

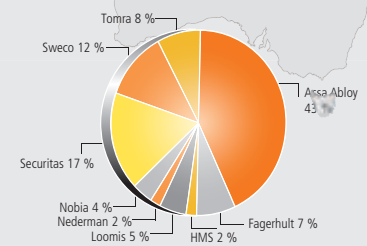
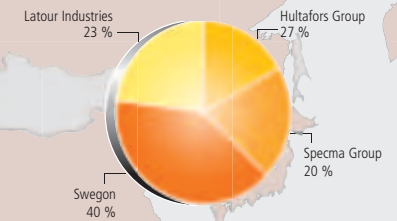
ANNUAL REPORT
2011



Contents

3	2011 at a glance
4	Comments by the CEO
6	This is Latour
8	The strategy process
10	The environment and business value
12	Employees
14	The Latour share's total return
16	The Latour share
18	The Latour share's net asset value
20	Latour's underlying profit
22	The industrial operations
24	Hultafors Group
28	Latour Industries
32	Specma Group
36	Swegon
40	Portfolio companies
42	Assa Abloy
44	Fagerhult
46	HMS Networks
48	Loomis
50	Nederman
52	Nobia
54	Securitas
56	Sweco
58	Tomra
60	Oxeon
61	Academic Work
62	Five year overview
63	Information by quarter
64	The Annual Accounts
65	Board of Director's Report
68	Proposed disposition of profits
69	Consolidated income statement
70	Consolidated balance sheet
72	Consolidated cash flow statement
73	Change in consolidated equity
73	Change in consolidated interest-bearing net debt
74	Parent company income statement
75	Parent company balance sheet
76	Parent company cash flow statement
76	Change in parent company equity
77	Notes
99	Audit report
100	Corporate governance
104	Board of directors
105	Group staff, Group management, Accountants
106	Addresses
109	Shareholder information

INDUSTRIAL OPERATIONS



In 2011 Latour and Säkl merged under the name Latour - a company capable of making major investments. The merger was a natural step to simplify their owner structure and coordinate Latour's and Säkl's investment operations in order to create greater transparency and a more liquid share. The similarity between Latour's and Säkl's strategies facilitated the merger. They also had similar core holdings and a somewhat similar owner structure. Each Säkl share was traded for 0.57 B shares in Latour.

PORTFOLIO COMPANIES

OTHER

Industrial operations

The industrial operations grew by 28 percent in 2011. Net sales increased to SEK 6,831 (5,316) m which corresponds to organic growth of 16 percent adjusted for currency effects. Operating profit amounted to SEK 790 (580) m, our best result ever.

Investment portfolio

The development in the investment portfolio was impressive and Latour's dividends for 2011 (available for Latour in the spring of 2012) increased by 16 percent for comparable investment portfolio to SEK 498 m, also a record level.

Net asset value

Latour's net asset value at the end of 2011 was SEK 142 per share, a reduction of 7.3 percent. The reduction should be seen in light of a very difficult year for the stock market with a great deal of turbulence, primarily due to the crisis in the euro zone. Comparable index decreased by 13.5 percent. Information on the calculation of the net asset value is found on pages 18–19.

Total return

The total return on the Latour share amounted to –10.8 percent, which can be compared to –13.5 percent reduction for a comparable index, (SIXRX*). The total return on the Latour share was 34 percent during the latest five year period, 2007–2011. The development for the SIX Return Index was –1 percent for the same period.

Dividends

Proposed dividends are SEK 4.50 (3.75) per share as well as additional dividends of SEK 1.50 per share. Calculated on Latour's share price at the end of 2011 this is a return of 5.6 (3.0) percent.

*Six Return Index (SIXRX) shows the average development on NASDAQ OMX Stockholm, including dividends.

Comments by the chief executive officer

“Increased sales and profit”

2011 was characterized by improvements in profit and continued growth in sales although it slowed somewhat at the end of the year.

When the crisis hit in 2008 our goal was for our wholly owned operations to be in better shape and generate higher profits when we came out on the other side. We have succeeded with this and are really proud of it. At the beginning of the crisis our profit margin was 10.4 percent. Now it's 11.6 percent despite the fact that the market slowed somewhat at the end of the year.

It's important to note that we have made improvements in both income and costs and we've put a great deal of effort into getting the price level for our products right.

The political unrest we saw in 2011 and the ensuing effects on the financial markets had little effect on us.

From this point of view it's a good thing that our sales levels are low in countries like Greece, Spain and Portugal.

We are more active in Italy with Blue Box, which is a part of Swegon. However, sales are still good there, primarily because our products save energy and thereby money as well, which makes them attractive to invest in regardless of the business cycle.

Despite the excellent profit development our net asset value decreased to SEK 142 per share compared to SEK 157 per share at the beginning of the year. This corresponds to a change in value of -7.3 percent adjusted for dividends, which can be compared to -13.5 percent for SIXRX.

Important events in the wholly owned operations

Growth has continued at a good rate and we are happy to note with an operating margin on the rise. Organic growth adjusted for acquisitions and divestitures, and exchange rates was 16 percent.

We made five acquisitions in the wholly owned operations in 2011. One of these was Superbolt, acquired by Nord-Lock in Latour Industries. Since 1984 Superbolt, with annual net sales of SEK 200 m and 138 employees, offers top-of-the-line products for critical bolting applications.

There are major synergies in the acquisition of Superbolt since it means that we merge two of the most innovative and reliable bolt securing techniques in the world. Nord-Lock and Superbolt are active in the same sectors and the products

“... to be in better shape and generate higher profits when we came out on the other side. We have succeeded with this.”

are often used in similar conditions. Nonetheless competition between the products is slight and having both solutions under one roof adds quite a lot of customer value.

HR is an area where we strengthened our positions this year. We now have qualified HR Managers for each business area. Long-term HR is strategically important for us since we need to develop the talents that we already have in our organizations while ensuring recruitment of yet further competent employees as the business areas expand internationally.

We have a lot of opportunities to talk about all the positive

things going on in the Group so that we can attract more young talent to us. We also offer many interesting challenges in the Group, in particular the chance to move between business areas.

This is positive for employees already in the organization and those who join us. This far-reaching

work is highly prioritized.

We've also seen a generation shift in Hultafors Group where Alexander Wennergren Helm became the new business area manager. He replaces Bo Jägnefält who instead will work with business development in the Latour Group. This is part of our investment in boosting support to the business areas in order to be able to maintain a high acquisition rate.

Integrating Blue Box, which was acquired last year, was quite a challenge for Swegon. They are following the adopted integration plan with no other setbacks than the fact that it's going more slowly than expected. Measures have been taken to right this and we will be up to speed with the plan in 2012.

Important events in the portfolio companies

We acquired 15.5 percent of Tomra. They comply with every single one of our investment criteria. It's a solid company

that's in step with the times and is a world leader in recycling, waste management, the mining industry and food refinement through efficient sorting. These are areas where growth is strong internationally and where Tomra offers world leading technology.

In 2011 Latour merged with Säkl. This resulted in a simplified owner structure, better transparency and a more liquid share. The merger resulted in lower

costs and also increased our holdings in some of our companies such as Assa Abloy and Securitas. We obtained a new portfolio company, Nobia, the European leader in kitchens as well.

Assa Abloy is a fine company with great potential and its CEO Johan Molin is rapidly implementing a necessary restructuring of the business. The company's acquisition of Cardo and

“We've got a solid financial position and our operations develop in a positive way.”

the subsequent divestiture of the included parts is an example of a skillfully handled business deal.

In 2011 Nederman concluded the integration of Dantherm. Everything has gone according to plan, the synergies were realized and costs were lower than planned.

In Fagerhult the CEO Johan Hjertnsson integrated two important acquisitions which both contributed to the great improvement in profitability.

I must also mention the divestiture of Niscayah. We thought Securitas ought to have been interested integrating Niscayah back into the company. When this didn't happen selling it was a natural consequence. Securitas will obtain this competence in some other way, it will just take a bit longer.

Among the unlisted companies in our portfolio Oxeon is still growing at a good rate. Through the fusion with Säkl we acquired a new exciting holding in Academic Work. They're in an interesting industry with an interesting offer that is a solid basis for continued good growth.

Long-term challenges and opportunities

We think that the climate for company acquisitions will be rather good in the coming year. We believe in a more normal business cycle compared to the downturn in 2008-2009. This is usually an advantage when making acquisitions since it's easier to establish price levels when conditions are more stable.

Our wholly owned operations ought to continue to grow internationally. In the long term we need to have a larger part of our sales in the BRIC countries. So far we've focused on having mostly Nordic operations but today 39 percent of our export is outside the Nordic region. Now we start the work to grow in other parts of the world as well. Through the acquisition of Superbolt we increased our presence in the USA and several of our companies are already active in China. Through Specma Group we are present in Brazil and through Swegon in India. One of our future challenges is to grow in these countries.

At the same time there is still much left to do in Europe. This is true for Swegon which together with Blue Box has an enormous potential in Europe, not to mention the long-term opportunities in China and the rest of the world for systems and products that contribute to energy efficient ventilation.

We will also have to increase our investments in securing access to good leadership as the wholly owned operations grow internationally. This year's investment in HR functions in each business area is an important step in this work.

Prospects for 2012

Even if growth slowed somewhat at the end of 2011 we don't think there is a significant risk of a dramatic drop like the one

in 2008-2009. On the other hand we have a healthy respect for the unrest on the financial market that threatens to have a negative influence on growth primarily in 2012. Latour is ready to meet such a market development with the same determination we faced the latest crisis with, a process that has only strengthened us. I would particularly like to thank all of our competent and committed employees for this.

We have a solid financial position and our operations are developing in a positive direction. We also have considerable room for acquisitions which gives us a good platform for making deals when the right objects present themselves.

In conclusion all the above shows how well we are prepared to meet the opportunities that 2012 will bring. ■



Jan Svensson

President and Chief Executive Officer



We create long-term value through internationally successful companies

Latour is a mixed investment company whose comprehensive business concept is to invest with a long-term perspective in sound companies that have their own products and that are considered to have a major internationalization potential.

Operations in two business lines:

Latour's operations are primarily operated in two business lines: the wholly owned industrial operations and a portfolio with listed holdings.

The wholly owned operations consist of four business areas with over 3,600 employees. Our ambition is to own operations with good potential for international expansion that have their own unique products. The investment portfolio consists of nine holdings where Latour is the principal owner or one of the principal owners. The portfolio is dominated by holdings in Assa Abloy, Securitas and Sweco in terms of value.

In addition to the two principal business lines Latour also owns a number of partly owned unlisted operations.



Total return of 22,600 percent since 1985

Investment AB Latour, which started operations in 1985, is a mixed investment company which is quoted on the NASDAQ OMX Stockholm Large Cap list.

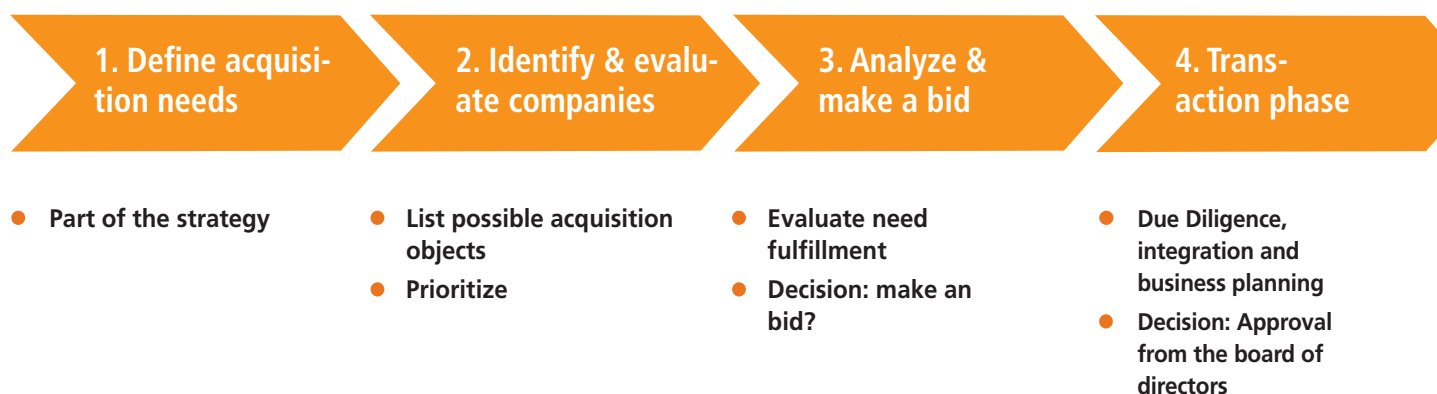
The total return of Latour since we began is over 22,600 percent, of which dividends are about 14,500 percent. The market value amounted to SEK 17.0 (20.0)* billion on 31 December 2011.

* Including the market value of Säkl AB 31 December 2010.

Value-creating management

Board work is the platform for value creation in both the wholly owned operations and in the investment portfolio. Regardless of our owner share we apply a structured working method for board work, acquisition processes and integration processes. Thanks to Latour's interests in globally listed companies we can transfer knowledge and contribute to developing our wholly owned companies in line with our international expansion strategy.

The work is goal-oriented and with low central management expenses.



Acquisition process based on our strategy

In 2011 Latour acquired five companies in the wholly owned operations and invested in a major holding in Norwegian Tomra. In order to have a high success rate in our investments the acquisition process is always based on our long-term strategy, overall and within each business area and company.

Latour's core values Long-term, Professional and Development characterize both the strategy and acquisition processes, regardless if they are a smaller acquisition in some of the wholly owned operations or the purchase of a holding in a big listed company.

Lists of acquisition candidates

Most of the acquisitions Latour makes supplement existing holdings. Each business area in the wholly owned operations and each company in Latour Industries must have a long-term, clear strategy as well as an action plan. Based on its development need the company identifies a list of possible acquisition candidates in its strategy work. If and when it seems logical to meet a development need with an acquisition, thereby realizing our strategy and achieving our goals, Latour continues along the structured acquisition process. The actual integration is characterized by the strategic need that the acquisition

must fulfill. Such needs can be geographical expansion, broadening our product portfolio or a vertical integration. These aspects that improve our competitiveness can be difficult to fix in the short-term organically. The more needs a company fulfills the more interesting a possible acquisition becomes. A good example of this is Långshyttan which was acquired by Latour Industries in 2011.

Own products with international potential

A common denominator for all of the companies that Latour owns or is interested in acquiring is that they have their own products or services that can become international sales successes. The products should have a high technological content and high enrichment value. The companies cannot be too dependent on individual suppliers or customers.

Latour is interested by both mid-sized companies that could be integrated into Latour Industries and in major companies that could become business areas in their own right. Our only size criteria is that the company may not be so small that it cannot develop and be managed on its own. However, this criteria is not valid when it comes to supplementary acquisitions that will be integrated into an already established, well functioning organization for operation and development in line with our strategy. ■

5. Integration

6. Follow-up

- Organization and communication
- Common projects
- Follow-up of plans and goals

Question-driven strategy process

In Latour there are no templates for the strategic work in the wholly owned companies. Instead effort is put into answering three comprehensive questions: What is the company's current position, which are the company's goals in five years time and what needs to be done in order for it to reach these goals?

The questions are answered by well-founded facts and analyses of both internal and external circumstances. This leads to a number of strategic initiatives. The strategies in Latour's wholly owned operations normally stretch three to five years ahead and their core is a number of strategic initiatives, usually four or five, as well as a specification of the goals to reach. The exact activities needed to reach the goal are not formulated, only the central aspects the company needs to work with. This makes the entire organization more goal-oriented and participatory in the process of turning the initiatives into concrete and situation-specific activities on each level in the companies.

Management and follow-up of the strategic initiatives are formulated as simply as possible, allowing the work to be performed efficiently in every part of each organization, along with the management and boards that continuously follow up performance.

In addition to creating higher goal fulfillment Latour's question-steered strategy process creates a collective base of experiences that can be transferred among the holdings. ■

"A GOOD OWNER"

At the end of 2010 Latour Industries acquired the Långshyttan Group. One of the sellers was Per Vikström. He is now CEO of the company which has merged with Fortiva and changed name to LSAB.

Why did you sell to Latour?

"It was important for us to find a long lasting owner with considerable industrial competence and Latour Industries has this. There was also an industrial logic in the deal.



It really was the perfect match. The old Långshyttan Group lacked certain products. We found these in Fortiva which Latour Industries already owned. Through the merger into LSAB we are now complete, which has been confirmed by the market's reception."

What kind of owner is Latour?

"They've met my expectations. The culture is very professional and supportive. We're given a lot of independence in how we reach our goals while we are supported by an active and professional board. There's always someone to talk to. For instance, we've received a great deal of support with the strategy plan we've developed for the coming years."

How did the acquisition process work?

"It took about seven months and was handled professionally, which was important since we had to work together afterwards too. Our first joint customer visit was just a week after we'd signed the deal."

How has the cooperation worked so far?

"The integration has gone well, mostly thanks to all the thorough preparations. They had a clear and ambitious plan for us that I took over and it's gone well so far."

What do the employees say?

"There was some uncertainty at first, as always with major changes, but when they saw that Latour keeps their promises everyone has become very positive. We have all realized that Latour is a good long-term owner from both a financial and industrial perspective." ■

Internal & external analysis



Goal & strategic initiatives



Continuous follow-up by management and the board



Sustainable work that is good for business

Latour bases operations on trust where taking responsibility essential. The Group strives to embed an environmental perspective into the business and thereby improve competitiveness and profitability in the long run.

Latour has a long tradition of taking responsible, which follows the company's long-term investment horizon and management style. All our operations must comply with laws and valid regulations as well as establish relevant guidelines with clear goals.

Latour's management of the company's holdings is based on good ethics, respect for the individual, health and equality such as following the UN's and OECD's guidelines for sustainability.

The holdings role in society is a strategic ownership matter

handled within the framework of Latour's processes for active ownership. Latour must comply with the social and environmental demands in effect for each holding.

Wise environmental choices – a matter of strategy

Caring about the environment is part of Latour's company culture. This is expressed in the way we think and act, in our daily operations, when we set up strategies and when we consider investments and acquisitions.

Latour and its subsidiaries have a far reaching focus on environmental issues, be it choice of partners, product development or selection of input goods in production.

