and trade) through the divestiture of the Machinery Trading Group Stenbergs and the component manufacturer Autotube.

## GROUP

- Group result after net financial items amounted to SEK 2,230 (872) m.
- Group result after tax amounted to SEK 2,048 (702) m, or SEK 14.13 (5.37) per share.
- The Board of Directors proposes increasing this year's dividends to SEK 4.50 (3.75) per share as well as distributing additional dividends of SEK 1.50 per share.
- Latour merged with Säkl in 2011.

## INVESTMENT PORTFOLIO

- The investment portfolio's value decreased by –10.1 percent adjusted for dividends while the comparable index (SIXRX) decreased by –13.5 percent for the full year.
- In the fourth quarter Latour acquired 15.5 percent of shares in Tomra Systems in Norway thereby making it a long-term holding in Latour's investment portfolio.

## EVENTS AFTER THE REPORT PERIOD

- No significant events have taken place.

**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 principle owners. The investment portfolio consists of nine substantial holdings that per 31 December 2011 had a market value of about SEK 14 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco, and collectively they make up 72 percent of the entire value of the portfolio. The wholly owned industrial operations are organized in four business areas: Hultafors Group, Latour Industries, Specma Group and Swegon. Net sales in 2011 in the wholly owned industrial operations amounted to about SEK 7 billion.

## Comments from the CEO

"When we sum up 2011 we are happy to see that it was the best year ever for Latour's wholly owned industrial operations. On its own the fourth quarter was a bit weaker than the first three quarters and growth slowed down in the last two months of the year. Since we have not yet detected any serious warning signs of a further slow down we feel cautiously optimistic about 2012. At the same time we are prepared for a downturn.

We continue to build our operations for growth and to invest unabated in both organic growth and product development in order to grow internationally with a competitive product portfolio. In total 39 (33) percent of Latour's net sales are generated from sales outside the Nordic region. The fact that we have relatively small market shares in several markets is a good basis to continue growing and win market shares even if the financial climate were to become harsher. However, these investments have had a short-term negative influence on our operating margin.

In the fourth quarter we augmented the investment portfolio by acquiring 15.5 percent of the shares in Tomra Systems. The company is listed on Nasdaq OMX in Oslo and is a very interesting addition to our portfolio. Otherwise the acquisition rate was lower than in previous quarters for our wholly owned industrial operations."

*Jan Svensson  
President and CEO*

## Industrial operations

### *Result and market*

The total level of orders received in continuing operations increased by 15 percent to SEK 1,726 (1,506) m in the fourth quarter and to SEK 6,950 (5,479) m for the full year. Organic growth in orders received in the fourth quarter amounted to 7 percent adjusted for exchange effects. The increase for the full year was a total of 27 percent, of which 15 percent is organic, adjusted for exchange effects.

During the fourth quarter invoicing increased by 18 percent to SEK 1,846 (1,571) m. The increase corresponds to 10 percent organic growth, adjusted for exchange effects. Invoicing for the full year increased by 28 percent to SEK 6,831 (5,316) m. The increase corresponds to 16 percent organic growth, adjusted for exchange effects.

Operating result for the four business areas increased by 11 percent to SEK 180 (162) m during the fourth quarter. The increase is less than previously in 2011 in part because it is a strong quarter to compare with and in part because demand slowed somewhat during the last quarter. At the same time we continue to take strategic initiatives which raises costs short-term. Therefore the operating margin during the quarter decreased to 9.8 (10.3) percent. The operating result increased for the full year by all of 36 percent to SEK 790 (580) m. The operating margin increased to 11.6 (10.9) percent. Divestitures in both years are excluded in these numbers.

Please refer to pages 5–6 for more details about each business area.

### *Acquisitions and divestitures*

There was much less acquisition activity in the fourth quarter in the industrial operations compared to previous quarters. The Latour Industries business area made a small acquisition through LSAB, LH-Slip i Nybro with net sales of just under SEK 10 m.

Earlier in 2011 the Latour Industries business area acquired the American company Superbolt Inc. and the Swiss company Swiss P&S Vorspannsysteme AG through

Nord-Lock International AB. Since 1984 Superbolt and P&S Vorspannsysteme have offered high quality products for critical bolting applications. The companies, with a total of 138 employees, are situated in Pittsburgh, USA and St. Gallenkappel, Switzerland. The products are used in heavy industries such as offshore, energy and mining. The acquired companies have been owned and operated as two separate units but they offer the same products to the market. The acquisitions brought together two of the most innovative and trusted bolt securing technologies, and thereby created a wide range of products for demanding applications. The acquisitions increased Latour's net debt by about SEK 300 m and adds annual net sales of about SEK 230 m.