Strategic mindset

Latour strives to identify solutions that satisfy all four driving forces described to the right. When managing holdings Latour



Care for the environment is a part of Latour's business cultures. This is seen in the way we think and act in day-to-day operations as well as in strategical choices, investments and acquisitions.

endeavors to make environmental issues central to product development. This means environmental measures are embedded in our business and the right environmental choice is intended to lead to greater sales and profitability.

Our ambition is to create products that lead to lower environmental impact and better finances for our customers throughout the entire life cycle of a product.

Board level responsibility and management

There is an inherent expectation of continuous progress in the Group. All boards in the wholly owned industrial operations regularly report their progress in sustainable development according to the four driving forces. In addition, the subsidiaries are ISO certified as well as by other industry-specific systems with high demands, like those in the automotive industry.

Case Swegon: Systematic environmental and business value

Product development in the wholly owned subsidiary Swegon is an example of how Latour's philosophy has been put into practice. Swegon is a leader in the ventilation industry and has received the Great Indoor Climate Award (Stora Inneklimatpriset) and been nominated several years running.

“... Latour endeavors to make environmental issues central to product development.”

For years Swegon has put a great deal of energy into integrating environ-

mental and energy savings into its product development. The company applies the Ecoindicator method in order to create energy and environmental value in design and development. In addition to focusing on carbon dioxide emissions it also takes all the national environmental goals and system demands in “The Natural Step” into consideration.

This has been a successful strategy. In the past 20 years Swegon's products have helped to save 58 Twh, which is the equivalent of heating 172,000 normal houses during the same period.

Energy savings combined with high performance make the products attractive from an overall financial perspective. The customers' pay-back time for Swegon's products is usually five years, despite their cost. This means many “profitable” years for our customers since the products clearly last longer than five years.

Please find further information about Swegon on pages 36–39. ■



FOUR DRIVING FORCES BEHIND ENVIRONMENTALLY SMART SOLUTIONS

The following driving forces affect the long-term need for energy and environmentally efficient solutions, which Latour takes into consideration in our business and product development.

1. Finances: Long-term sustainable development requires a good balance between finances, the environment and social matters. In the area of energy there is a clear connection between finance and the environment. There is a tremendous need to reduce energy-related emissions, find inexpensive alternative solutions to ebbing oil supplies and create energy efficient products.

Companies that can come up with attractive solutions in these areas will have a critical competitive edge.

2. Public opinion and consumer power:

The general public is now much more aware of the environmental challenges we face. This creates a greater need for products that lead to less environmental impact and puts greater demands on companies to act responsibly.

3. Political ambitions: Political ambitions regarding the environment are high. The instruments used are divided in two main areas: punitive measures to decrease the use of harmful substances and rewarding measures such as special support for the development of environmentally friendly technology that leads to less consumption of fossil fuels.

4. New technology: New technology makes it possible to individually, or with other products and systems, make environmental and financial gains. ■

Employees – a key factor for the future

Latour works with systematic management so that both Latour and the companies we invest in are attractive workplaces where employees enjoy working and can develop. This improves our chances to recruit and keep the right expertise and individuals – and this has a positive effect on our ability to create long-term value.

At the end of 2011 the number of employees in all of Latour's holdings amounted to over 383,000. Of these 3,400 were in the wholly owned operations, while the rest were employed in the investment portfolio companies where Latour's share of votes is at least 10 percent. Eleven people were employed at Latour's parent company at the end of 2011.

Strong and long lasting company cultures are an important

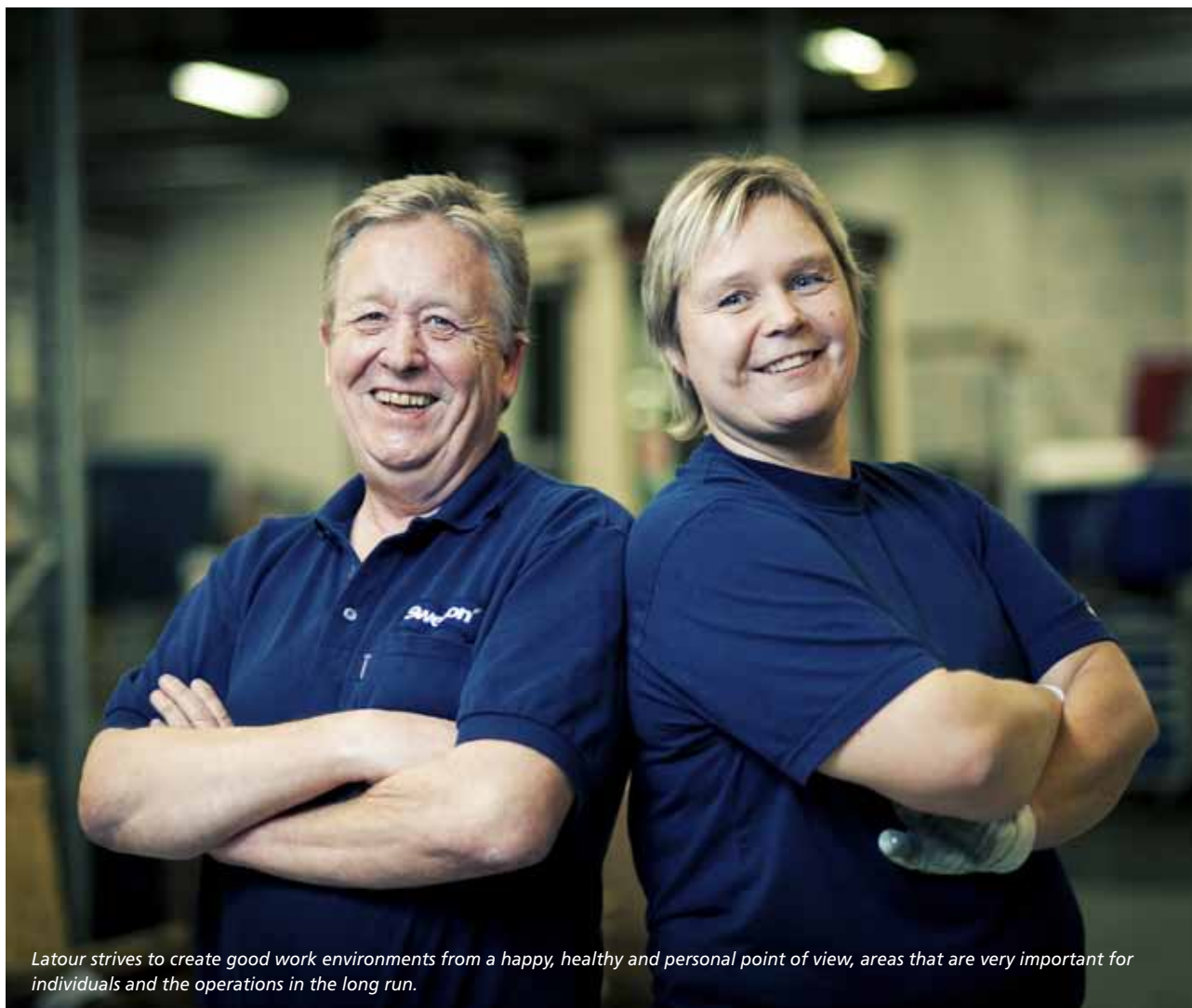
component in the management of employee-related matters in the parent company and the company's holdings. Our company culture is based on our core values: Long-term, Professional and Development.

Every business unit has its own unique company culture but they are all based on these core values which are the same for all of Latour's operations.

Competence – a key factor in management

In order to take active ownership responsibility and develop the holdings through professional board work we need a high level of competence and diversity in the boards that we elect. For some time now Latour works on the principle that the boards of the wholly owned operations must have two external and experienced members, of which at least one must be a woman.

For this same reason Latour strives to make sure we can



Latour strives to create good work environments from a happy, healthy and personal point of view, areas that are very important for individuals and the operations in the long run.

recruit and keep the right people, both in the parent company and in the holdings that the company invests in.

Securing access to good leaders

In 2011 we strengthened HR departments in each business area in the wholly owned industrial operations. This is a part of the work to create efficient organizations that support the development of each business area.

Management is essential here. As the wholly owned operations grow internationally we increasingly need the right individuals and expertise in leading positions, middle management and other key positions. Meeting this need requires competitive terms where good results are rewarded in line with Latour's long-term and industrial ambitions concerning value.

The same holds true for the portfolio companies. However, for the most part these have come farther along in internationalization and the work to secure the right competence as they grow. They have a great deal of good experience and knowledge in this area that can be transferred to the wholly owned operations.

Competence development in leadership

An important component in creating successful leadership is offering employees competence development in their particular area. This is the responsibility of each individual company. For instance, there are well developed leadership programs in the business areas in the wholly owned industrial operations.

Possibility to advance in the Group

Latour wants to keep our employees and competence in the company. This is why we work to systematically create opportunities for employees to try other positions in the Group. This leads to better dynamics and good opportunities for the individual to develop. Latour also strives to create good working conditions in all our companies from a job satisfaction and health perspective – areas which are very important for the long-term development of both individuals and companies.

Network plays an important role

Latour has created an extensive network as the company and its holdings have grown and become increasingly international. The network is both broad and deep which is advantageous in many contexts, in particular when it comes to major deals and recruitment of managers, board members, consultants and other key employees. ■

DEVELOPMENT AT WORK

"People make us successful, that's why we need to be the best at attracting and developing the best employees," says Per Engler, HR Manager at Latour Industries.

How do you develop employees?

"It's easy to educate for education sake. We take it a step further by customizing the training so that each and every person grows along with the organization at large. It's important to work on two levels. Just strengthening the individual is not enough. He or she needs

a manager who is also developing. Many make the mistake of giving just one kind of training to all their managers. That isn't enough. We start from every supervisor's individual needs. Other employees get training in subjects that will not only make them better at what they do today, it will also give them the chance to develop in the organization. We have processes for finding out how to support this development on an individual level."



What do you think about health issues?

"We have clear processes for handling health issues in general and in specific cases, like when someone needs help because of illness or stress. Since we act quickly I can safely say that this is a company where employees are healthy and feel good. They are rarely ill and many aim for a long career here."

Do you make any special health efforts?

"Yes, we started a pilot study for a health group with representatives from all business areas and we invite interesting guest lecturers to speak about diets and exercise.

We have an attractive health stimulus and in addition we pay for those who wish to participate in different local sport events like the Göteborgsvarvet Half Marathon in Gothenburg."

How do you like working here?

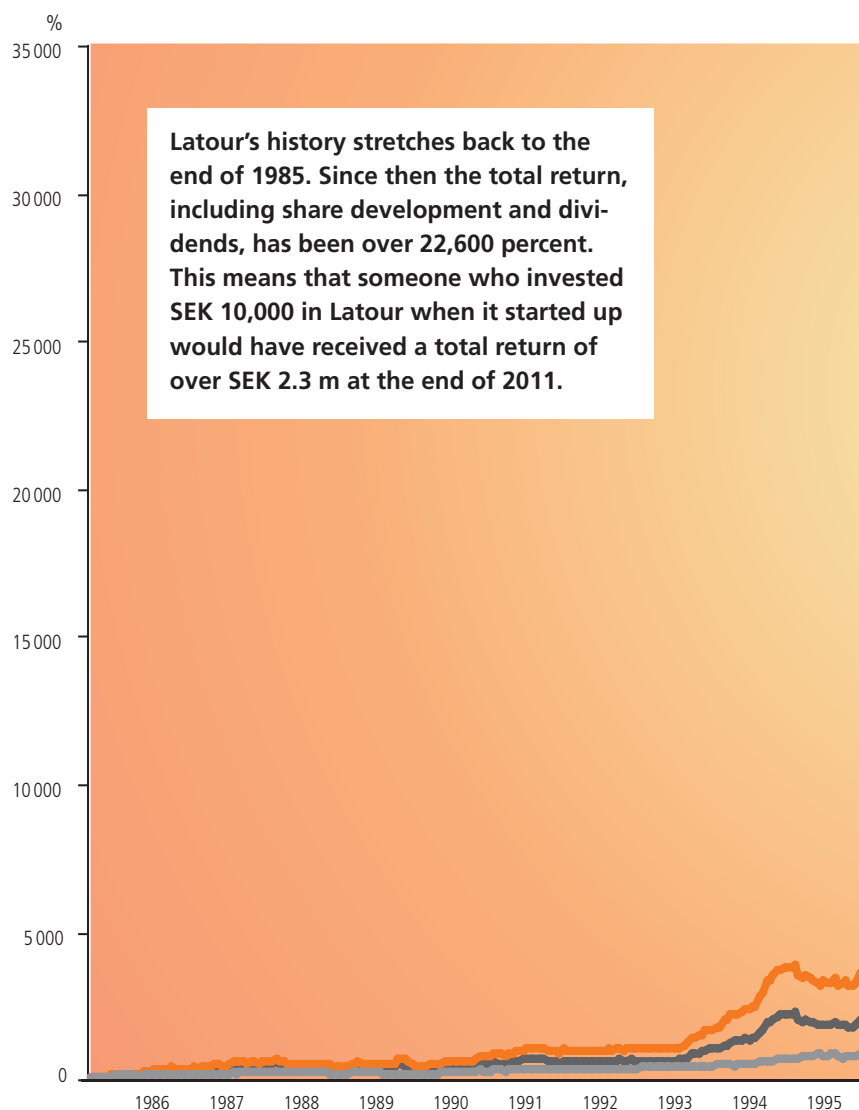
"It's a stimulating work place where you're surrounded by many talents with mixed experiences. The fact is that this is the best work place I have worked at, particularly because of our focus on individual development and the possibility to make a difference." ■

383,000

number of employees in all of Latour's holdings

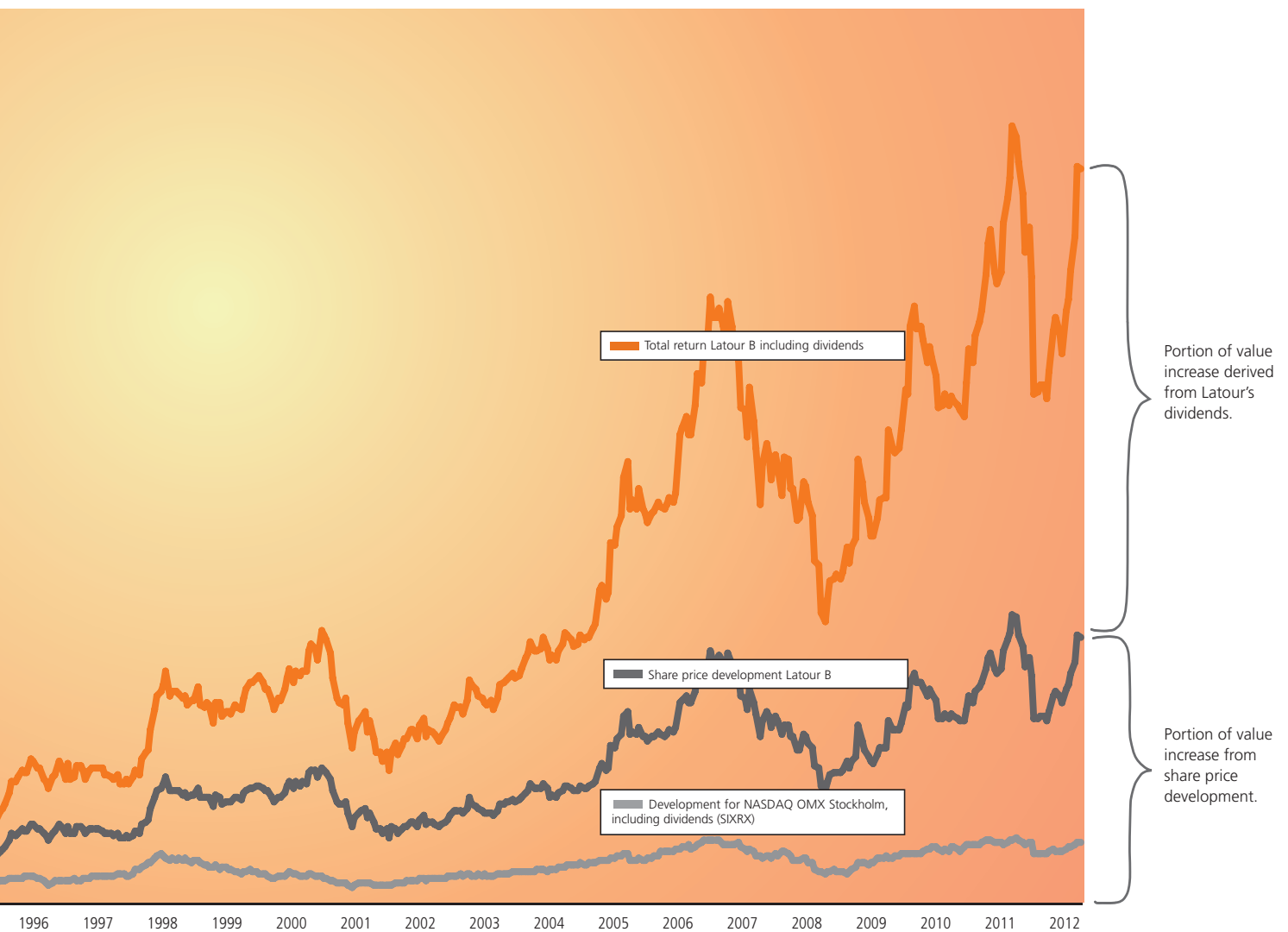
The Latour share's total return – over 22,600 percent since it started in 1985

- 1985** Operations start, but the name Latour was not used until 1987. Major acquisitions in the Securitas Group and Trelleborg.
- 1988** Acquisition of Fagerhult. The Securitas Group made several large acquisitions, among them the lock company Assa Abloy.
- 1991** Securitas is listed.
- 1993** Latour sells most of the holding in Trelleborg.
- 1994** Latour contributes to creating Europe's largest lock group: Assa Abloy. Acquisition of Swegon.
- 1997** Distribution of Fagerhult and Säkl. Acquisition of a major item in Sweco.
- 1999** Increased ownership in Fagerhult and Sweco.
- 2000** Sales of holdings in Piren and BT Industries.
- 2003** Acquisition of shares in Munters.
- 2004** Start of concentration in the wholly owned industrial and trading operations.
- 2005** Acquisition of Wibe Stegar.
- 2006** Securitas distributes shares in Securitas Direct and Niscayah to owners, among them Latour. Acquisition of Snickers Workwear.
- 2007** Major share of Nederman is acquired.
- 2008** HMS Networks and Loomis, were added to the investment portfolio while Securitas Direct was divested.
- 2009** Divestiture of holdings in OEM International.
- 2010** Divestiture of holdings in Munters and Elanders. Seven acquisitions in the wholly owned operations, such as Blue Box.
- 2011** Merger between Latour and Säkl. Acquisition of shares in Norwegian Tomra Systems. Divestiture of holding in Niscayah. Five acquisitions in the wholly owned operations.



Latour's general business concept is to invest in sound companies with strong development potential and good prospects for the future. Our long-term ambition, through an active ownership, is to create growth and added value in these holdings and this will be reflected in the development of the company's share.

Latour has historically lived up to this ambition, which can be seen in the diagram above. This shows the Latour share's



total return, which includes both the development of the share and dividends that have been paid, in relation to the NASDAQ OMX Stockholm in its entirety (SIX Return Index, which in addition to price growth takes dividends into consideration).

Our success is based on the company's long-term management aimed at contributing to added value in our holdings, both in the wholly owned industrial operations and the investment portfolio companies. This has created a competitive total

return from the start as well as during shorter, measurable periods. Whether the time since the company was formed in 1985 is broken down into the past year or ten or twenty year periods or looked upon as a whole, the Latour share has had a higher total return than the average for the NASDAQ OMX Stockholm. ■

The Latour share – strong development in 2011

Latour's share is listed on the NASDAQ OMX Stockholm Large Cap list that includes companies with a market value of over EUR 1 billion.

In 2011 the world stock markets were negatively effected by the financial unrest connected to the state finances in certain countries in the euro zone. The development for the Latour share was -13.8 percent, which can be compared with OMXSPI (NASDAQ OMX Stockholm) which was -16.7 percent during the same period. The highest value for 2011, SEK 150.00, was on 28 April and the lowest, SEK 88.05, was 23 September. The last price paid on 30 December was SEK 106.70.

In 2011 total return (share development including reinvested dividends) for the Latour B share amounted to -10.8 percent compared with SIXRX which decreased by -13.5 percent during the same period. The average annual total return for the Latour B share was 13.8 percent in the last ten years, compared with SIXRX 10.7 percent during the same period.

Market value

Latour's total market value, calculated on the number of outstanding shares, amounted to SEK 17.0 billion at the end of 2011. This makes Latour the 38th largest company of the 257 companies registered on the NASDAQ OMX Stockholm.

Trading

In 2011 a total of 6.8 million Latour shares were traded for a value of over SEK 0.8 billion. On average, 26,888 shares were traded daily, an improvement by 31 percent compared to 2010.

Share capital

Through the merger in 2011 with Säkl share capital and the number of shares increased. As of 31 December 2011 the company's share capital had increased by SEK 23,750,000 compared to the previous year, to SEK 133,300,000. The total number of A shares was unchanged at 11,952,522 shares and B shares increased by 28,500,000 to 148,007,478. The number of votes were raised accordingly to 267,532,698 (including 460,000 B shares bought back that are not entitled to vote at the Annual General Meeting).

Share buy backs

The total number of shares per 31 December 2011 was 159,960,000, including bought back shares. In 2011 no shares were bought back. Latour previously owns 460,000 bought back B shares. Call options have been issued to senior officers on 447,000 of the bought back shares. The Annual General Meeting 12 May 2011 authorized the board to decide on the acquisition and the transfer of shares.

Shareholders

The number of shareholders in 2011 increased from 9,822 to 10,690. The proportion of foreign investors amounted to 1.6 (1.6) percent at year-end. The number of institutional owners was 5.6 (6.0) percent.

Dividends

The board proposes dividends of SEK 4.50 (3.75) per share for the financial year 2011 as well as additional dividends of SEK 1.50 per share. Direct return is 5.6 percent based on the final share price at the end of 2011.

Analysts

The following analysts followed Latour at the end of 2011:

Rickard Strand, Danske Bank
Niclas Höglund, Swedbank Markets
Johan Sjöberg, Carnegie
Jan Köll, Handelsbanken

IR contact

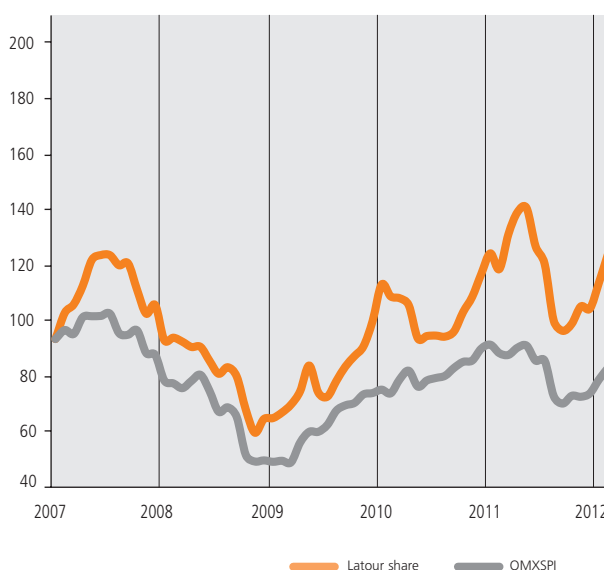
If you have any questions you are welcome to contact:

Anders Mörck, chief financial officer

Tel: +46 31 89 17 90

E-mail: anders.morck@latour.se ■

LATOUR SHARE PRICE DEVELOPMENT



LARGEST OWNERS 31 DECEMBER 2011

Shareholder, thousands	Number A shares	Number B shares	% share capital	Number of votes	% of votes
Gustaf Douglas, family and companies	9,935	113,852	77.4	213,202	79.8
Fredrik Palmstierna, family and companies	1,802	3,170	3.1	21,192	7.9
Bertil Svensson, family and companies		2,459	1.5	2,459	0.9
SEB Investment Management		1,716	1.1	1,716	0.6
Handelsbanken Funds		1,418	0.9	1,418	0.5
Lannebo Funds		1,360	0.8	1,360	0.5
Swedbank Robur Funds		1,283	0.8	1,283	0.5
Didner & Gerge Aktiefond		855	0.5	855	0.3
SEB Fondinvest		535	0.3	535	0.2
Other shareholders	216	20,899	13.2	23,053	8.8
Investment AB Latour, share buyback		460	0.4	460	—
	11,953	148,007	100.0	267,533 ¹⁾	100.0

The number of shareholders increased to 10,690 (9,822).

77.4 % of the company's share capital is owned by the principal shareholder with family and companies.

Other board members own 3.2 %.

Swedish institutional investors own 5.6 % of share capital.

Foreign ownership accounts for 1.6 %.

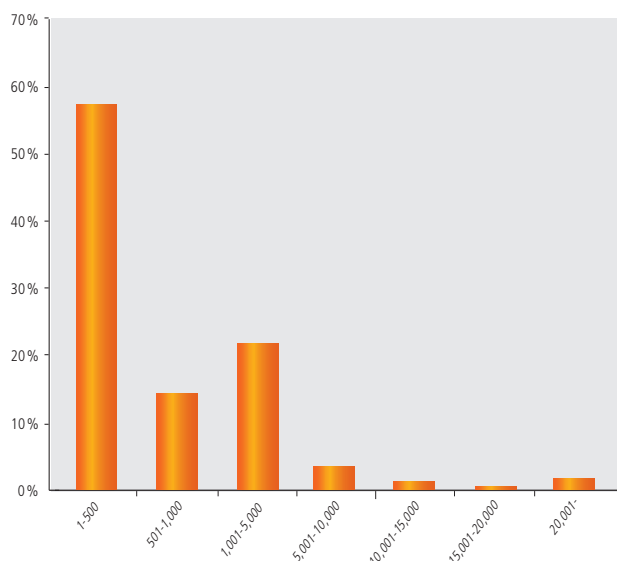
Type of share	Total shares	%	Number of votes	%
Serie A (10 votes)	11,952,522	7.5	119,525,220	44.7
Serie B (1 vote)	148,007,478	92.5	148,007,478	55.3
Total number of shares	159,960,000	100.0	267,532,698¹⁾	100.0

¹⁾ Including 460,000 bought back B shares which are not entitled to vote at the Annual General Meeting.

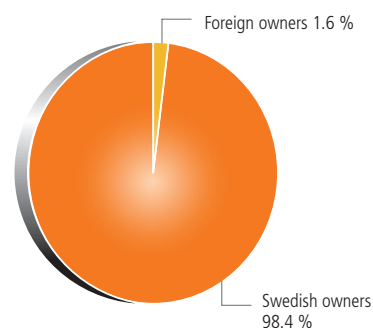
SHARE CAPITAL DEVELOPMENT

Year	Transaction	A shares	B shares	Share capital SEK m
1971		270,038	270,038	27
1983	Bonus issue	405,057	405,057	41
1984	New issue	405,057	650,891	53
1984	New issue	405,057	800,891	60
1985	New issue	512,569	853,129	68
1987	Subscription for new promissory notes	512,569	853,587	68
1988	Subscription for new promissory notes	512,569	854,375	68
1988	Bonus issue 8:1	4,100,552	6,835,000	137
1988	Subscription for new promissory notes	4,100,552	6,839,232	137
1989	Subscription for new promissory notes	4,100,552	6,893,384	137
1990	Subscription for new promissory notes	4,100,552	10,666,624	185
1991	Subscription for new promissory notes	4,100,552	11,166,648	191
1991	Redemption	3,700,270	10,090,275	172
1996	Redemption 1:4 (Securitas, Assa, HQ)	3,537,950	6,872,550	130
1998	Split 5:1	17,689,750	34,362,750	130
1999	Conversion of A shares	17,537,675	34,514,825	130
2000	Conversion of A shares	17,469,160	34,583,340	130
2001	Redemption, conversion of A shares	16,687,050	31,336,750	120
2004	Redemption	16,149,125	27,670,875	110
2005	Conversion of A shares	10,064,842	33,755,158	110
2006	Conversion of A shares	9,490,412	34,329,588	110
2007	Split 3:1, conversion of A shares	25,458,770	106,001,230	110
2008	Conversion of A shares	25,310,220	106,149,780	110
2009	Conversion of A shares	16,696,930	114,763,070	110
2010	Conversion of A shares	12,084,160	119,375,840	110
2011	Merger with Säkl AB	12,084,160	147,875,840	133
2011	Conversion of A shares	11,952,522	148,007,478	133

ALLOCATION PER SHAREHOLDING



PERCENT OF FOREIGN OWNERS



The Latour share's net asset value

The Group's net asset value on 31 December 2011 amounted to SEK 142 (157) per share. This is a decrease by 7.3 percent, adjusted for paid dividends. This can be compared with the development on the NASDAQ OMX Stockholm (SIXRX) which decreased by 13.5 percent in 2011.

As previously described, Latour consists in part of wholly owned operations and in part an investment portfolio. The market value of the listed holdings is simple to calculate since there is a stipulated market price available. To determine the value of the wholly owned operations is more complicated. This is because the market value, the price potential buyers are willing to pay, is not as well defined. A description of the method that Latour uses to calculate the value can be found to the right.

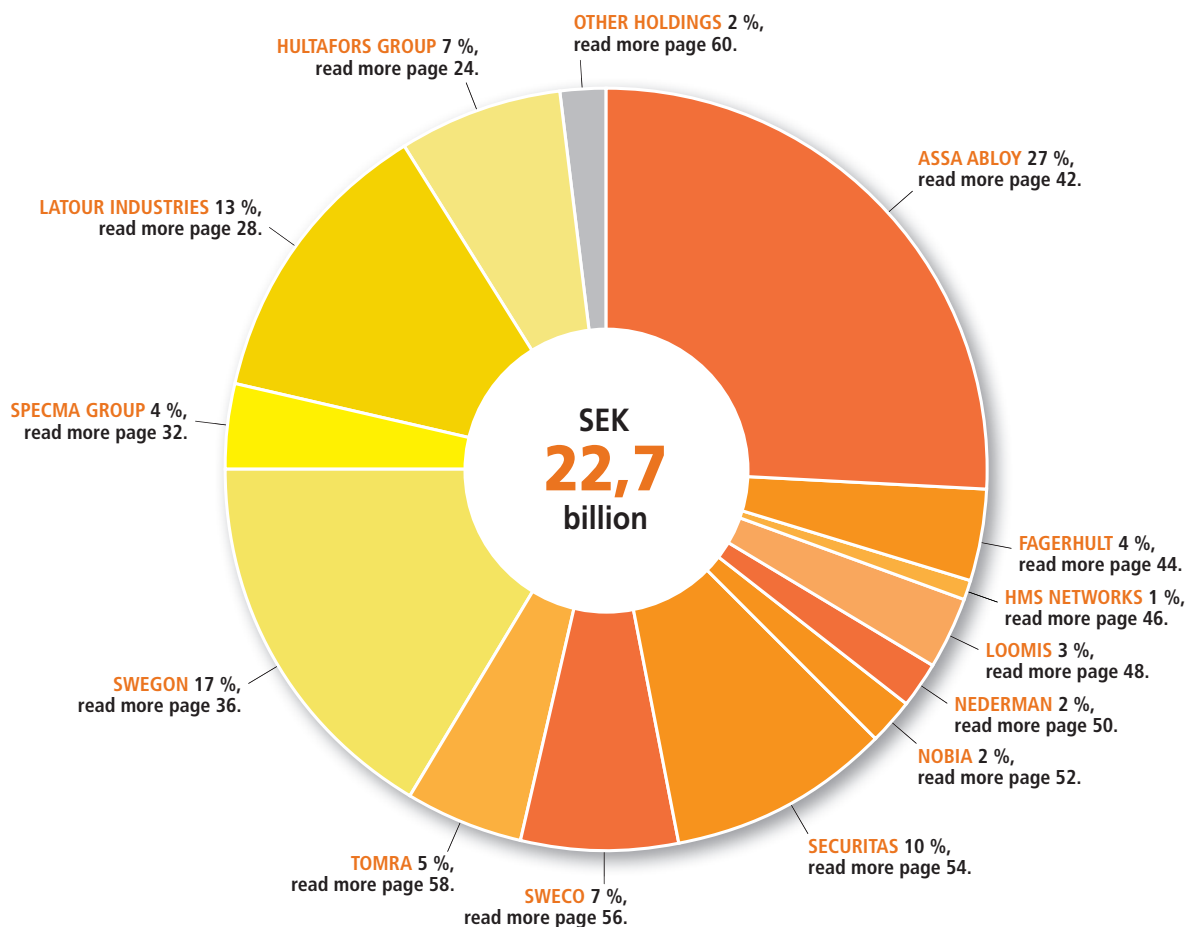
Merger increased value

The merger with Säkl that took place in 2011 added a net asset value of SEK 4.1 billion and is the main reason Latour's total net asset value in 2011 rose compared to 2010 despite the fact that the share price in Latour's holdings decreased during the same period.

Three of the largest holdings wholly owned

Latour's three largest holdings, based on net asset value, are Assa Abloy, Swegon and Latour Industries. It is worth noting that three of the five largest holdings are wholly owned. All in all the wholly owned operations correspond to 43 percent of the total consolidated net asset value if using the value derived through the calculation method. ■

Allocation of net asset value



NET ASSET VALUE 31 DECEMBER 2011

SEK m	Net sales ¹⁾	EBIT ¹⁾	EBIT-multiple or EV/sales-multiple Interval	Valuation SEK m ²⁾	Valuation SEK/share ³⁾ 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
	6,988	803		7,963 – 10,682	50 – 67
Listed shares (see allocation page 41)				13,996	88
Unlisted partnered holdings					
Academic Work ⁴⁾ , 20.0 %				350	2
Oxeon ⁵⁾ , 31.57 %				32	0
Other assets					
Current trading portfolio				69	0
Other holdings				16	0
Other assets				6	0
Net debt				-1,140	-7
Calculated value				22,652	142
				(21,292 – 24,011)	(133 – 150)

¹⁾ Rolling 12 month operating result, current company structure.

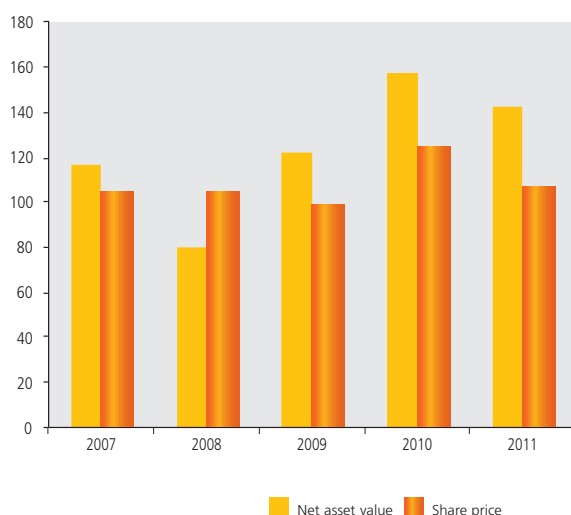
²⁾ EBIT-multiple recalculated taking into consideration the share price 2011-12-31 for comparable companies in each business area.

³⁾ Calculated on the number of outstanding shares.

⁴⁾ Valuation in accordance with statement from independent valuer.

⁵⁾ Värderat enligt senaste transaktion.

NET ASSET VALUE IN RELATION TO SHARE PRICE



The diagram shows the net asset value and the share price at each year-end. Please note that this depicts a moment in time and that the relationship between the net asset value and share price vary throughout the year.

THE METHOD STEP BY STEP

1 IDENTIFICATION OF LISTED COMPARABLE OBJECTS

First listed companies operating in the same industries as Latour's wholly owned industrial operations are identified. At the end of 2011 there were 20–25 listed companies that were estimated to meet the criteria and which were therefore included in the calculation of Latour's net asset value.

2 CALCULATION OF EBIT-MULTIPLES

When all comparable objects have been identified a review is made of the companies' EBIT-multiples. An EBIT-multiple is based on the company's EV (Enterprise Value). The EV is calculated by taking the market value and increasing it by the company's net debt (see Definitions, page 98). The EV is then divided by the operating result (EBIT). A company that has a share price of SEK 90 m, a net debt of SEK 10 m and an operating result of SEK 10 m per share will consequently have an EBIT-multiple of 10.

3 CONVERSION TO MULTIPLE SPANS

When an EBIT-multiple has been calculated for each company they are weighted group-wise, so that each business area receives its own multiple span. The reason a span is necessary is because there are variations in the listed companies' valuations, which lead to different EBIT-multiples. Let us say that there are two comparable objects for the Swegon business area, where one has a multiple of 6 and the other has a multiple of 10. The EBIT-multiple used to calculate the value of the Swegon business area is in the span 6–10.