All shares in Stenberg Group were divested in August. AB Sigfrid Stenbergs, which is registered in Nässjö, Sweden and has subsidiaries in Denmark and Finland, sells and services machine tools for metalworking on the Swedish, Danish and Finnish markets. The group has just under 130 employees and annual net sales of about SEK 350 m. The divestiture reduced Latour's net debt by SEK 125 m. Stenberg's subsidiary AVT Industriteknik AB which manufactures machinery and automation solutions is not a part of the divestiture and will remain in Latour Industries as a subsidiary. Currently AVT has annual net sales of SEK 70 m.

Earlier this year the Latour Industries business area acquired, through Nord-Lock, the Italian retailer Sigma-3 S.r.l., the automation company Elator in AVT, as well as Denstech AB, all specialists in sealing technology for the process industry, to Specma Seals.

In the first quarter the Specma Group business area divested its subsidiary Autotube AB. The divestiture was a part of Latour's continuous revision of the structure of the industrial operations. The divestiture of Autotube means the automotive industry is no longer a principle customer group to any operations in Latour. In 2010 Autotube had net sales of SEK 357 m.

The acquisition opportunities we analyze 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.

## Merger between Latour and Säkl completed

On 17 March 2011 the boards of Latour and Säkl announced their decision to merge the companies. The merger was 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 which is attractive to the capital market.

At the beginning of July the merger was completed as a legal merger in which Säkl was absorbed by Latour. As a consequence shares in Säkl were replaced by shares in Latour. Each share in Säkl was replaced by 0.57 new B shares in Latour. Shareholders in Latour keep their shares in Latour.

The exchange relation was supported by two, from each other independent, Fairness Opinions issued by SEB Enskilda for Latour and Handelsbanken Capital Markets for Säkl. In connection to the merger 28,500,000 new B shares were issued in Latour. The total number of shares in Latour currently amounts to 159,500,000. As of the third quarter 2011 all of Säkl's assets and debts are a part of Latour's reporting.

# Industrial operations summary

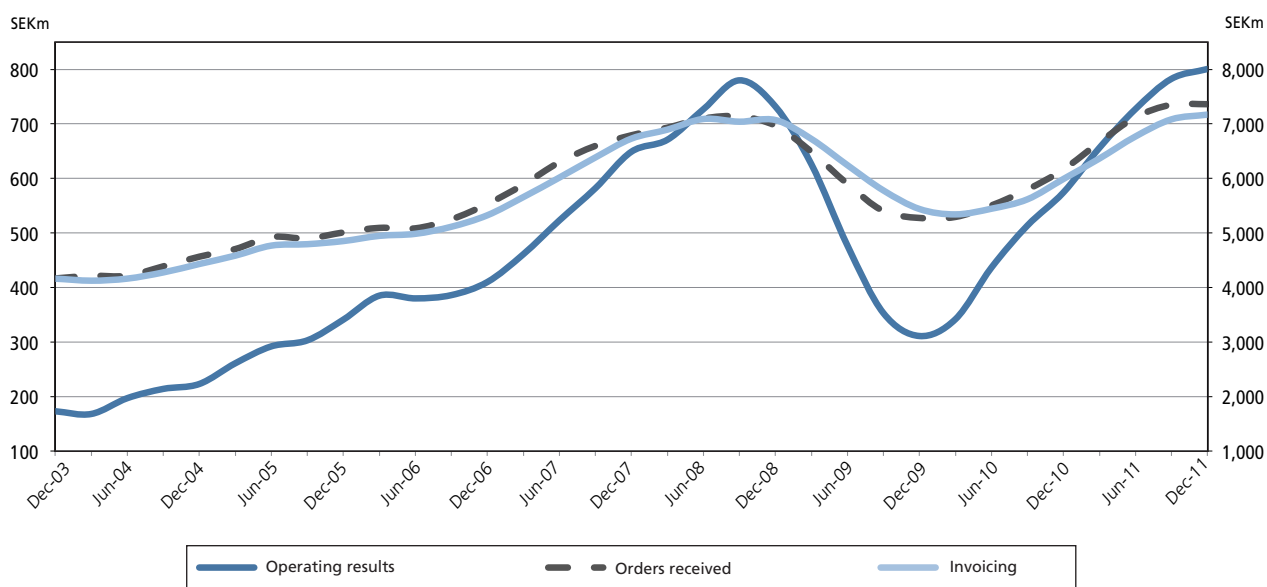
## Business area results

SEK m	Net sales				Operating result				Operating margin %			
	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Hultafors Group	334	319	1,182	1,134	30	35	151	143	8.9	10.9	12.8	12.6
Latour Industries	432	276	1,573	982	45	47	248	200	10.4	16.9	15.7	20.3
Specma Group	366	308	1,381	1,065	19	8	79	29	5.2	2.6	5.7	2.7
Swegon	716	673	2,707	2,153	86	72	312	208	12.1	10.8	11.5	9.7
Eliminations	-2	-5	-12	-18	-	-	-	-	-	-	-	-
	<b>1,846</b>	<b>1,571</b>	<b>6,831</b>	<b>5,316</b>	<b>180</b>	<b>162</b>	<b>790</b>	<b>580</b>	<b>9.8</b>	<b>10.3</b>	<b>11.6</b>	<b>10.9</b>
Capital gains from divested companies	-	-	-	-	-	-1	63	2				
Other companies and items	-	189	340	675	19	-	30	38				
	<b>1,846</b>	<b>1,760</b>	<b>7,171</b>	<b>5,991</b>	<b>199</b>	<b>161</b>	<b>883</b>	<b>620</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	From acquisitions	From exchange effects
Hultafors Group	826	756	18.3	18.9	4.2	0.0	-3.6
Latour Industries	864	534	28.6	37.4	60.2	49.2	-2.6
Specma Group	574	541	13.7	5.4	29.7	0.1	-2.0
Swegon	1,135	759	27.5	27.4	25.7	16.0	-3.2
<b>Total</b>	<b>3,399</b>	<b>2,590</b>	<b>23.2</b>	<b>22.4</b>	<b>28.5</b>	<b>15.6</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 average for the past 12 months.

## Group rolling 12 months



## Development per business area

### Hultafors Group



(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Net sales	334	319	1,182	1,134
EBITDA	32	41	171	168
EBITA	30	37	158	152
EBIT	30	35	151	143
EBITA %	9.1	11.7	13.3	13.4
EBIT %	8.9	10.9	12.8	12.6
Growth %	4.5	6.6	4.2	7.8
Of which exchange effects	-0.3	-8.0	-3.6	-6.8
Of which acquisitions	-	-	-	-
Average number of employees	619	589	622	586

#### Highlights

- Growth continued even if it slowed down somewhat in the fourth quarter.
- In 2011 all markets, except Ireland, showed a positive development compared to 2010.
- Strong full year result with 13.3 percent EBITA margin.
- Strategic product development and market investments had a negative effect on margins in the fourth quarter.
- It remains a challenge to handle the increasing cost of raw materials and salaries in production.

#### Allocation of net sales

(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Workwear	200	193	632	618
Tools	101	99	416	392
Ladders	33	27	134	124
	<b>334</b>	<b>319</b>	<b>1,182</b>	<b>1,134</b>

**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



(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Net sales	432	276	1,573	982
EBITDA	56	53	287	224
EBITA	46	47	250	202
EBIT	45	47	248	200
EBITA %	10.6	17.0	15.9	20.5
EBIT %	10.4	16.9	15.7	20.3
Growth %	56.4	34.2	60.2	8.4
Of which exchange effects	-0.1	-2.8	-2.6	-3.6
Of which acquisitions	48.7	10.0	49.2	-4.9
Average number of employees	916	448	815	461

#### Highlights

- Invoicing increased by 56 percent in the fourth quarter, adjusted for exchange effects. Acquisitions generated 49 percent of this increase.
- Growth for the full year was all of 60 percent, 49 percent of which came from acquisitions.
- Major market investments for organic growth combined with a somewhat weaker demand in the fourth quarter had a negative effect on margins.
- The full year result is a record result for the business area.

#### Allocation of net sales

(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Nord-Lock	159	102	529	390
Specma Tools	19	18	69	64
Specma Seals	33	21	112	80
BrickPack	17	16	65	60
AVT Group	39	14	115	49
LSAB Group	95	53	356	201
Carstens	23	32	104	110
REAC	24	20	118	28
Pressmaster	23	0	105	0
	<b>432</b>	<b>276</b>	<b>1,573</b>	<b>982</b>

Pro forma adjustment 145

Rolling 12 month pro forma 1,718

**Latour Industries** 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 which can eventually become new business areas in Latour. The common denominator is that most customers are active in manufacturing.