4 COMBINING THE NET ASSET VALUE OF THE WHOLLY OWNED OPERATIONS

When the spans for the EBIT-multiples are established a valuation of each business area can be made. This is done by first calculating a 12 month rolling operating result (EBIT) for each business area, based on the company's structure at the end of the period of comparison. This figure is then multiplied by the EBIT-multiple. An example: Let us say that the Swegon business area shows a 12 month rolling operating result (EBIT) of SEK 100 m. If the EBIT-multiple 6–10 is then applied on the result we will end up with a value of SEK 0.6–1.0 billion. When these calculations have been made for all the business areas the result is combined for a total value of the wholly owned operations in one span.

5 COMBINED WITH THE VALUE OF THE LISTED HOLDINGS

The share price is first established for each individual holding at the end of the period in order to arrive at a net asset value for the listed holdings. This is multiplied by the number of shares owned in each listed company. These share prices lead to a net asset value for the listed holdings. This is then combined with the net asset value of the wholly owned operations, which has been calculated into a span in steps 1–4. This total, together with other assets and net debt, is the net asset value, also given as a span, for Latour. ■

Latour's underlying result 2011

In a large Group with many different operations where wholly owned operations are mixed with a large number of partnered operations with different grades of ownership, a consolidated income statement made according to IFRS can be difficult to

understand. The aim of this spread is to give a better overview of the profit development in the underlying operations in the Latour Group and how the result can be connected to the proposed dividends to the shareholders at the end of the year.

The development in operations

Two important financial goals are that operations must grow by at least 10 percent over time and have an operating profit of at least 10 percent.

Industrial operations	Business area (SEK m)	Net sales		Operating profit		Operating margin	
		2011 12 mon	2010 12 mon	2011 12 mon	2010 12 mon	2011 12 mon	2010 12 mon
	Hultafors Group	1,182	1,134	151	143	12.8%	12.6%
	Latour Industries	1,573	982	248	200	15.7%	20.3%
	Specma Group	1,381	1,065	79	29	5.7%	2.7%
	Swegon	2,707	2,153	312	208	11.5%	9.7%
	Eliminations	-12	-18				
		6,831	5,316	790	580	11.6%	10.9%

Investment portfolio	Portfolio company		Latour's share of operating profit ³⁾	
	(SEK m)	Share %	2011	2010 ¹⁾
	Assa Abloy ²⁾	9.55	633	577
	Fagerhult	49.2	153	74
	HMS Networks	22.18	16	19
	Loomis ²⁾	10.32	94	91
	Nederman Holding ²⁾	29.98	50	32
	Nobia ²⁾	13.80	68	68
	Securitas ²⁾	10.88	347	395
	Sweco	31.69	168	137
	Tomra ¹⁾	15.54	112	40
			1,641	1,434

¹⁾ Recalculated at the exchange rate NOK 1 = SEK 1.15.

²⁾ Structural expenses and acquisition costs and depreciations on acquisition-related intangible assets excluded.

³⁾ In this and the table below comparative figures are given as if the grade of ownership was unchanged compared to the end of 2011.

Other holdings	Other holdings		Latour's share of operating profit ³⁾	
	(SEK m)	Share %	2011	2010 ³⁾
	Academic Work	20.00	40	22
	Oxeon	31.57	2	3
			42	26

2,473 2,040

This total mirrors Latour's total share of underlying operating margin in remaining operations weighted by owner share, SEK m.

Latour's real income statement

	2011	2010
Business areas		
Operating profit for business areas	790	580
Capital gains in industrial operations	63	2
Other items	-15	-10
Investment portfolio etc.		
Dividends from investment portfolio and associated companies	498	321
Capital gains in the investment portfolio	432	-82
Investment portfolio	-26	92
Administrative costs etc. (investment portfolio)	-9	-8
Net financial items for the Latour Group	-61	-54
Reported tax expenses	-182	-170
Total underlying operating profit, net financial items and tax	1,490	671

Comment:

In the table revaluation shares, shares in associated companies and similar items have been excluded.

The table is based on considerable simplification of accounting and does not claim to be exact. Its goal is instead to make it easier to understand Latour's profit.

The dividends presented in the table for 2011 are proposed to be distributed to Latour in the spring of 2012 as these dividends reflect the profit in the investment portfolio in 2011.

Effect for shareholders

Dividends policy:

Latour must distribute 100 percent of incoming dividends from the investment portfolio and other holdings as well as 40-60 percent of the net profit in the wholly owned industrial operations.

	SEK m		SEK/share	
	Spring 2012	Spring 2011	Spring 2012	Spring 2011
Dividends from industrial operations	220	170	1.38	1.30 ¹⁾
Percent of underlying profit	40%	48%		
Dividends from investment portfolio/ associated companies	498	321 ¹⁾	3.12	2.45
Percent of underlying profit	100%	100%		—
Total ordinary dividends as stated in the policy	718	491	4.50	3.75

¹⁾ Refers to dividends obtained before the merger with Sökl.

Dividends per share calculated on the number of outstanding shares, 131,000 000, then.

Additional dividends spring 2012

In addition to dividends in the dividends policy the board of directors has proposed additional dividends in spring 2012

	239		1.50	
Total dividends	957	491	6.00	3.75
Percent of underlying profit	64%	73%		

Latour's wholly owned operations – continued expansion and increased profitability

At the end of 2011 the wholly owned industrial operations consisted of four business areas with approximately 3,400 employees. Net sales increased to SEK 6,831 (5,316) m in 2011, which contributed to increasing the operating profit by 36 percent to SEK 790 (580) m.



Our ambition is that the business areas grow internationally with their own products like portfolio companies such as Assa Abloy and Securitas. In 2011 sales in the wholly owned operations outside the Nordic region increased to 39 (33) percent of total net sales. Even if many companies have increased their international presence substantially the degree of internationalization is still relatively low. This entails a major growth potential. Growth

at a higher rate than the general development of the economy can take place on three planes: through a broader product offer, through an international presence and finally through increased market shares on existing markets. The growth in these dimensions can occur through investments in organic growth and through acquisitions. Latour's goal is to grow by at least 10 percent annually over time. ■

HULTAFORS GROUP

Hultafors Group is one of the leaders in work wear, hand tools and ladders. Through its brands Hultafors Group is represented on all major markets in Europe.

page 24

LATOUR INDUSTRIES

Latour Industries consists of nine business units that are directed at the international manufacturing industry. The ambition is that the units in time shall create their own business areas in Latour.

page 28

SPECMA GROUP

Specma Group offers systems and components for hydraulics for customers in the manufacturing industry in Europe, Asia as well as North and South Americas.

page 32

SWEGON

Swegon manufactures and markets products and solutions for ventilations and indoor climate in over 40 countries, primarily in Europe.

page 36

IMPORTANT EVENTS 2011

- Major growth by 28 percent, of which 16 percent was organic growth for comparable units adjusted for exchange rates.
- Continued investments in product development and international expansion.
- Highest operating profit ever, SEK 790 (580) m.
- After the divestiture of Autotube in Specma Group and Stenbergs Group in Latour Industries the final steps were taken to concentrate industrial operations (formerly industrial and trading).

BUSINESS AREA RESULTS

SEK m	Net sales		Operating profit		Operating margin %	
	2011 12 mon	2010 12 mon	2011 12 mon	2010 12 mon	2011 12 mon	2010 12 mon
Hultafors Group	1,182	1,134	151	143	12.8	12.6
Latour Industries	1,573	982	248	200	15.7	20.3
Specma Group	1,381	1,065	79	29	5.7	2.7
Swegon	2,707	2,153	312	208	11.5	9.7
Eliminations	-12	-18	-	-	-	-
	6,831	5,316	790	580	11.6	10.9
Capital gains and losses from divestitures	-	-	63	2		
Other companies & items	340	675	30	38		
	7,171	5,991	883	620		

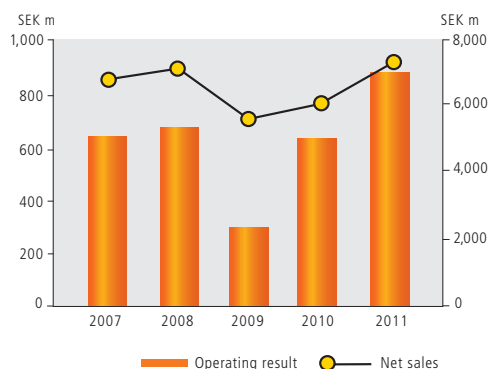
SEK m	Operating capital ¹⁾		Return on operating capital %		Growth in net sales %		
	2011 roll 12	2010 roll 12	2011 roll 12	2010 roll 12	2011 Of which acquisitions	2010 Of which acquisitions	2010 Of which currency
Hultafors Group	826	756	18.3	18.9	4.2	0.0	-3.6
Latour Industries	864	534	28.6	37.4	60.2	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
Total	3,399	2,590	23.2	22.4	28.5	15.6	-2.9

¹⁾ Calculated as total assets reduced by cash and other interest-bearing assets less non-interest-bearing liabilities. Based on the average for the last 12 months.

FIVE YEAR OVERVIEW

	2011	2010	2009	2008	2007
Net sales	7,171	5,991	5,440	7,071	6,730
(of which export)	4,063	3,141	2,993	3,779	3,343
Operating profit	883	620	296	671	652
Average operating capital	3,399	2,590	2,674	2,669	2,403
Total assets	5,817	4,454	4,725	4,505	3,792
Number of employees	3,518	2,701	2,955	3,514	3,444
Return on operating capital	23.2%	22.4%	12.7%	26.3%	27.0%
Operating margin	11.6%	10.9%	6.3%	10.3%	9.6%

OPERATING RESULT AND NET SALES



Business area

HULTAFORS GROUP

Important events in 2011

- Continued growth although growth rate slowed somewhat compared to 2010, a trend that can be noted on the entire market.
- Increased investments in product development and building up the market which is expected to lead to good results in the coming years despite affecting costs in 2011.
- A total of 76 new products were launched in 2011.

Goal achievement – primary factors

Cost reductions made in previous years together with a good ability to withstand price pressures and the ability to compensate for more expensive raw materials and production had a positive effect on profitability. Expansion measures, such as product development and building up the market, resulted in higher net sales, even though we are not yet on par with the goal as shown in the table below.

Clear strategy for expansion

The Hultafors Group has good pre-requisites to meet profitability and growth goals provided that growth can be achieved through acquisitions and organically via the following parallel processes:

- Supplementing existing product range with similar products and using existing distribution channels for all products.
- Grow geographically on markets linked to those that the Hultafors Group is currently active in. Our strategy is to have our own sales companies on our main markets.

Changing market

The European market for provisions for craftsmen is changing, albeit slowly.

The market has historically been characterized by fragmented producers, which is why there are currently few large and internationally successful brands. The market situation is a result of craftsmen sticking to traditions,



Alexander Wennergren Helm
Hultafors Group Business Area Manager

which leads to slow changes in product and brand preferences.

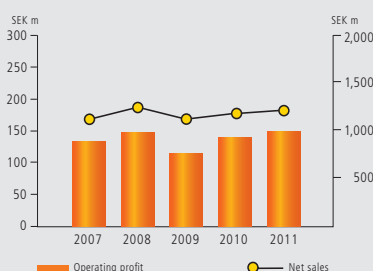
At the same time there is an underlying trend in the industry towards more cooperation and large scale production, distribution and marketing as a way of creating scale advantages and an improved financial development. One sign is the growing retail chains aimed at craftsmen. Parallel to this trend is an increase in private labels and the need for internationally strong brands that can fuel the development in products and customer preferences. This development opens up great possibilities for Hultafors Group.

Business Area Hultafors Group INTERNATIONAL EXPANSION

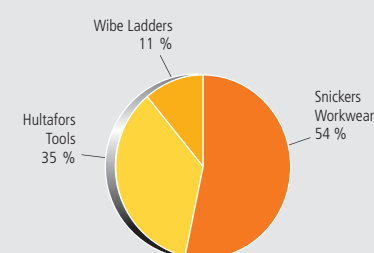


The Hultafors Group brands are sold in 37 countries globally, with emphasis on Europe and the Nordic region. There are about 11,000 Points of Sales.

NET SALES AND OPERATING PROFIT



DISTRIBUTION OF NET SALES PER BRAND

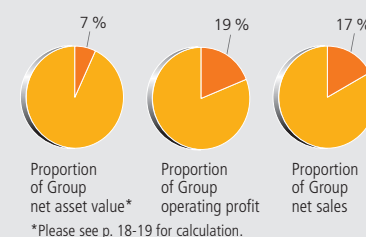


NET SALES AND PROFIT

(SEK m)	2011	2010	2009	2008	2007	Latour's minimum goal
Net sales	1,182	1,134	1,052	1,213	1,098	>10%
(of which export)	866	845	808	917	764	
Operating profit	151	143	115	148	137	
Operating capital ¹⁾	826	756	817	873	681	
Operating margin, %	12.8	12.6	10.9	12.2	12.5	>10
Return on operating capital, %	18.3	18.9	14.0	16.9	20.1	>20
Investments	11	8	19	39	12	
No. of employees	622	586	622	708	592	

¹⁾ Average

PROPORTION OF THE GROUP NET ASSET VALUE, OPERATING PROFIT AND NET SALES



For internationally strong brands such as Hultafors Group the number of Point of Sales (POS) is an important success factor. POS is, simply put, a retailer through which Hultafors Group's brands reach the end consumer. In the past few years Hultafors Group has increased its number of POS significantly and at the end of 2011 there were about 11,000.

Hultafors Group

– strong brands to count on

Hultafors Group offers carefully selected brands for both distributors and craftsmen. Each brand in Hultafors Group has a common passion: to give the craftsmen the best functionality, safety, protection and productivity.

Snickers Workwear, Wibe Ladders and Hultafors represent expert know-how in their respective fields and they have unsurpassed knowledge about the challenges that craftsmen face everyday. This makes a craftsman's work safer, simpler and more efficient.

For the distributors Hultafors Group's strong brands entail a powerful combination of synergies and valuable business opportunities. Close cooperation with our retailers means a better range of quality products while creating growth and higher profitability at every level.

International expansion

Hultafors Group has grown from a Nordic to a European supplier. The brands in Hultafors Group are sold in 37 countries globally, with emphasis on Europe and the Nordic region. In 2011 the Hultafors Group made investments in building up the market that are expected to have a good effect in the coming years.

The company has its own sales companies on the key markets in Europe. Other markets are either covered by franchise companies or importers. During 2011 42 percent of total net sales were generated out-

side the Nordic region. Growth was good on most markets in 2011 with strongest development in Sweden, Denmark, Germany and Switzerland. However growth slowed somewhat at the end of the year as the business cycle dipped.

Snickers Workwear

– passion for better work clothes

Snickers Workwear is driving the development of advanced and functional work clothes in trades, service and transportation.

At the end of 2011 the brand was represented in 24 countries, making it one of the strongest in Europe. In 2011 sales resources have increased on existing markets and sales companies were opened in France.

Leading international competition can be found in Kwintet Group and others.

Focusing on the product advancement process Snickers Workwear continues to lead the development in the industry and launched several new products with better

functionality and quality in 2011.

This direction gives Snickers Workwear good platform to enlarge its market shares in Europe.

Hultafors Tools

– trustworthy hand tools

Hultafors Tools offers a broad selection of advanced hand tools for the construction business and industry.

Hultafors is a leading brand on the Nordic market for hand tools. The brand offers a broad range of products for craftsmen in construction who require high quality, functional tools. Through its product development Hultafors shows innovative thinking in an otherwise traditional industry.

“The brands are well positioned to continue to win market shares in Europe.”





International competition includes SNA Group, Irwin Industrial Tools and Stanley Black & Decker as well as a number of regionally strong producers.

Wibe Ladders – safety in each step
Wibe Ladders offers innovative ladders

and scaffolding for craftsmen. Just as for the two other brands emphasis is on product development and since it joined the Hultafors Group Wibe Ladders has increased this type of investment. The development of equipment used for work at great heights is highly

regulated and investing in more product development has given Wibe Ladders a good position.

Zarges is one of the leading international competitors. Other manufacturers are mainly local.

Sustainable business – opportunity to create long-term profitability

Hultafors Group sees sustainable development as an opportunity for long-term profitability. With focus on sustainable development the Hultafors Group is generating business opportunities by using its competence to:

- Reduce the company's impact on the local and global environment.
- Help society where the company is active.
- Use life cycle analyses to continuously make environmental improvements in existing and future products.
- Assume responsibility for the way in which products affect distributors and end users.
- Inform and support suppliers, subcontractors, distributors and end users in their sustainability work.
- Be a responsible and long lasting sustainable employer for all of our employees.
- Integrate a sustainable perspective in everyday work.

Challenges and opportunities in 2012

The major future challenges are to maintain a high level of cost efficiency in the product supply chain, expand of the number of POS as well as integrate the Hultafors Group's comprehensive concept into more markets in Europe.

The brands are well positioned to continue to take market shares in Europe.

Strategic acquisitions and partnerships that expand the product range may also materialize. ■



Hultafors Group's vision is to be the most attractive partner for distributors and the first choice for craftsmen in Europe. Our mission is to be the most reliable and dynamic partner who offers premium brands with innovative products, designed to keep the craftsmen performing at their best.

Business area

LATOUR INDUSTRIES

Important events in 2011

- Substantial increase in net sales and continued good profitability.
- Acquisition of Superbolt, Swiss P&S Vorpannsysteme, Sigma-3 and Denstech.
- All shares in the Stenbergs Group were divested in the autumn.
- Continued offensive investments in product development.

Goal achievement – primary factors

Latour Industries' goal 2011 was achieved. Net sales increased by 63 percent, adjusted for exchange rates, of which acquisitions represented 49 percentage points. Previous rationalizations and continued focus on attractive products and customer segments contributed to continuing the positive profit development from 2010.

Nord-Lock

Nord-Lock manufactures and sells a unique bolt securing system adapted to most kinds of bolted joints. Production is

located in Mattmar, some ten kilometers west of Östersund, Sweden.

The company, which is ISO 14001 certified, focuses its business on customers with high quality demands who would suffer severe consequences if the bolt securing systems failed. Over 90 percent of production is exported. Sales are conducted through its own companies and through a global network of retailers. At the end of 2011 Nord-Lock had its own sales companies in the Nordic region, Benelux, France, Great Britain, North America, the Czech Republic, Germany, Poland, Japan, Norway, Switzerland the USA and Italy.