## Specma Group



(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Net sales	366	308	1,381	1,065
EBITDA	24	13	98	49
EBITA	19	8	80	30
EBIT	19	8	79	29
EBITA %	5.2	2.6	5.8	2.8
EBIT %	5.2	2.6	5.7	2.7
Growth %	18.8	48.8	29.7	28.2
Of which exchange effects	-0.4	4.7	-2.0	-4.0
Of which acquisitions	0.0	3.6	0.2	5.5
Average number of employees	712	651	692	600

### Highlights

- Orders received and invoicing in the OEM Division slowed down in the fourth quarter.
- Continued strong sales and orders received in the System Division.
- Growth for the full year amounted to all of 32 percent adjusted for exchange effects and the result increased 172 percent.
- New CEO in the Component Division.
- A number of new international deals were signed in the quarter.

### Allocation of net sales

(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
OEM	191	162	748	564
System	99	73	355	238
Component	76	73	278	263
	366	308	1,381	1,065

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

## Swegon



(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Net sales	716	673	2,707	2,153
EBITDA	101	87	377	262
EBITA	87	73	315	211
EBIT	86	72	312	208
EBITA %	12.2	10.8	11.6	9.8
EBIT %	12.1	10.8	11.5	9.7
Growth %	6.4	33.8	25.7	3.5
Of which exchange effects	-1.6	-7.8	-3.2	-5
Of which acquisitions	0.0	22.9	16.0	5.5
Average number of employees	1,288	1,280	1,288	1,054

### Highlights

- Net sales in the fourth quarter increased by 8 percent, adjusted for exchange effects, compared to the previous year. Total growth for the full year was 26 percent, of which 13 percent was organic growth adjusted for exchange effects.
- The full year result is a record result in absolute numbers.
- Improved margin in spite of delayed sales synergies from the Blue Box acquisition.
- Major investments in product development.
- Future challenges are continuing to take market shares outside the Nordic region and increasing sales in Blue Box products and systems.

### Allocation of net sales

(SEK m)	2011 Q4	2010 Q4	2011 12 mon	2010 12 mon
Sweden	215	204	806	704
Other, Nordic Region	212	208	796	774
Other, worldwide	289	261	1,105	675
	716	673	2,707	2,153

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.

# 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 previously, we have made deductions for the company's net debt. The evaluation of comparable companies is based on the market price after the balance sheet date. A more detailed description can be found on pages 8–9 in Latour's Annual Report for 2010.

In some cases the valuation multiples for comparable com-

panies span over a great interval. For this reason the multiples may be adjusted in order 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.

In the fourth quarter the net asset value recovered to SEK 142 per share, compared to SEK 126 at the end of the third quarter. This can be compared to SEK 157 at the beginning of the year. This year's dividend of SEK 3,75 was distributed in May 2011. Adjusted for dividends the net asset value for the full year decreased by –7.3 percent, compared to SIXRX which decreased –13.5 percent.

	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	1,182	152	9 – 13	1,364 – 1,970	9 – 12
Latour Industries	1,718	260	9 – 13	2,336 – 3,375	15 – 21
Specma Group	1,381	79	0.6 – 0.7	829 – 966	5 – 6
Swegon	2,707	312	11 – 14	3,434 – 4,371	21 – 28
	<b>6,988</b>	<b>803</b>		<b>7,963 – 10,682</b>	<b>50 – 67</b>
<b>Listed shares</b> (see table below)				<b>13,996</b>	<b>88</b>
<b>Unlisted partner-owned companies</b>					
Academic Work <sup>4)</sup> , 20.0 %				350	2
Oxeon <sup>5)</sup> , 31.57 %				32	0
Other assets					
Short position portfolio				69	0
Other listed holdings				16	0
Other				6	0
Group liabilities				–1,140	–7
<b>Calculated value</b>				<b>22,652</b>	<b>142</b>
				<b>(21,292 – 24,011)</b>	<b>(133 – 150)</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 2011-12-31 for comparable companies in each business area.

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

<sup>4)</sup> Valued according to a statement made by an independent valuer.

<sup>5)</sup> Valued according to the latest transaction.

# Investment portfolio 2011-12-31

At the beginning of July Latour merged with Säkl AB. The investment portfolio presented below contains the combined investment portfolios of Latour and Säkl and the development of the portfolio in relation to index is presented as if the merger had been made already at the beginning of the year.

The combined value of the investment portfolio decreased in the full year by -10.1 percent while comparable index (SIXRX) decreased by -13.5 percent.