In the coming years Nord-Lock intends to continue its geographic expansion on key industrial markets using its own sales organizations.

In 2011 the company continued to work offensively with marketing and product development and this has contributed to the company's good growth.

Three acquisitions were made in 2011: American Superbolt Inc and Swiss P&S Vorpannsysteme AG, both produc-



Henrik Johansson

Latour Industries Business Area Manager

ers of high quality products for critical bolting applications, as well as Sigma-3 S.r.l. with headquarters in Turin, an independent retailer of Nord-Lock's products in Italy.

Pressmaster

Pressmaster is a world leader in the production of hand tools for the international electricity and electronics market. Customers are mainly leading manufacturers of electric and electronic switches, hand tool manufacturers and major industrial distributors.

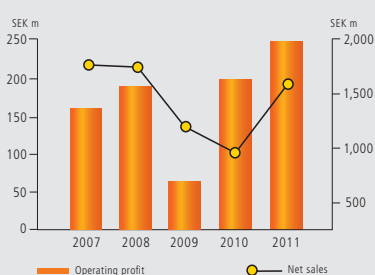
About 85 percent of production is exported. The company's largest markets outside the Nordic region are

Business Area Latour Industries INTERNATIONAL EXPANSION

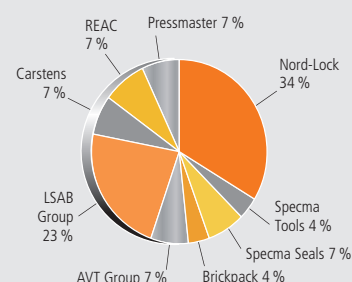


Latour Industries' sales are currently concentrated to Europe and the Nordic region. Our ambition is to grow in both existing and new markets, organically and through acquisitions.

NET SALES AND OPERATING PROFIT



DISTRIBUTION OF NET SALES PER BRAND

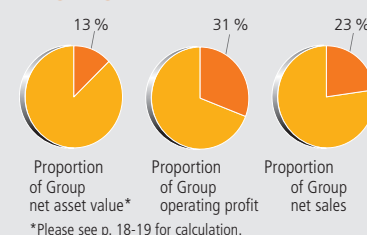


NET SALES AND OPERATING PROFIT

(SEK m)	2011	2010	2009	2008	2007	Latour's minimum goal
Net sales	1,573	982	1,196	1,730	1,760	>10%
(of which export)	813	456	519	722	593	
Operating profit	248	200	63	185	162	
Operating capital ¹⁾	864	534	591	506	433	
Operating margin, %	15.7	20.3	5.3	10.7	9.2	>10
Return on operating capital, %	28.6	37.4	10.7	36.6	37.4	>20
Investments	52	87	22	39	60	
No. of employees	916	461	544	647	630	

¹⁾ Average

PROPORTION OF THE GROUP NET ASSET VALUE, OPERATING PROFIT AND NET SALES



Germany, Great Britain, France, Italy, the USA and Japan. Sales are conducted via its own subsidiaries, selected agents and representatives. Production takes place in the company's factory in Älvdalen, Sweden.

REAC

REAC develops, manufactures and sells electromechanical actuators and lifts primarily to customers in medical rehabilitation where REAC is a subcontractor to several of the major manufacturers of electrical wheelchairs. Customers are primarily in Scandinavia, Germany, the Netherlands, France, Italy and the USA. The largest customers are Permobil, InvaCare, Pride and Volvo Penta.

Headquarters and production of actuators is in Åmål, Sweden. Complete lift systems are produced in the Danish subsidiary Balle A/S in Herning.

Brickpack

Brickpack, with operations in Laholm is one of Sweden's most experienced manufacturers of gaskets and seals. With large and specialized machines the company can punch, cut and otherwise work on unique details in a number of different materials. Production focuses on large series and the company has a broad customer base with companies from many different industries.

Specma Seals

Specma Seals is a comprehensive supplier in seal technology and works primarily with the Swedish process industry and its subcontractors. The company develops and manufactures efficient sealing solutions, creating secure installations with long operating times.

The company has its own production of gaskets and the products are sold under brands such as Chempac, Specmaflex, Grafex and I-Seal. Specma Seals also represents well-known brands such as W.L. Gore and Frenzelit.

In 2011 Specma Seals acquired Denstech AB which delivers qualified specialist services in sealing technology for the Scandinavian process industry. Together with Denstech's service organization Specma Seals can offer customers comprehensive solutions. Denstech's Scandinavian operations make it possible for Specma Seals to expand in the Nordic region.



In 2011 Nord-Lock acquired Superbolt that offers high class products for critical bolting applications.

AVT Industriteknik

AVT Industriteknik develops and manufactures automation solutions for machine servicing, montage and packaging. AVT Industriteknik is able to deliver complete production solutions from idea to turnkey installations.

In recent years AVT reinforced its offer through acquisitions. The automation operations in Elator were acquired in 2011 and in 2010 Kontikab was acquired, a company which develops, manufactures and sells customized machines for automated leak control. Customers can be found all over the world, primarily in the automotive, electric power and heat pump industries.

Specma Tools

Specma Tools is a trading company that offers a broad range of high quality electrical or air-powered hand tools for professional craftsmen in the engineering, construction and automotive industries. Specma Tools represents well-known brands such as FEIN, Grit, Hios, Apex,

Cooper Powertools and Miyanaga. All sales go through selected retailers.

LSAB Group

LSAB is one of Europe's largest and most modern company groups in the sales and service of wood and metal cutting tools.

Långshyttangruppen and Fortiva were merged at the end of 2010 to form LSAB.

Operations in Långshyttangruppen and Fortiva complement each other well. Långshyttangruppen has a strong position in saw

bands and circular saw blades for the metal and wood industries, while Fortiva has a strong position in planing in the wood industry as well as milling, drilling and turning in the metal industry. The acquisition of Långshyttangruppen is also a good geographic supplement. Fortiva is already active in Denmark, Sweden and Finland. The acquisition increased the company's presence in Sweden and Finland as well in grinding shops in Estonia, Latvia and Russia.

Carstens

Carstens is one of Sweden's leading suppliers of lining products to the interior decoration and furniture industries. Lami-

“...continue to look into strategic acquisitions.”



International expansion continued full power ahead in Latour Industries' operations. Net sales increased by all of 60 percent in 2011, including sales in acquired operations. This contributed to the highest profit ever this year.

nates, mouldings, melt and white glue as well as grinding products dominate the company's product range.

Carstens' headquarters and warehouse are situated in Bankeryd, just outside Jönköping in Sweden.

Product development

Latour Industries strives to have its own products with its own production and sales on a market which is as international as possible. Effective product development is a central factor in succeeding with this.

Several new products were launched by the subsidiaries in 2011. One example is from Nord-Lock which launched a new wedge-locking system, the Nord-Lock combi bolt, in the autumn. The solution integrates washers and bolts. This facilitates assembly, reduces the number of articles necessary to keep in stock and eliminates the risk of erroneous assembly.

Nord-Lock has also begun laser-branding each pair of washers which means the user can be sure that they are real Nord-Lock products and makes complete traceability from raw material to assembly possible.

REAC has developed a unique "stand up" function for wheelchairs. This optimizes the movement from sitting to standing medically and ergonomically.

Employees

At the end of 2011 Latour Industries had over 900 employees. A Group priority is access to the expertise we need and good leadership in each business. As a part of this work an experienced HR Manager who will support the management in each business was recruited in 2011.

Group training has also been given to spread general knowledge but the focus in the HR work is on individual efforts.

Development programs are conducted on two levels: management and employee levels since both dimensions are needed for the organization to develop in step.

In addition to general management training leadership is offered individual courses in order to strengthen competence where it's needed the most, for instance in finances, law and labour law.

Other employees are not only trained to handle their current work, they are



Latour Industries consists of operations that have the potential to grow into their own strong business areas.

also prepared for the future. Many employees would like to advance in the organization, which requires individual development. A talent management program has been created in order to identify these employees and support them in a structured way.

Latour Industries conducts structured preventive health work which has resulted in little sick leave and a general good feeling among our employees. There are also specific processes for quickly providing support to employees that turn ill or suffer from stress.

The employees in Latour Industries are given an attractive health stimulus and are offered to participate in sport events such as the marathon in Gothenburg for free. A pilot project with a health group was started in 2011. Representatives from all our operations were given the chance to listen to well-known lecturers in diet and exercise.

Structural capital and sustainable development

Latour Industries consists of companies whose customers make high demands on quality both in the production process and in the actual products. We also need to take measures to reduce the negative impact in the environment like conserving energy, which saves money as well. Latour Industries' operations work systematically to achieve improvements in these areas. Companies that need to be have been ISO certified.

Strategy for profitable expansion

Latour Industries plans to expand internationally with good profitability. This will take place through the following prioritized strategic measures:

- Broaden our product range and continue to be a pioneer in production relevant to the business area. This will be achieved through significant investments in product development and strategic acquisitions as well as partnerships.
- Pursue expansion in new markets and markets with low penetration. Expand through acquisitions and existing operations.

Challenges and opportunities in 2012

Latour Industries will continue to concentrate on growing internationally, where investments in international expansion, product development and building up markets are three important factors for success.

In 2012 the company will continue to look into strategic acquisitions, as complements to existing holdings and completely new, independent companies. ■

Business area

SPECMA GROUP

Important events in 2011

- The positive trend in net sales and profit continued in 2011.
- Autotube AB was divested at the beginning of the year.
- Several international contracts with development in Scandinavia and production in other parts of the world have been signed thanks to the business area's global presence.
- Expansion of test center and application workshop in order to be able to develop better products and offer better solutions for our customers.
- Continued international expansion including assembly for a number of key customers have moved from Sweden and Finland to Brazil, China and Poland.
- Long lead times and lack of capacity at many suppliers had a negative effect on our ability to deliver in the second and third quarters.

Goal achievement – primary factors

Specma Group's investments to strengthen our offer and focusing on

attractive customers contributed to a 30 percent increase in net sales.

Profit developed positively despite the negative effect of the lack of capacity, price presses and higher costs for production and input goods.

An important factor for profitability is the ability to withstand price presses and compensate for higher costs by raising prices successively. We can do this by further highlighting the premium value delivered in Specma Group's products, expertise and ability to offer functional customized solutions.

Specma Group – global market

Specma Group conducts business operations in Europe and Asia as well as in North and South America. The largest volumes are still in Sweden and Finland, but the greatest growth is outside of the Nordic region. In 2011 the Specma Group received more orders with construction in the Nordic region and production and delivery in China. International success continued in 2011 in cooperation with Finnish Cargotec, a



Ola Sjölin

Specma Group Business Area Manager

listed, world leading company in material management and with well-known brands such as Kalmar, Hiab and MacGregor. Specma Group has production units in proximity of Carcotec's factories in Poland and China. Closeness and the ability to deliver quality with a high service level resulted in more business in both conduction components and hydraulics.

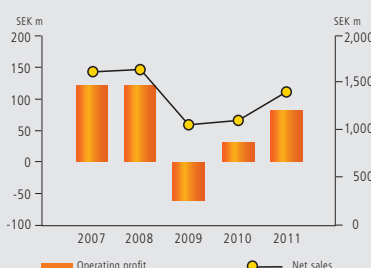
Customers are mainly global players with quality as their main competitive strategy. This puts high demands on Specma's technical competence and ability to understand the customers' applications. It is important to have

Business Area Specma Group INTERNATIONAL EXPANSION

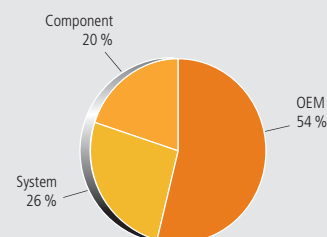


Specma Group's strategy is to follow our customers into the world. In 2011 the company received new orders with construction in the Nordic region and production and delivery in China.

NET SALES AND OPERATING PROFIT



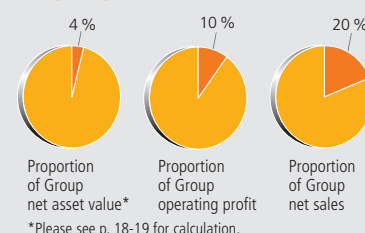
DISTRIBUTION OF NET SALES PER DIVISION



NET SALES AND OPERATING PROFIT

(SEK m)	2011	2010	2009	2008	2007	Latour's minimum goal
Net sales	1,381	1,065	1,045	1,658	1,622	>10%
(of which export)	444	343	282	591	536	
Operating profit	79	29	-64	121	120	
Operating capital ¹⁾	574	541	678	712	609	
Operating margin, %	5.7	2.7	-6.1	7.3	7.4	>10
Return on operating capital, %	13.7	5.4	-10.4	17.0	19.7	>20
Investments	24	25	34	36	36	
No. of employees	692	600	788	954	1,116	
¹⁾ Average						

PROPORTION OF THE GROUP NET ASSET VALUE, OPERATING PROFIT AND NET SALES



efficient logistic solutions such as local support for installation and construction through strategically located facilities.

OEM Division

OEM Division offers system solutions for hydraulics and conduction components for truck manufacturers, contractor machines as well as forestry and agricultural machines. Scania, Volvo, Komatsu, Kalmar and Valtra belong to this category.

Specma's conduction components represent a large part of net sales in this segment but hydraulics components increased in importance during 2011, which is a positive development.

Major OEM customers tend to position themselves closer and closer to their end customers and strive to use standardized components in order to reduce costs. This means that Specma follows major international customers

around the world to where they have their production. The company's units in Shanghai in China, San Antonio in the USA, Curitiba in Brazil and Goleniów in Poland are examples of this.

In the second half of 2011 demand leveled off somewhat in the OEM Division as a consequence of lower activity in customers in heavy vehicles, forestry and the agricultural sector.



Specma Group has operations in Europe, Asia as well as North and South America. The largest volumes are still in Sweden and Finland but the greatest growth takes place outside of the Nordic Region.

System Division

System Division delivers customized system solutions with hydraulic aggregates, vents and components, mainly to customers in the marine, engineering and process industries. The market for industrial and marine hydraulics is characterized by long project and delivery times. Customers demand genuine hydraulic know-how and innovative skill.

The fact that Specma is an independent supplier, unlike many other players, is an important advantage, as is the fact that the company has its own testing and classification capacity for the marine industry.

International expansion continues in System Division, albeit from a relatively low level. More and more customers ask for support when they move production to Asia and Latin America. The higher level of orders received and invoicing that began in the second half of 2010 continued in 2011 with good capacity utilization as a result.

In 2011 Specma Group also intensi-

fied its cooperation with BAE Systems Hägglunds, one of the world leading manufacturers of defense vehicles.

Component Division

The division offers components and spare parts for the after sales market, mainly the Nordic market. The market for hydraulic components is characterized by integration in the distribution chain where both manufacturers and wholesale dealers are active.

The manufacturers strive to sell through their own shops and at the same time large wholesalers buy smaller retailers and create larger chains. Specma Hydraulic is a part of this structural change through the concept SlangSnabben where the company collaborates with retailers. SlangSnabben is built on quick and efficient delivery of components to end customers who otherwise risk long and costly stops in production.

SlangSnabben can be found in Denmark, Finland, Norway and Sweden.

Sweden alone has 80 retailers.

In 2010 demand grew on the market after the financial crisis in 2008-2009. This trend continued in 2011, which contributed to higher net sales.

Specma Group's manufacturing

The Specma Group produces and assembles hydraulic systems and conduction systems in the OEM, System and Component Divisions in 15 factories in four parts of the world.

Sustainable environmental work

The Specma Group's operations, products and systems should have as little impact on the environment and health as possible. The Group's environmental management system covers every step of the process from the extraction of raw materials to final destruction and recycling.

An important part of the work to reduce environmental impact is to lengthen the life cycle of the company's hydraulics systems. This generates both



Specma Group's efforts to strengthen our offer and focus on attractive customers and products contributed to net sales that rose by 30 percent in 2011.

financial and environmental gains for users and the environment at large.

By using the latest technology for purifying hydraulic oil the interval between the oil changes can be significantly extended.

In addition to reducing the use of hydraulic oil while maintaining lubrication properties this also reduces the wear on hoses and seals. This, in turn, reduces the risk for hose ruptures, breakdowns and oil leakage.

Employees

At the end of 2011 Specma Group had over 700 employees. The Group works systematically to make sure it has access to competent and motivated employees. Health and the work environment work is an integrated part of everyday operations and development, and the purpose of this work is to promote job satisfaction and cooperation as well as increase employee participation.

Structural capital

The Specma Group puts great importance on systematic quality management in every step of our production and construction process. This ensures continuous improvements, which benefits both the company and its customers. Quality management comprises both individual products and systems regarding function, operation reliability, life length and deliv-

ery reliability. The operations are both quality and environmentally certified.

Research and development

The Specma Group conducts extensive research and development in order to improve product properties, simplify assembly and minimize the number of components for each application. All in all this leads to greater reliability and cost efficiency.

The Specma Group also works consistently with evaluating suppliers as well as analyzing and filing test results. For instance, the Group has its own unique test operations. Complete conductions are tested with them using ISO certified methods.

This test center creates a good platform to continue working with developing hose conduits and connections, all of which contributes to longer life for the products.

Expansion strategy

The Specma Group has the right prerequisites to achieve profitability and growth according to its goals through acquired and organic growth by:

- Supplementing the existing product range with similar products and further development of system solu-

tions, where demand is expected to increase.

- Growth on existing markets through a reinforced sales corps and expansion into new markets by following existing customers in their internationalization process.

Challenges and opportunities in 2012

In addition to growing and handling capacity challenges while expanding, the business area is focused on counteracting cost pressure through continuous rationalizations and clearer structures as well as prioritizing our range and customer segments. We are also resisting

price pressure by more clearly presenting the premium value created by our products, our top class know-how and our ability to create functioning solutions.

The future challenge is to achieve Latour's long-term goals for operating profit and return on operating capital while continuing the geographic expansion of our entire product range. ■

“The positive trend in net sales and profit continued in 2011.”

Business area SWEGON

Important events in 2011

- Significantly higher net sales and margins.
- Swegon's market shares grew on the European market.
- Good sales for Swegon's system of need-steered ventilation, Wise, on all markets.
- Investments in machines and real estate for higher production capacity.
- More product development strategies in order to strengthen Swegon's head start in products and systems.
- Renovations in Swedish housing from the 1960s and 70s created a higher demand for building ventilation.
- New European norms and regulations contributed to increasing demand for energy-efficient solutions.