## Fourth quarter

In the fourth quarter 23,000,000 shares were acquired in Tomra Systems ASA, corresponding to 15.5 percent of votes and capital. The shares amounted to NOK 38.50 per share, which corresponds to about SEK 1,032 m. Tomra will be a long-term holding in Latour's investment portfolio. Tomra is active in sorting and recycling which are areas that are

believed to have good potential for stable and long-term international growth. This makes Tomra well-suited for Latour's investment portfolio and follows our intention to grow internationally.

In addition to Tomra, 113,000 shares were acquired in HMS and 70,000 in Nederman.

## Full year

A total of (except the shares which were added in the merger with Säkl) 23,000 000 shares in Tomra Systems ASA, 622,522 shares in HMS Networks, 1,000,000 shares in Nobia and 341,829 in Nederman were acquired during the year.

When Stanley Black & Decker went through with their public bid for Niscaya at the beginning of September the entire holding in Niscaya was divested for the sum of SEK 739 m.

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>	13,865,243	1,038	173	2,393		
Assa Abloy B	21,300,000	659	173	3,676	29.6	9.6
Fagerhult <sup>3) 4)</sup>	6,206,800	571	160	990	49.2	49.2
HMS Networks	2,473,522	192	91	224	22.2	22.2
Loomis A <sup>2)</sup>	2,528,520	38	99	249		
Loomis B	5,009,808	69	99	493	29.2	10.3
Nederman <sup>3)</sup>	3,512,829	306	99	348	30.0	30.0
Nobia	23,000,000	466	25	564	13.8	13.8
Securitas A <sup>2)</sup>	12,642,600	567	59	751		
Securitas B	27,090,000	514	59	1,609	29.6	10.9
Sweco A <sup>3) 5)</sup>	1,222,760	8	57	69		
Sweco B <sup>3)</sup>	27,775,000	144	57	1,569	22.7	31.7
Tomra <sup>6)</sup>	23,000,000	1,032	40 (NOK)	1,061	15.5	15.5
<b>Total</b>		<b>5,604</b>		<b>13,996</b>		

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

<sup>2)</sup> A shares in Assa Abloy, Loomis 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 December 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.

<sup>6)</sup> The listing price at the end of December was NOK 40.10, which has been recalculated to SEK by using the financial statement exchange rate 1.15.



## Results and financial position

### *Group*

Group profit after financial items was SEK 2,230 (872) m. Group profit after tax amounted to SEK 2,048 (702) m, which corresponds to SEK 14.13 (5.37) per share. The strong improvement comes from the fact that most of the listed holdings became associated companies after the merger between Latour and Säkl.

Group cash in hand and liquid investments amounted to SEK 498 (573) m. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 1,532 (759) m. Group net borrowings, including pension liabilities, totalled SEK 1,140 (285) m. The equity ratio was 84 (85) percent calculated on reported equity in relation to total assets including surplus value in associated companies.

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

### *Investments*

During the period SEK 188 (341) m was invested in tangible assets, of which SEK 148 (171) m was machinery, SEK 30 (22) m vehicles and SEK 10 (148) m buildings. Fixed assets in newly acquired companies made up SEK 21 (215) m of the investments for the period.

### *Parent company*

Parent company profit after financial items amounted to SEK 2,618 (354) m. The parent company equity ratio amounted to 93 (100) percent. The strong improvement comes from the fact that most of the listed holdings became associated companies after the merger between Latour and Säkl.

Not including repurchased shares, the number of outstanding shares on 31 December 2011 amounted to 159,500,000. Latour already owns 460,000 repurchased B shares. Call options have been issued to senior officers for 447,000 of the repurchased shares.

In December 2011 131,638 A shares were converted to B shares. At present the allocation of issued shares is 11,952,522 A shares and 148,007,478 B shares.

## Events after the balance sheet date

No significant events have taken place. However a small acquisition was made at the beginning of February by Latour Industries' subsidiary REAC. The acquisition adds four more employees in system and electronics development.

## Dividends

The Board of Directors proposed a dividend increased to SEK 4.50 (3.75) per share and additional dividends of SEK 1.50 per share. Together the regular and the additional dividends correspond to dividends of MSEK 957. The extra dividends should be considered in the light of the fact that the entire holding in Niscaya was divested in September for the total purchase price of SEK 739 m.

## Risks and uncertainties

The Group's and the parent company's main risk lies in changes in the value of financial instruments such as a general baisse on the stock market or in a certain holding. Uncertainties concerning exchange and interest developments are included in this. Latour has a good diversification of risk through a wide variety of shareholdings divided among nine 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 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 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.