Goal achievement – primary factors

Swegon's ambition is to develop 10 percent more than the rest of the market. The Group has achieved this for a number of years, also in 2011.

Net sales improved by 29 percent,

adjusted for exchange effects, despite delayed sales synergies from the Blue Box acquisition.

Operating profit increased considerably from a relatively low level, primarily due to higher net sales and our ability to raise prices. This despite higher costs for input goods.

Swegon's customers

The market for Air Treatment generally follows the construction industry's development but at a slightly faster rate of growth. This is a result of a greater need for high quality ventilation systems, in both new buildings and in renovations.

Historically speaking Swegon's customers are found among contractors, ventilation and sanitation consultants and architects. However, construction companies and property owners are becoming more and more important.

Stringent requirements from authorities and demanding consumers make the Nordic region a leader in air treatment in terms of function and quality.



Mats Holmqvist
Swegon Business Area Manager

Swegon is a market leader in the Nordic region. Our main competitors in the Nordic region are Fläkt Woods, Systemair and Halton. In Europe GEA and Trox set the tone.

Broad product range

Swegon develops, manufactures and markets energy efficient air treatment aggregates as well as water and air borne climate systems, chillers and heat pumps, flow control and acoustics products as well as holistic systems for all kinds of buildings and products for building ventilation. Swegon's aim is to contribute to a rationalization of the

Business Area Swegon INTERNATIONAL EXPANSION

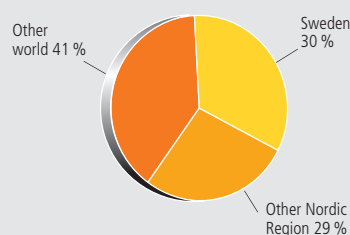


Swegon's international expansion continues. In 2011 70 percent of total sales were derived from exports.

NET SALES AND OPERATING PROFIT



DISTRIBUTION OF NET SALES PER REGION

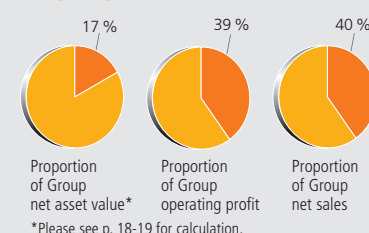


NET SALES AND OPERATING PROFIT

(SEK m)	2011	2010	2009	2008	2007	Latour's minimum goal
Net sales	2,707	2,153	2,081	2,312	1,931	>10%
(of which export)	1,940	1,497	1,384	1,529	1,314	
Operating result	312	208	226	293	237	
Operating capital ¹⁾	1,135	759	673	606	522	
Operating margin, %	11.5	9.7	10.8	12.7	12.3	>10
Return on operating capital, %	27.5	27.4	33.5	48.3	45.3	>20
Investments	70	198	82	70	65	
No. of employees	1,288	1,054	992	1,047	956	

¹⁾ Average

PROPORTION OF THE GROUP NET ASSET VALUE, OPERATING PROFIT AND NET SALES





Swegon installed a complete system solution in the famous museum Sukiennice in Kraków, Poland.

construction process. Inspiration is taken from the systemized thinking in the automotive industry, a strategy that leads to a better overall economy for customers.

In 2010 the Italian company Blue Box, a leading company in development, production and sales of chillers and heat pumps, was acquired. The company had annual net sales of EUR 50 m. The strategic acquisition contributed to making Swegon's portfolio comprehensive.

In 2011 we put a great deal of effort into integrating Blue Box in operations regarding sales and product range. Two new products, AQUA Link and SMART Link, have been developed in order to merge Swegon's and Blue Box' product ranges into user-friendly comprehensive solutions.

Advanced product development

Swegon's development work is focused on creating energy efficient systems that

are economic to use and create a better indoor climate.

All research and development takes place in Swegon's laboratories. An example of this are the so called Computational Fluid Dynamics calculations used to simulate air flows. This is the same program as is used in Formula 1 car racing for aerodynamic design.

Research has made Swegon a leader. The GOLD system, with its integrated steering functions, is a world leader in compact aggregates.

In addition to its research work Swegon conducts customer project specific projects in its laboratories in what is called full scale testing. Through the tests the customer gets a good idea of which type of system is best suited for their specific need.

We increased our investments in development and markets In 2011. This will result in higher costs short-term in

relation to net sales but is expected to bolster Swegon's lead in systems as well as its leading position and profitability in the years to come.

Contributes to sustainable environmental development

Swegon works systematically to contribute to sustainable development from an environmental perspective through its operations. The company is certified according to the environmental certification ISO 14001. In addition to running its operations in an environmentally efficient way its products contribute to substantial environmental savings. Already in the first year that delivered products and systems are used energy savings will be significantly higher than the total environmental impact from production and transportation.

Swegon's net sales increased by 26 percent in 2011 and we had the highest profit level ever. This year's investments in product development are expected to strengthen Swegon's product and system edge, which will contribute to continued expansion. The photograph shows the widely spoken about Clarion Hotel Post in Gothenburg, Sweden that Swegon delivered GOLD aggregates to.



Substantial energy savings

Buildings consume close to 40 percent of the energy used annually in Europe, which can be compared to the 10 percent used by cars. Energy efficient innovations in the construction industry therefore have substantial impact on the environment in general, creating significant opportunities for society. The fact is that better ventilation, insulation and other improvements in existing buildings lead to energy savings that far surpass those that can be achieved by changing cars.

Calculations show that all the systems that Swegon delivers annually contribute to energy conservation corresponding to the savings that could be achieved by parking 35,000 cars for good. The fact is that Swegon's products have saved 58 TWh of energy the last 20 years. This is equivalent to heating 172,000 average homes during the same period.

Financial advantages

Initial costs for ventilation systems are usually about 10–15 percent of the total cost of the product's entire life cycle. The high operational and energy efficiency in the company's products makes them very cost-effective despite the fact that the company leads in pricing. Payback time for investments in the company's systems is usually about five years, entailing substantial financial gains since the products' life cycles stretch well beyond that.

Commercial Indoor Climate – a growing area

The interest to create good indoor climate has grown in the past few years, particularly for commercial real estate. Creating a good indoor climate for employees and customers is not just a question of well-being. It can also have a significant effect on business.

Studies show that if indoor temperatures deviate by five degrees from the ideal level work efficiency decreases

by 30 percent and the risk of injury increases by 10 percent.

Production in five factories

Swegon's development and production takes place in five factories: Arvika, Kvånum, Tomelilla in Sweden and Kaarina in Finland as well as Venice in Italy. Production is highly automated and divided into different product areas for each factory.

In 2011 investments were made in machines and real estate in order to improve production capacity needed to meet the higher demand. A new machine was bought for the factory in Kvånum increasing production capacity by 50 percent, from about 7,000 to 10,500 air treatment aggregates each year.

High quality demands in production

Demands are high on quality in Swegon's operations and production. In order to ensure that they are met the entire business is quality certified according to ISO 9001. In addition, the company's air treatment aggregates GOLD, together with chiller and climate baffles as well as chillers, are Eurovent certified with zero tolerance, which is yet another sign of guaranteed quality production.

Strong growth in European sales

Swegon continued its geographic expansion in 2011. At the end of the year exports were about 70 percent of the sales in the company. Growth was 54 percent in Germany, 77 percent in Belgium and 86 percent in Russia for example.

Stimulating work environment

At the end of 2011 Swegon had around 1,300 employees. The company is growing quickly on the international market

and works consciously to create a good and stimulating work environment as well as making sure it has the competence it needs. The company regularly holds courses for its employees. We laid the foundation for a major development project in 2011 run by the HR function.

Swegon Air Academy

In addition to internal development opportunities Swegon runs an independent knowledge platform for indoor climate, the Swegon Air Academy. The company's own lecturers, well known representatives from universities and lecturers from other relevant organizations hold seminars on current subjects such as energy conservation.

Strategy for profitable expansion

- Broaden the product range and remain on the cutting edge of the product areas in which Swegon is a leader as well as develop new system solutions. This will be achieved through continued investments in product development as well as through strategic acquisitions.
- Continue expansion on new markets and markets with low penetration. Europe will be the primary growth market in the coming years, but there are also possibilities for expansion outside of Europe. Expansion will be achieved through both acquisitions and existing operations.

“... Swegon's products lead to good cost-effectiveness.”

Challenges and opportunities 2012

Swegon will continue winning market shares on all its markets as well as develop the company's system head start in order to continue to be the market and price leader. ■

Latour's listed holdings

– long-term value creation through active ownership

Latour's investment portfolio consists of nine companies where Latour is the principal owner or one of the principal owners and where Latour controls at least 10 percent of the votes. In 2011 the total profit for portfolio management amounted to SEK 1,408 (306) m.

The portfolio value decreased by –10,1 percent 2011, adjusted for dividends. This can be compared to –13,5 for NASDAQ OMX Stockholm (SIX Return Intex). The entire holding in Niscaya was divested for a purchase price of SEK 739 m.

In connection to the merger between Latour and Sökl a holding, Nobia, was added. In the autumn 2011 15.5 percent of votes and capital were acquired in the Norwegian company Tomra Systems.

Nederman

NEDERMAN is a world leading environmental technology company with focus on clean air and a good work environment.

- Net sales increased by 18.1 percent.
- Operating profit increased by 173.9 percent to SEK 140.5 m.
- Earnings per share, before and after dilution amounted to SEK 7.41 (1.80).
- Proposed dividends of SEK 3.25 (1.50) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	2,001	1,694
EBIT:	141	51
EBIT margin, %:	7.0	3.0
Net debt (+)/Net cash (–):	387	392
No. of employees:	1,434	1,309

ASSA ABLOY

Assa Abloy is a world leader in lock and door solutions.

- Net sales increased by 13 percent, of which 4 percent organic growth.
- Operating profit increased by 10 percent.
- Earnings per share increased by 13 percent.
- Proposed dividends of SEK 4.5 (4.0) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	41,786	36,823
EBIT:	6,624	6,046
EBIT margin, %:	15.9	16.4
Net debt (+)/Net cash (–):	14,207	10,564
No. of employees:	41,070	37,279

nobia

NOBIA develops, manufactures and sells kitchens on the European market.

- Net sales decreased by 6.9 percent.
- Operating margin was strengthened by 5.4 percent to 3.9 percent.
- Earnings per share after dilution increased to SEK 0.42 (–0.53) per share.
- No dividends are proposed.

KEY RATIOS (SEK m)	2011	2010
Net sales:	13,114	14,085
EBIT:	518	517
EBIT margin, %:	3.9	3.7
Net debt (+)/Net cash (–):	1,586	1,510
No. of employees:	7,430	8,203

FAGERHULT

FAGERHULT is one of Europe's leading lighting Groups.

- Net sales increased by 20.6 percent.
- Record profit for the full year 2011. Operating profit increased by 107 percent and operating margin increased by 72 percent.
- Proposed dividends of SEK 6.50 (3.50) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	3,023	2,506
EBIT:	317	153
EBIT margin, %:	10.5	6.1
Net debt (+)/Net cash (–):	939	955
No. of employees:	2,228	1,926



SECURITAS is one of the global leaders in the security industry with a broad selection of services.

- Sales increased by 4.4 percent.
- Operating margin decreased by 13.1 percent to 5.3 percent.
- Earnings per share decreased by 16.8 percent to SEK 4.75.
- Proposed dividends of SEK 3.00 (3.00) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	64,057	61,340
EBIT:	3,385	3,724
EBIT margin, %:	5.3	6.1
Net debt (+)/Net cash (–):	10,349	8,209
No. of employees:	280,000	236,713



HMS is a world leading supplier of communication technology for industrial automation.

- Net sales increased by 11.3 percent.
- Operating profit decreased by 14.3 percent to SEK 72 (84) m. Currency effects contributed negatively by SEK 12 m.
- The Board proposes dividends of SEK 2.25 (2.0) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	384	345
EBIT:	72	84
EBIT margin, %:	18.8	24.2
Net debt (+)/Net cash (–):	25	40
No. of employees:	213	167



SWECO offers qualified consulting services in technology, the environment and architecture. It is one of the larger players in Europe.

- Net sales increased by 13.6 percent.
- Operating profit increased by 24.2 percent.
- Earnings per share increased by 24.2 percent to SEK 4.11.
- Proposed dividends of SEK 3.00 (3.00) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	5,988	5,272
EBIT:	531	433
EBIT margin, %:	8.9	8.2
Net debt (+)/Net cash (–):	–141	–240
No. of employees:	5,772	4,986



LOOMIS offers comprehensive solutions for cash management in Europe and the USA.

- Net sales decreased by 0.5 percent.
- Operating profit decreased by 7.0 percent to SEK 805 m.
- Earnings per share increased by 3.4 percent to SEK 7.03 before dilution.
- Proposed dividends of SEK 3.75 (3.50) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	10,973	11,030
EBIT:	805	866
EBIT margin, %:	8.3	8.0
Net debt (+)/Net cash (–):	2,220	1,432
No. of employees:	19,511	18,466



TOMRA is a world leading company in technology for sorting and recycling.

- Net sales increased by 21.0 percent.
- Operating profit increased by 177.8 percent to NOK 625 m.
- Earnings per share increased by 420 percent to NOK 2.60.
- Proposed dividends of NOK 1.05 (0.60) per share.

KEY RATIOS (SEK m)	2011	2010
Net sales:	3,690	3,050
EBIT:	625	225
EBIT margin, %:	16.9	7.4
Net debt (+)/Net cash (–):	550	427
No. of employees:	1,786	1,419

INVESTMENT PORTFOLIO

Share	Number	Market value ¹⁾ SEK m	Listed price ¹⁾ SEK	Acquisition value SEK m	Dividend SEK m	Share of votes, %	Share of equity, %
Assa Abloy A ²⁽³⁾	13,865,243	2,393	173	1,038	55		
Assa Abloy B ³⁾	21,300,000	3,676	173	659	85	29.6	9.6
Fagerhult ³⁾	6,206,800	990	160	571	22	49.2	49.2
HMS Networks ³⁾	2,473,522	224	91	192	4	22.2	22.2
Loomis A ²⁽³⁾	2,528,520	249	99	38	9		
Loomis B ³⁾	5,009,808	493	99	69	18	29.2	10.3
Nederman ³⁾	3,512,829	348	99	306	5	30.0	30.0
Nobia	23,000,000	564	25	466	0	13.8	13.8
Securitas A ²⁽³⁾	12,642,600	751	59	567	38		
Securitas B ³⁾	27,090,000	1,609	59	514	81	29.6	10.9
Sweco A ³⁽⁴⁾	1,222,760	69	57	8	4		
Sweco B ³⁾	27,775,000	1,569	57	144 ⁵⁾	83	22.7	31.7
Tomra ⁶⁾	23,000,000	1,061	40 (NOK)	1,032	0	15.5	15.5
Total		13,996		5,604	404		

¹⁾ Latest market price paid.

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

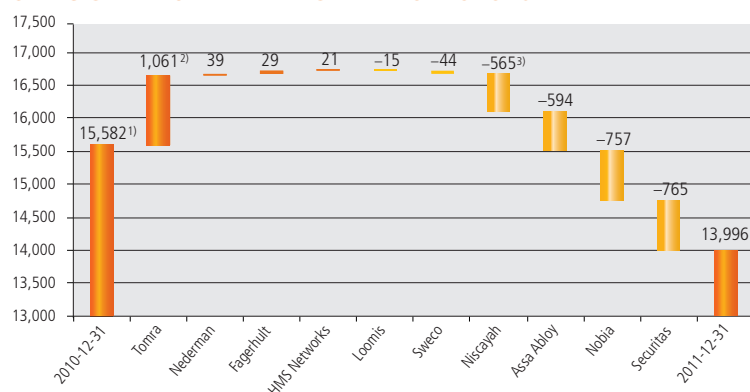
³⁾ Shown as associated companies in the balance sheet.

⁴⁾ The A share in Sweco is listed but due to limited trade it has been given the same listing price as the corresponding B shares.

⁵⁾ The acquisition value in the Group, through the use of a call option, is SEK 34 m higher than that of the parent company.

⁶⁾ Market value at the end of December was NOK 40.10, which has been recalculated to SEK at the annual accounts exchange rate 1,15.

CHANGES IN VALUE IN THE INVESTMENT PORTFOLIO 2011

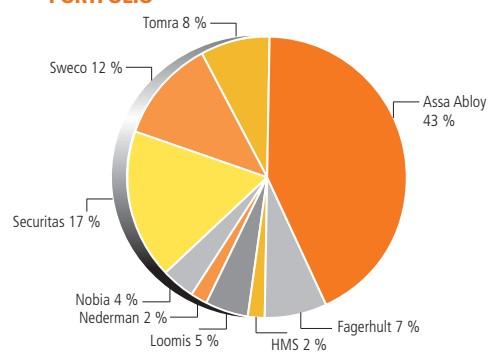


¹⁾ Including the value of the shares that were added through the merger with Säkl in June 2011.

²⁾ The shares in Tomra Systems ASA were acquired in December 2011.

³⁾ All shares in Niscayah Group AB were divested in September 2011 after a public bid from Stanley Black & Decker Inc.

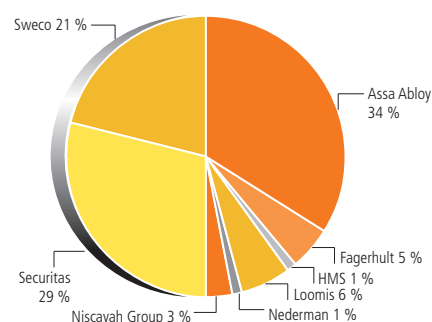
VALUE DISTRIBUTION IN THE INVESTMENT PORTFOLIO



NET CHANGE IN LATOUR'S INVESTMENT PORTFOLIO 2011

Share	Number 2011-01-01	Purchase	Sales	Added in the merger with Säkl	Number 2011-12-31
Assa Abloy A	6,746,425			7,118,818	13,865,243
Assa Abloy B	19,000,000			2,300,000	21,300,000
Fagerhult	4,106,800		100,000	2,200,000	6,206,680
HMS Networks	1,851,000	622,522			2,473,522
Loomis A	800,000			1,728,520	2,528,520
Loomis B	4,618,000			391,808	5,009,808
Nederman	3,171,000	341,829			3,512,829
Niscayah Group A	4,000,000		12,642,600	8,642,600	0
Niscayah Group B	24,000,000		28,437,500	4,437,500	0
Nobia	0	1,000,000		22,000,000	23,000,000
Securitas A	4,000,000			8,642,600	12,642,600
Securitas B	23,090,000			4,000,000	27,090,000
Tomra	0	23,000,000			23,000,000

PROPORTION OF RECEIVED DIVIDENDS



ASSA ABLOY

World leading lock Group

Assa Abloy is the global leader in lock and door opening solutions, dedicated to satisfying end-user needs for security, safety and convenience.

Assa Abloy is represented all over the world, on both mature and emerging markets, and has leading positions in most of Europe, North America, Asia, Australia and New Zealand. In the rapidly growing electromechanical security sector, the Group has a leading position in fields such as access control, identification technology, entrance automation and hotel security.

International Group with 42,000 employees

Since Assa Abloy was founded in 1994 the Group has developed from a regional company to an international Group with 42,000 employees and net sales of about SEK 42 billion. Assa Abloy's strong development is based on long-term structural growth in demand on our most important markets in Europe and North America, increased demand on new markets as well as success in the fast-growing product segments.

Assa Abloy is organized into five divisions. Three of the divi-

sions – EMEA, Americas and Asia Pacific – have regional divisions. These divisions manufacture and sell locks, cylinders and electromechanical products, security doors and fittings on their respective geographic markets.

There are also two global divisions: Global Technologies and Entrance Systems. Global Technologies is the Group's global division with products mainly for access control, secure issuance of cards, identification technology and electronic lock products for hotels. Entrance Systems is a global supplier of single source solutions and services for automatic doors.

Strategic focus

Assa Abloy's overall ambition is to lead the trend in higher safety using a product-driven offer concentrated on customers.

The main product areas are the traditional product segments mechanical locks and security doors as well as the fast-growing product segments electromechanical and electronic locks, access control, identification technology and automatic doors.

The Group's strategic action plans are divided into three focus areas: market presence, product leadership and cost effectiveness. ■

27%

percentage of Latour's
total net asset value

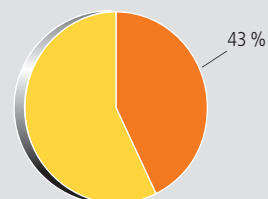
LATOUR'S HOLDING IN ASSA ABLOY PER 31 DECEMBER 2011

Market value, Latour's share SEK m	6,069
Board members connected to Latour	Gustaf Douglas, Carl Douglas

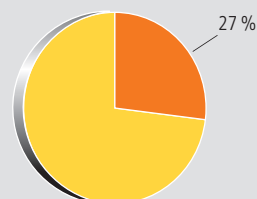
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	A	B	Total	Portion % of shares	Portion % of votes
Investment AB Latour	13,865,243	21,300,000	35,165,243	9.5	29.6
Melker Schörling AB	5,310,080	9,162,136	14,472,216	3.9	11.5
Capital Group Funds		34,151,600	34,151,600	9.3	6.3
Harris Associates		18,245,322	18,245,322	5.0	3.4
Alecta		8,390,000	8,390,000	2.3	1.6
Swedbank Robur Funds		7,533,035	7,533,035	2.0	1.4
SEB Funds		6,928,260	6,928,260	1.9	1.3
State of Norway		6,468,627	6,468,627	1.8	1.2
Folksam-Gruppen		5,359,412	5,359,412	1.5	1.0
AMF Funds		5,265,000	5,265,000	1.4	1.0
Other shareholders		226,271,663	226,271,663	61.4	41.7
Total	19,175,323	349,075,055	368,250,378	100.0	100.0

Based on information from SIS Ägarservice AB.



Portion of Latour's portfolio
of listed shares

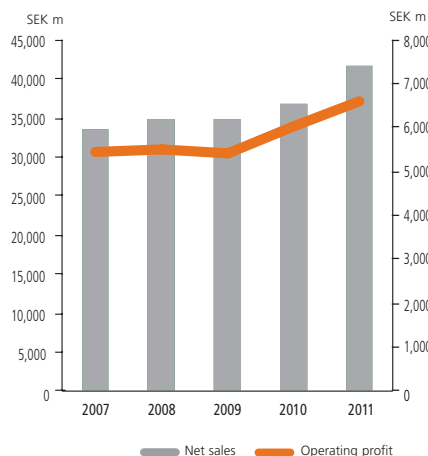


Portion of Latour's
net asset value

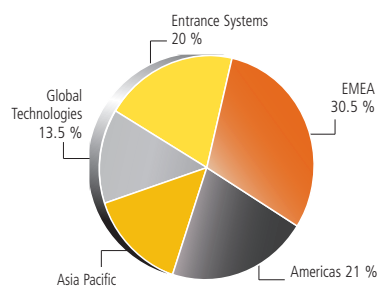


Assa Abloy's net sales increased by 13 percent and operating profit increased by 10 percent in 2011. Operative cash flow continued to be strong and earnings per share increased by 13 percent.

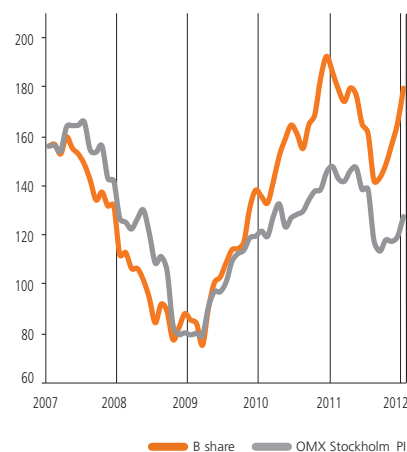
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



ASSA ABLOY SHARE PRICE DEVELOPMENT



Chairman: Gustaf Douglas

CEO: Johan Molin

Shares: Assa Abloy's B share is traded on the NASDAQ OMX Stockholm Large Cap list under the ASSA B symbol. The company has been listed since 8 November 1994.

Further information

www.assaabloy.com

KEY RATIOS ASSA ABLOY

	Full-year 2011	Full-year 2010
Net sales, SEK m	41,786	36,823
Operating profit, SEK m	6,624	6,046
Operating margin, %	15.9	16.4
Result after net financial items, SEK m	4,559	5,366
Earnings per share, SEK	12.30	10.89
Equity/debt ratio, %	42.9	45.9
Dividend per share, SEK ¹⁾	4.50	4.00
Equity per share, SEK	65.54	58.64
Market cap per 31 December, SEK m	63,560	65,708

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

E/V sales	2.1
EV/EBIT	16.9
P/E ratio	16.3
Net debt/EBIT	2.7

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.

FAGERHULT

One of Europe's leaders in lighting

Fagerhult is one of Europe's leading lighting groups with over 2,000 employees and operations in 17 countries. Fagerhult creates modern products and exciting, energy-efficient and environmentally adapted lighting systems.

Fagerhult develops, manufactures and markets customized lighting systems for public indoor and outdoor lighting and for interior fittings. The business focuses constantly on design, function, flexibility and energy saving solutions. The Group has operations in 17 countries and production units in Europe, China and Australia.

Operations are founded on a three core values: Clear customer focus, Strong achievement culture and Innovative thinking.

Part of Fagerhult's growth strategy is to become an indisputable leader on the European lighting market. Good focus on our business strategy is necessary in order to succeed. One way to achieve this is by acquiring com-

panies with interesting operations and potential. In 2010 Fagerhult acquired German LTS Licht & Leuchten GmbH and in 2011 this was followed by the acquisition of the British Designplan Lighting Ltd with net sales of about GBP 11 m.

The acquisition strengthens the Group's position on the British market and creates a new product segment for exposed and robust environments on the international market.

Four geographically divided business areas

Operations are run in four business areas divided geographically: Northern Europe; Great Britain, Ireland and the Middle East; Western Europe and Asia and Australia.

The business areas offer products for both indoor and outdoor environments and customized solutions for all kinds of stores.

The Group contains strong brands such as Fagerhult, Ateljé Lyktan, Whitecroft Lighting, LTS Licht & Leuchten and Designplan Lighting. ■

4%
percentage of Latour's
total net asset value

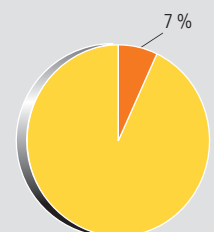
LATOUR'S HOLDINGS IN FAGERHULT PER 31 DECEMBER 2011

Market value, Latour's share SEK m	990
Board members connected to Latour	Eric Douglas, Fredrik Palmstierna, Jan Svensson

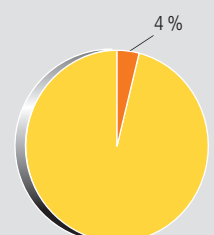
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	Total	Portion % of shares	Portion % of votes
Investment AB Latour	6,208,800	49.2	49.2
Fam Svensson, Family, foundation and companies	945,525	7.5	7.5
SSB CL Omnibus AC	629,209	5.0	5.0
Lannebo Funds	577,354	4.6	4.6
Robur Småbolagsfond	540,659	4.3	4.3
SEB Asset Management	400,000	3.2	3.2
Fourth Swedish National Pension Fund	384,113	3.0	3.0
Fondita Nordic Micro Cap SR	299,200	2.4	2.4
Palmstierna Family	278,732	2.2	2.2
Handelsbanken Svenska småbolagsfond etc.	269,321	2.1	2.1
Foundation Stockholms Sjukhem	200,000	1.6	1.6
Other shareholders	1,881,087	14.9	14.9
Total	12,612,000	100.0	100.0

Based on information from SIS Ägarservice AB.



Portion of Latour's portfolio
of listed shares

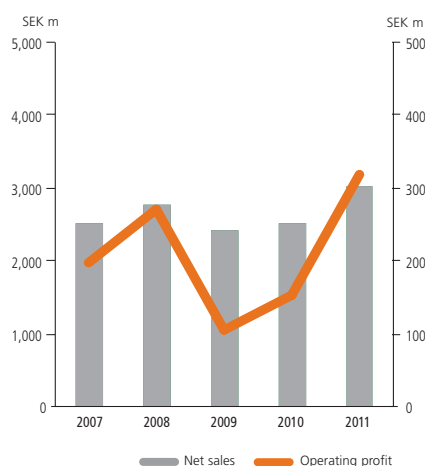


Portion of Latour's
net asset value

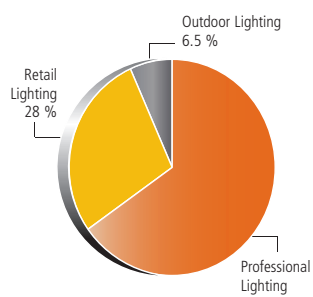


2011 saw record levels in both net sales and profit. Operating profit increased by 107 percent and the operating margin rose dramatically.

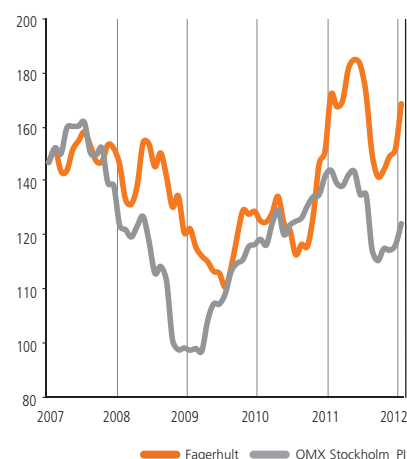
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



FAGERHULT SHARE PRICE DEVELOPMENT



Chairman: Jan Svensson.

CEO: Johan Hjertnsson

Shares: The Fagerhult share is traded on the NASDAQ OMX Stockholm Mid Cap list under the FAG symbol. The company was listed on the Stockholm Stock Exchange in 1997.

Further information:
www.fagerhultgroup.com

KEY RATIOS FAGERHULT

	Full-year 2011	Full-year 2010
Net sales, SEK m	3,023	2,506
Operating profit, SEK m	317	153
Operating margin, %	10.5	6.1
Result after net financial items, SEK m	285	135
Earnings per share, SEK	16.43	7.49
Equity/debt ratio, %	32.0	29.3
Dividend per share, SEK ¹⁾	6.50	3.50
Equity per share, SEK	70.76	57.28
Market cap per 31 December, SEK m	2,050	2,062

KEY RATIOS FOR MEASUREMENT AND RISK ²⁾

EV/sales	1.2
EV/EBIT	11.2
P/E ratio	12.5
Net debt/EBIT	3.0

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



World leader in industrial communication

HMS is a world leader in developing, manufacturing and marketing flexible, innovative and reliable communication solutions for connecting production equipment with industrial networks and connecting different industrial networks with each other.

HMS' headquarters is in Halmstad, Sweden where all development and most of production is located. The company's network of distributors can be found in 50 countries worldwide. HMS has its own sales offices in Karlsruhe, Chicago, Shin-Yokohama, Copenhagen, Beijing, Milan, Mulhouse, Coventry and Pune. HMS' most important geographic markets are Germany, the USA, Finland, Japan and Sweden and they represent more than 70 percent of Group income. Over 90 percent of HMS' sales are outside of Sweden.

Three product categories

HMS develops and manufactures network cards as well as products enabling connection and communication between automation units in industrial networks or between two networks. In laymen's terms this means that HMS is a specialist

in, for instance, how to steer an engine or an industrial robot. HMS' products can be divided into three product categories: Embedded Products, Gateways and Remote Management. Embedded means that the product is integrated into another product.

Embedded Products is comprised of network cards used in automation units such as engine steering, sensors, scales systems or pneumatics.

With the knowledge from Embedded Products HMS developed the product area Gateways. A gateway works a bit like a network card. However, it is not a part of a machine, but placed outside as a gate between a network and a machine

or between two networks. A gateway is like a traffic exchange that translates information from one network so it can be received by another. HMS' products for network communication are sold and marketed under the brand Anybus®.

HMS' offer for Remote Management is sold and marketed under the brand Netbiter®. These products provide customers with a complete solution for remotely monitoring and managing deployed equipment via a database solution and a Web-interface. ■

1%
percentage of Latour's
total net asset value

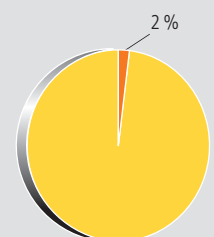
LATOOUR'S HOLDING IN HMS PER 31 DECEMBER 2011

Market value, Latour's share SEK m 224
Board members connected to Latour: Henrik Johansson

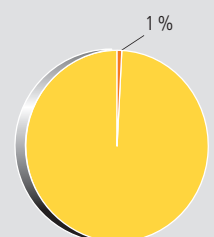
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	Total	Portion % of shares	Portion % of votes
Investment AB Latour	2,473,522	22.2	22.2
Nicolas Hassbjer with companies	1,611,872	14.5	14.5
Staffan Dahlström with companies	1,597,073	14.3	14.3
Swedbank Robur Funds	1,129,168	10.1	10.1
SEB Funds	1,070,340	9.6	9.6
Deka Bank	203,200	1.8	1.8
Nykredit	179,988	1.6	1.6
Avanza Pension	165,648	1.5	1.5
Martin Gren	119,427	1.1	1.1
AMF	100,933	0.9	0.9
Other shareholders	2,501,729	22.4	22.4
Total	11,152,900	100.0	100.0

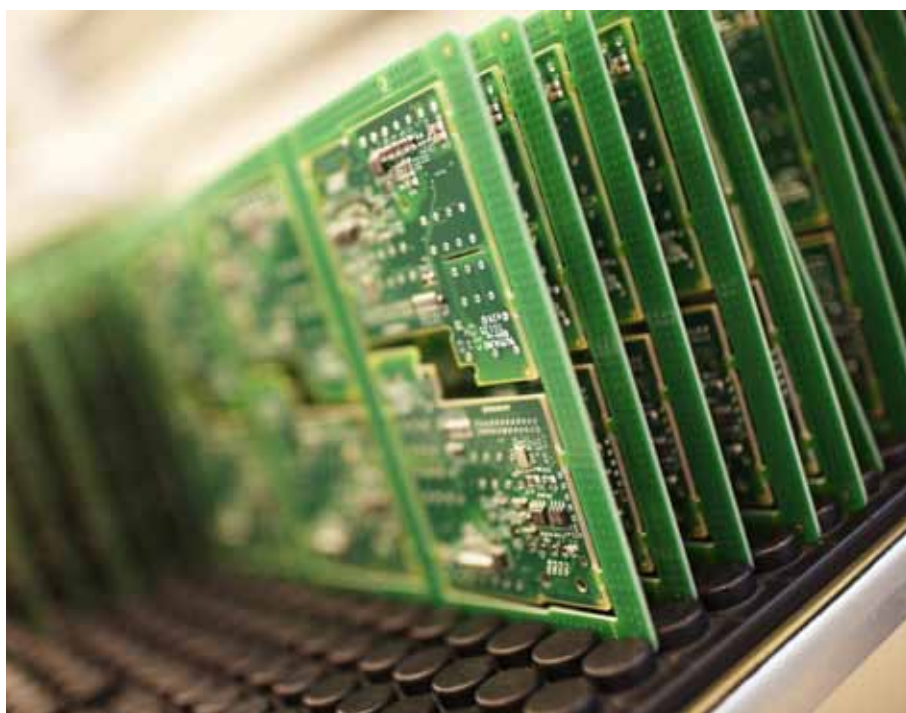
Based on information from SIS Ågarservice AB.



Portion of Latour's portfolio of listed shares

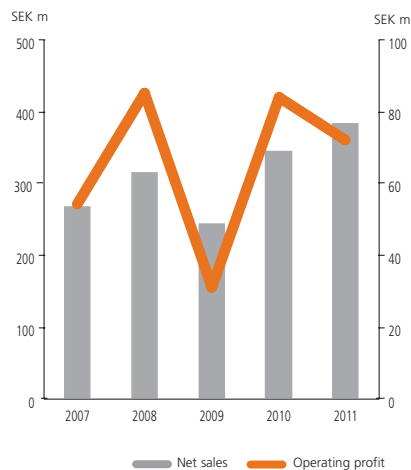


Portion of Latour's net asset value

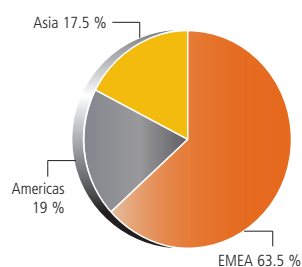


Continued profitable growth. In 2011 net sales increased by 11.3 percent and the operating margin was 18.8 percent.