During the reporting period Latour merged with Säkl AB. Latour has chosen to value the merger using historically recorded values according to the pooling method. Application of this method entails merging recorded values for each unit and adjusting accounting principles so that they are uniform. As a result of the merger the share of votes that exceed 20 percent in seven out of nine holdings in the investment portfolio and they are thereby classed as associated companies. Latour has chosen to value all associated companies in accordance with the equity share method.

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

The company auditors have not reviewed this report.

### Nominating committee

The nominating committee for the Annual General Meeting on 10 May 2012 consists of the following persons:

Gustaf Douglas (chairman, principle 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 22 February 2012

Jan Svensson

*President and Chief Executive Officer*

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### 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).

*Interim Report January – March will be published 2012-05-04*

*Annual General Meeting will be held 10 May at Radisson Blu Scandinavia Hotel in Gothenburg, Sweden.*

*Interim Report January – June will be published 2012-08-21*

*Interim Report January – September will be published 2012-11-06*

*Year-End Report 2012 will be published 2013-02-20*

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 22 February 2012 at 8:30 a.m.

## Consolidated income statement

SEK m	2011 Q4	2010 Q4	2011 Q4	2010 Full year
<b>Net sales</b>	<b>1,846</b>	<b>1,760</b>	<b>7,171</b>	<b>5,991</b>
Costs of goods sold	-1,179	-1,172	-4,639	-3,920
<b>Gross profit</b>	<b>667</b>	<b>588</b>	<b>2,532</b>	<b>2,071</b>
Sales costs	-359	-311	-1,244	-1,071
Administrative costs	-88	-101	-408	-363
Research and development costs	-51	-35	-140	-106
Other operating income	23	26	170	101
Other operating costs	7	-6	-27	-12
<b>Operating result</b>	<b>199</b>	<b>161</b>	<b>883</b>	<b>620</b>
Result from participation in associated companies	317	42	1,449	228
Result from portfolio management	23	-106	-26	92
Administration costs	-2	-4	-15	-14
<b>Profit before financial items</b>	<b>537</b>	<b>93</b>	<b>2,291</b>	<b>926</b>
Financial income	9	14	54	27
Financial costs	-18	-20	-115	-81
<b>Profit after financial items</b>	<b>528</b>	<b>87</b>	<b>2,230</b>	<b>872</b>
Taxes	-36	-50	-182	-170
<b>Result for the period</b>	<b>492</b>	<b>37</b>	<b>2,048</b>	<b>702</b>
<b>Attributable to:</b>				
Parent company shareholders	492	38	2,048	703
Non-controlling interests	-	-1	-	-1
Earnings per share regarding profit attributable to parent company shareholders				
Before dilution	3.08 SEK	0.29 SEK	14.13 SEK	5.37 SEK
After dilution	3.08 SEK	0.29 SEK	14.10 SEK	5.36 SEK
Average number of outstanding shares before dilution	159,500,000	131,000,000	144,898,630	131,000,000
Average number of outstanding shares after dilution	159,917,326	131,230,000	145,224,005	131,172,973
Number of outstanding shares	159,500,000	131,000,000	159,500,000	131,000,000

## Statement of comprehensive income

SEK m	2011 Q4	2010 Q4	2011 Full year	2010 Full year
<b>Result for the period</b>	<b>492</b>	<b>37</b>	<b>2,048</b>	<b>702</b>
<b>Other comprehensive income, net after tax</b>				
Change in translation reserve for the period	-35	-18	-12	-108
Change in fair value reserve for the period	39	978	-1,110	2,179
Change in hedging reserve for the period	7	5	-7	23
Changes in equity in associated companies	141	-6	1,018	-111
Other	-	-1	-	-7
<b>Other comprehensive result, net after tax</b>	<b>152</b>	<b>958</b>	<b>-111</b>	<b>1,981</b>
<b>Comprehensive result for the period</b>	<b>644</b>	<b>995</b>	<b>1,937</b>	<b>2,683</b>
<b>Attributable to:</b>				
Parent company shareholders	644	996	1,937	2,684
Non-controlling interests	-	-1	-	-1

## Consolidated cash flow statement

SEK m	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Cash flow from current operations before changes in operating capital	224	180	711	578
Changes in operating capital	51	45	-301	-93
<b>Cash flow from current operations</b>	<b>275</b>	<b>225</b>	<b>410</b>	<b>485</b>
Acquisition of subsidiaries	-10	-320	-67	-437
Sale of subsidiaries	0	7	319	7
Other investments	-24	-27	-139	-92
Portfolio management	-891	890	-41	1,208
<b>Cash flow after investments</b>	<b>-740</b>	<b>775</b>	<b>482</b>	<b>1,171</b>
Financial payments	250	-832	-558	-1,134
<b>Cash flow for the period</b>	<b>-490</b>	<b>-57</b>	<b>-76</b>	<b>37</b>

## Consolidated balance sheet

SEK m	2011-12-31	2010-12-31
<b>ASSETS</b>		
Goodwill	1,542	1,388
Other intangible assets	80	51
Tangible assets	764	847
Financial assets	8,019	9,421
Inventories etc.	1,260	1,030
Current receivables	1,435	1,398
Cash and bank	498	573
<b>Total assets</b>	<b>13,598</b>	<b>14,708</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	10,489	12,280
Non-controlling interests	0	0
<i>Total equity</i>	<i>10,489</i>	<i>12,280</i>
Interest-bearing long-term liabilities	577	337
Non-interest-bearing long-term liabilities	138	131
Interest-bearing current liabilities	1,114	581
Non-interest-bearing current liabilities	1,280	1,379
<b>Equity and liabilities</b>	<b>13,598</b>	<b>14,708</b>

## Change in consolidated equity

SEK m	Share capital	Repurchased shares	Other reserves	Profit brought forward	Non-controlling interests	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			-1,129	3,066		1,937
Issued call options				3		3
New issue costs				-10		-10
New issue	23			3,611		3,634
Effects of the merger through pooling method			-4,720			-4,720
Merger difference				-2,144		-2,144
Dividends				-491		-491
<b>Closing balance 2011-12-31</b>	<b>133</b>	<b>-29</b>	<b>92</b>	<b>10,293</b>	<b>0</b>	<b>10,489</b>

## Group key ratios

	2011-12-31	2010-12-31
Return on equity	18 %	6 %
Return on comprehensive capital	17 %	7 %
Adjusted equity ratio	84 %	85 %
Adjusted equity (SEK m)	16,709	13,783
Surplus value in associated companies <sup>1)</sup> (SEK m)	6,220	1,503
Net debt/equity ratio	7 %	2 %
Net borrowings/EBITDA	1.5	0.4
Share price	107 SEK	124 SEK
Repurchased shares	460,000	460,000
Average number of repurchased shares	460,000	460,000
Average number of employees	3,642	3,057
Outstanding convertible bonds	0	0
Issued subscription options	0	0
Issued call options on repurchased shares	447,000	230,000

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

## Income statement – parent company

SEK m	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Result from participation in Group companies	–	–	–	100
Result from participation in associated companies	–	6	2,553	111
Result from portfolio management	1	215	6	151
Administration costs	–2	–2	–9	–6
<b>Profit before financial items</b>	<b>–1</b>	<b>219</b>	<b>2,550</b>	<b>356</b>
Interest income and similar profit items	35	0	86	0
Interest costs and similar loss items	–7	3	–18	–2
<b>Profit after financial items</b>	<b>27</b>	<b>222</b>	<b>2,618</b>	<b>354</b>
Tax	–	–	–	–
<b>Result for the period</b>	<b>27</b>	<b>222</b>	<b>2,618</b>	<b>354</b>

## Statement of comprehensive income – parent company

SEK m	2011 Q4	2010 Q4	2011 Full year	2010 Full year
Result for the period	27	222	2,618	354
Change in the fair value reserve for the period	41	658	–1,108	2,179
Total other comprehensive income	41	658	–1,108	2,179
<b>Comprehensive result for the period</b>	<b>68</b>	<b>880</b>	<b>1,510</b>	<b>2,533</b>

## Balance sheet – parent company

SEK m	2011-12-31	2010-12-31
<b>ASSETS</b>		
Financial assets	5,743	9,872
Current receivables from Group companies	2,154	–
Other current receivables	123	–
Cash and bank	249	6
<b>Total assets</b>	<b>8,269</b>	<b>9,878</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	7,652	9,869
Interest-bearing long-term liabilities	1	1
Non-interest-bearing long-term liabilities	106	5
Interest-bearing current liabilities	500	–
Non-interest-bearing current liabilities	10	3
<b>Equity and liabilities</b>	<b>8,269</b>	<b>9,878</b>

## Changes in equity – parent company

SEK m	2011-12-31	2010-12-31
Equity at the beginning of the year	9,869	7,695
Comprehensive result for the period	1,510	2,533
Issued call options	3	1
New issue costs	–9	–
New issue	3,634	–
Effects of the merger through pooling method	–4,720	–
Merger difference	–2,144	–
Dividends	–491	–360
<b>Equity at year-end</b>	<b>7,652</b>	<b>9,869</b>

## Segment reporting:

### Development per business area 2011-01-01 – 2011-12-31

	Industrial operations					Portfolio management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	1,182	1,566	1,378	2,706	340		7,171
Internal sales	–	7	3	1	–		11
RESULT							
Operating profit	151	248	79	312	93		883
Result from participation in associated companies						1,449	1,449
Result from portfolio management						–41	–41
Financial income							54
Financial costs							–115
Tax							–182
Result for the period							2,048
OTHER INFORMATION							
Investments in:							
tangible assets	11	52	24	70	31	–	188
intangible assets	–	270	–	1	–	–	271
Depreciation	20	40	19	65	19	–	163

### Development per business area 2010-01-01 – 2010-12-31

	Industrial operations					Portfolio management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	1,133	1,292	1,415	2,151	–		5,991
Internal sales	1	5	–	2	–		8
RESULT							
Operating profit	143	172	51	208	46		620
Result from participation in associated companies						228	228
Result from portfolio management						78	78
Financial income							27
Financial costs							–81
Tax							–170
Result for the period							702
OTHER INFORMATION							
Investments in:							
tangible assets	8	87	25	198	23	–	341
intangible assets	–	180	27	283	–	–	490
Depreciation	25	28	35	53	16	–	157

## Five year overview

	2011	2010	2009	2008	2007
Net sales, SEK m	7,171	5,991	5,440	7,071	6,730
Operating result, SEK m	883	620	296	671	652
Result from participation in associated companies, SEK m	1,449	228	242	142	210
Result from portfolio management, SEK m	-41	78	189	843	240
Result after financial items, SEK m	2,230	872	664	1,590	1,102
Earnings per share, SEK <sup>1)</sup>	14.13	5.37	4.21	11.14	6.71
Return on equity, %	18	6	6	16	8
Return on comprehensive capital, %	17	7	6	14	8
Operating margin, Industrial operations, %	11.6	9.6	6.3	10.3	9.6
Adjusted equity ratio, %	84	85	82	75	78
Net debt/equity ratio, %	7	2	7	15	15
Share price, SEK	107	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
18 April 2011	Denstech AB	Sweden	Latour Industries	18
2 Mars 2011	Elator (operations)	Sweden	Latour Industries	10
4 August 2011	Superbolt Inc.	USA	Latour Industries	89
4 August 2011	Swiss P&S Vorspannsysteme AG	Switzerland	Latour Industries	49
24 November 2011	LH-Slip i Nybro (operations)	Sweden	Latour Industries	9
Assets and liabilities in acquisitions				
				Recorded value in Group
Intangible assets				39
Tangible assets				21
Financial assets				4
Inventories				49
Accounts receivable				32
Other receivables				22
Cash				16
Long-term liabilities				-44
Deferred tax liability				-2
Current liabilities				-40
<b>Net identifiable assets and liabilities</b>				<b>97</b>
Group goodwill				230
<b>Cash settlement purchase price</b>				<b>327</b>
Acquisitions of items not included in the cash flow				2
Acquired cash				-16
<b>Effect on Group cash</b>				<b>313</b>

During the period Latour acquired 100 percent of shares in Sigma-3 S.r.l., Denstech AB, Superbolt Inc. and P&S Vorspannsysteme AG. During the period Sigma-3 S.r.l. contributed income of SEK 19 m and an operating result of SEK 5 m. During the period Denstech AB contributed income of SEK 25 m and an operating result of SEK 1 m. During the period Superbolt Inc. contributed income of SEK 60 m and an operating result of SEK 16 m. During the period Swiss P&S Vorspannsysteme AG contributed income of SEK 36 m and an operating result of SEK -1 m.

## Note 2: Merger with Säkl AB

Investment AB Latour and Säkl AB merged on 7 July 2011.

### Assets and liabilities in merged operations

	Recorded value in Group
Financial assets	2,131
Other receivables	8
Cash	246
Long-term liabilities	-750
Current liabilities	-30
<b>Identifiable assets and liabilities</b>	<b>1,605</b>
Minus profit for the period up to the day of the merger	-115
<b>Net identifiable assets and liabilities</b>	<b>1,490</b>
New issue	-3,634
<b>Merger difference</b>	<b>-2,144</b>

Costs in connection to the new issue and the merger have charged equity by SEK 10 m.





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