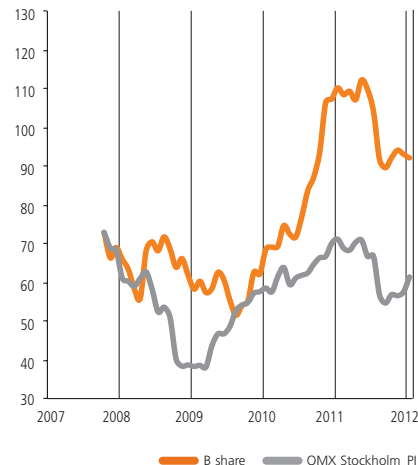
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



HMS SHARE PRICE DEVELOPMENT



Chairman: Urban Jansson

CEO: Staffan Dahlström

Shares: The HMS share is traded on the NASDAQ OMX Stockholm Small Cap list, Information Technology under the HMS symbol. The share has been listed since 19 October 2007.

Further information

www.hms.se

KEY RATIOS HMS NETWORKS

	Full-year 2011	Full-year 2010
Net sales, SEK m	384	345
Operating profit, SEK m	72	84
Operating margin, %	18.8	24.2
Result after net financial items, SEK m	74	84
Earnings per share, SEK	4.84	5.41
Equity/debt ratio, %	76.3	71.9
Dividend per share, SEK ¹⁾	2.25	2.00
Equity per share, SEK	26.77	25.63
Market cap per 31 December, SEK m	1,002	1,205

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	3.2
EV/EBIT	16.9
P/E ratio	22.6
Net debt/EBIT	n.a.

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



The specialist in handling cash

Loomis, with operations in Europe and the USA, offers a broad range of integrated solutions for handling cash. These services, which mainly target financial institutions and the retail trade, provide secure, efficient management of the physical flow of cash in customers' businesses.

Loomis services comprise secure transportation and cash handling. Loomis offers high quality, cost-efficient solutions that greatly reduce risks for customers' employees. Loomis strives to improve efficiency in society's cash flow with its innovative and comprehensive solutions.

Secure transportation is still Loomis' main source of income but revenues from handling cash are growing more quickly. Levels of outsourcing cash management services vary greatly on the global market. Generally speaking Europe has come further than the US.

Loomis' markets

Loomis has about 20,000 employees stationed in over 390 local

offices in 15 countries. The company, whose cash management history goes back more than 150 years, has operations in Denmark, Finland, France, Norway, Portugal, Switzerland, Slovakia, Slovenia, Spain, Great Britain, Sweden, the Czech Republic, Turkey, the USA and Austria.

Number one or two on each market

Loomis' goal is to be number one or two on each geographic market the company operates on. In order to obtain and keep its leading position Loomis can complement our organic growth with additional acquisitions.

Loomis' market in secure transportation and handling cash is expanding as banks and retailers continue to outsource their cash management and as the amount of cash in the society increases. Secure transportation will continue to be our core operations but step by step Loomis is clearly shifting into more effective and profitable comprehensive solutions for cash management. This is expected to improve the company's profit margins in the long run. ■

3%
percentage of Latour's
total net asset value

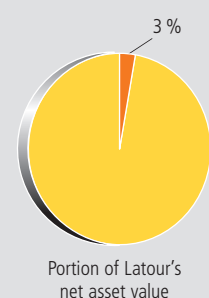
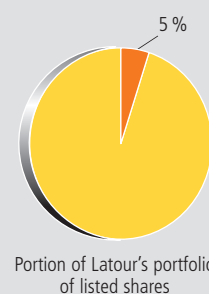
LATOUR'S HOLDING IN LOOMIS PER 31 DECEMBER 2011

Market value, Latour's share SEK m 724
Board members connected to Latour Jan Svensson

LARGEST OWNERS PER 31 DECEMBER 2011

Owner	A	B	Total	Portion % of shares	Portion % of votes
Investment AB Latour	2,528,520	5,009,808	7,538,328	10.3	29.2
Melker Schörling AB	900,000	5,400,300	6,300,300	8.6	13.9
Swedbank Robur Funds		3,864,243	3,864,243	5.3	3.7
UBS AG LND IPB SEGR CL		2,583,011	2,584,011	3.5	2.5
JPMC:Escrow Swiss Res Acc		2,393,684	2,393,684	3.3	2.3
SEB Investment Mgm		2,377,039	2,377,039	3.3	2.3
Handelsbanken Funds		2,191,137	2,191,137	3.0	3.0
Afa Försäkring		1,764,943	1,764,943	2.4	1.7
SEC Fin Principal Non Lending		1,712,222	1,712,222	2.4	1.6
Carnegie Funds		1,669,300	1,669,300	2.3	1.6
Other shareholders		39,824,589	39,824,589	55.6	39.1
Total	3,428,520	69,583,260	73,011,780	100.0	100.0

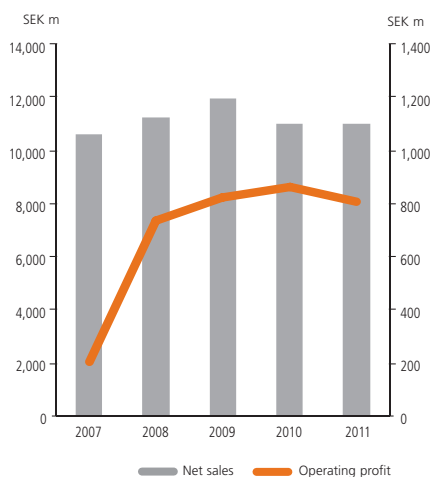
Based on information from SIS Ägarservice AB.



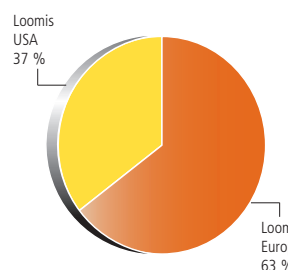


The strong operating margin and improved net financial items in 2011 contributed to a positive development in earnings per share, SEK 7.03 (6.80).

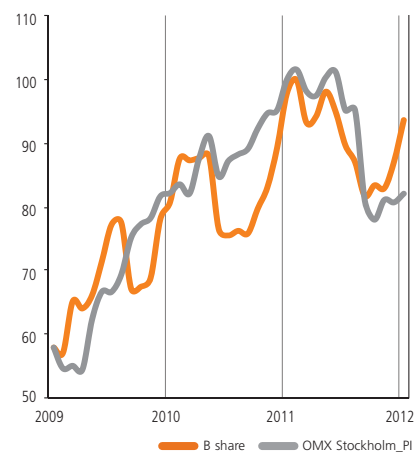
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



LOOMIS SHARE PRICE DEVELOPMENT



Chairman: Alf Göransson

CEO: Lars Blecko

Shares: Since 9 December 2008 the Loomis B share is traded on the NASDAQ OMX Stockholm Mid Cap list, under the LOOM B symbol.

Further information:
www.loomis.com

KEY RATIOS LOOMIS

	Full-year 2011	Full-year 2010
Net sales, SEK m	10,973	11,030
Operating profit, SEK m	805	866
Operating margin, %	8.3	8.0
Result after net financial items, SEK m	743	759
Earnings per share, SEK	7.03	6.80
Equity/debt ratio, %	37.0	41.0
Dividend per share, SEK ¹⁾	3.75	3.50
Equity per share, SEK	46.53	42.77
Market cap per 31 December, SEK m	7,227	7,028

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	0.8
EV/EBIT	11.4
P/E ratio	13.5
Net debt/EBIT	2.8

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.

Nederman

World leader in more environmentally friendly industries and safer work places

Nederman is a world leading environmental technology company focused on clean air and good work environments. Nederman provides a broad range of products and systems for, among other things, capturing and filtering air contaminated with harmful particles.

Nederman is a world leader supplier in products and systems in environmental technology with a focus on air filtering and recycling. The company's solutions contribute to reducing environmental impact from industrial production, creating a clean and safe work environment and making production more efficient. Nederman's offer comprises everything from project management to installation, start-ups and service.

Global presence

Nederman develops and produces at its own production and assembly units in Europe, North America and Asia. The company's products and systems are marketed through its own subsidiaries in 29 countries and via agents and distributors in some 30 countries. The

Group has approximately 1,450 employees.

Europe is Nederman's largest market. New markets, primarily India, China and Brazil, hold great potential for sales of equipment that improves the work environment and reduces the environmental impact from industrial production. In 2011 Nederman received a breakthrough order from Komatsu for the Chinese market, one of the world leading producers of machines and equipment for civil engineering work, mining and forestry.

Striving to be a leader on selected markets

Nederman's ambition is to become a leader on selected markets in attractive segments. This should contribute to annual sales growth by 8-10 percent over a business cycle, half of which should be through organic growth. The EBITA margin should be at least 10 percent over a business cycle.

Our strategy for the near future is to achieve continued profitability through, for instance, expansion on growth markets, more sales of systems directly to the end customer and greater focus on service and the after sales market. ■

2%

percentage of Latour's
total net asset value

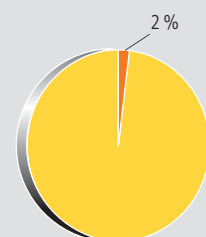
LATOUR'S HOLDING IN NEDERMAN PER 31 DECEMBER 2011

Market value, Latour's share SEK m 348
Board members connected to till Latour: Jan Svensson

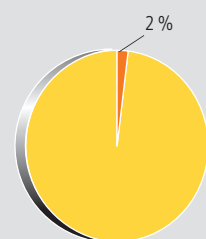
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	Total	Portion % of shares	Portion % of votes
Investment AB Latour	3,512,829	30.0	30.0
Lannebo Funds	1,297,000	11.1	11.1
Ernström Kapitalpartner	1,264,179	10.8	10.8
IF Skadeförsäkringar	1,160,400	9.9	9.9
Swedbank Robur småbolag	543,706	4.6	4.6
Fondita Nordic Micro Cap	400,000	3.4	3.4
SHB: NTC UN JOINT STAFF	339,605	2.9	2.9
Didner & Gerge Fonder Aktiebolag	337,209	2.9	2.9
Fourth Swedish National Pension Fund	182,546	1.6	1.6
Kristensson Sven	164,881	1.4	1.4
Other shareholders	2,512,985	21.4	21.4
Total	11,715,340	100.0	100.0

Based on information from SIS Ägarservice AB.



Portion of Latour's portfolio
of listed shares

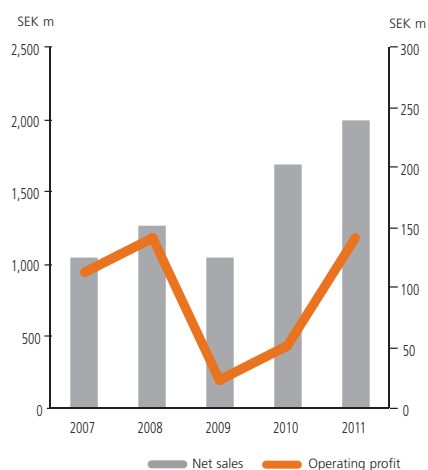


Portion of Latour's
net asset value

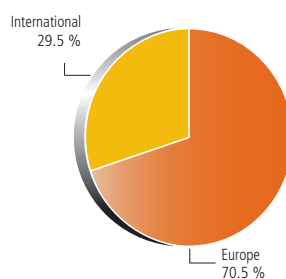


Raising net sales and strengthened the operating margin contributed to dramatically improved earnings per share in 2011. Therefore the Board proposes higher dividends of SEK 3.25 (1.50) per share.

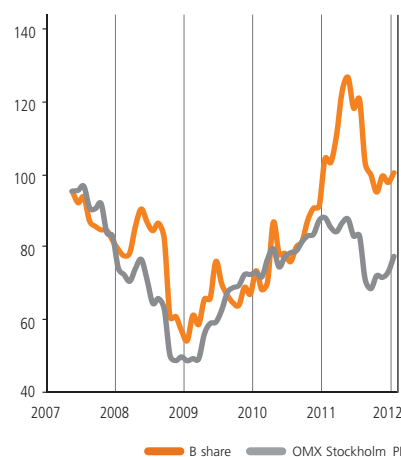
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



NEDERMAN SHARE PRICE DEVELOPMENT



Chairman: Jan Svensson

CEO: Sven Kristensson

Shares: The Nederman share was listed on the NASDAQ OMX Stockholm Small Cap list on 16 May 2007. The share is traded under the NMAN symbol.

Further information:

www.nederman.com

KEY RATIOS NEDERMAN

	Full-year 2011	Full-year 2010
Net sales, SEK m	2,001	1,694
Operating profit, SEK m	141	51
Operating margin, %	7.0	3.0
Result after net financial items, SEK m	108	27
Earnings per share, SEK	7.41	1.80
Equity/debt ratio, %	33.7	30.1
Dividend per share, SEK	3.25	1.5
Equity per share, SEK	47.54	42.52
Market cap per 31 December, SEK m	1,172	1,160

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	0.9
EV/EBIT	12.9
P/E ratio	16.5
Net debt/EBIT	2.3

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



Europe's leading kitchen specialist

Nobia develops, manufactures and sells kitchens on the European market. Through some twenty strong brands Nobia has established itself as the European market leader.

Nobia is active in three geographical regions: Great Britain, the Nordic region and Continental Europe. Sales are made directly to consumers through a network of stores and to professional customers in retail and new construction.

Among our brands are Magnet in Great Britain, Hygena in France, HTH, Norema, Sigdal, Invita, Marbodal and Myresjökök in Scandinavia and Petra, Parma and À la Carte in Finland, EWE, Intuo and FM in Austria, Optifit in Germany and Poggenpohl globally. Nobia has about 7,400 employees and net sales of about SEK 13.1 billion.

Many small and local competitors

The European kitchen market is fragmented and local. Most kitchen companies, just like Nobia, have a complete value chain comprising everything from production to sales to the end consumer.

Just a few brands are present on several markets. Together the five largest players, of which Nobia is the largest, only represent

about one third of the total sales value in Europe.

Historically the kitchen industry has been characterized by very little innovation. Nobia's ambition is to use the company's customer knowledge to create kitchen and service offers that are attractive and inspiring by using innovative solutions.

Increased effect from scale advantages through growth

Nobia's focus on kitchens allows the different units in the Group to take advantage of shared expertise throughout the entire value chain.

Our future goal is to improve coordination in the Group which would allow us to get more out of our size. The largest scale advantages are found in product range development, purchasing and production. A harmonized product range, coordinated purchases and coordinated production creates a more efficient value chain.

Nobia also strives to make marketing more effective, develop sales channels as well as offer clearly differentiated brands with customer offers based on insights into customers' preferences. ■

2%

percentage of Latour's
total net asset value

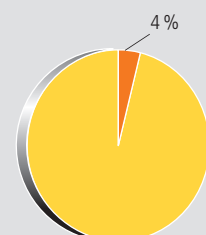
LATOUR'S HOLDING IN NOBIA PER 31 DECEMBER 2011

Market value, Latour's share SEK m 564
Board members connected to till Latour: Fredrik Palmstierna

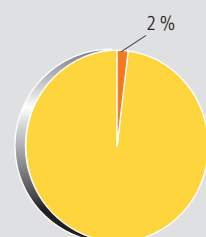
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	Total	Portion % of shares	Portion % of votes
Nordstjernan AB	31,860,266	19.1	19.1
Investment AB Latour	23,000,000	13.8	13.8
IF Skadeförsäkringar AB	20,948,064	12.5	12.5
Orkla ASA (N)	9,744,183	5.8	5.8
Swedbank Robur fonder	8,474,534	5.1	5.1
Lannebo Funds	7,377,400	4.4	4.4
Six Sis Ag, W8imy (N)	3,958,941	2.4	2.4
Fourth Swedish National Pension Fund	3,736,290	2.2	2.2
Didner & Gerge Småbolag	3,250,000	1.9	1.9
SEB Sverigefond	2,122,304	1.3	1.3
Other shareholders	52,659,176	31.5	31.5
Total	167,131,158	100.0	100.0

Based on information from SIS Ågarservice AB.



Portion of Latour's portfolio
of listed shares

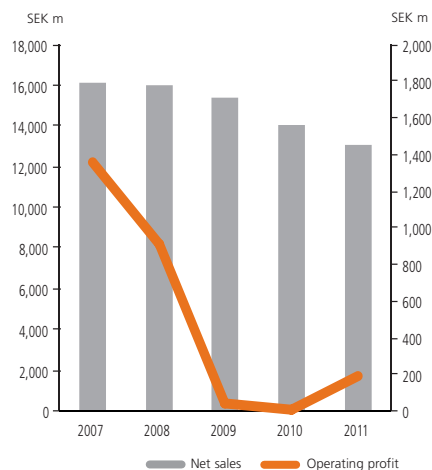


Portion of Latour's
net asset value

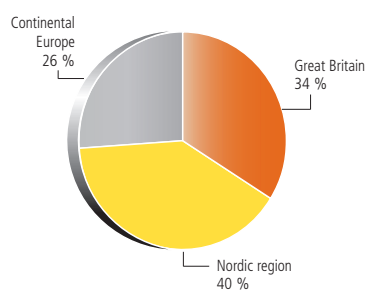


The initiative in 2011 spotlighting better efficiency contributed to a stronger operating margin despite a challenging market.

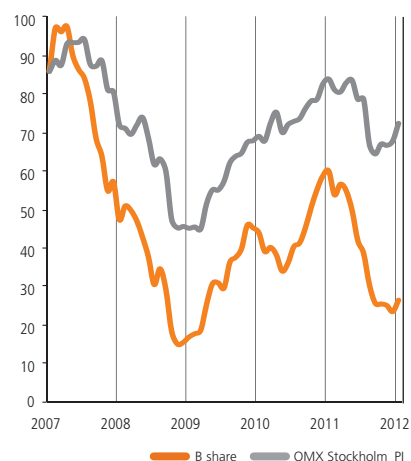
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



NOBIA SHARE PRICE DEVELOPMENT



Chairman: Johan Molin

CEO: Morten Falkenberg

Shares: The Nobia share is traded on the NASDAQ OMX Stockholm, Mid Cap list, under the NOBI symbol. Nobia was listed on the Stockholm Stock Exchange 2002.

Further information:

www.nobia.com

KEY RATIOS NOBIA

	Full-year 2011	Full-year 2010
Net sales, SEK m	13,114	14,085
Operating profit, SEK m	518	517
Operating margin, %	3.9	3.7
Result after net financial items, SEK m	101	-79
Earnings per share, SEK	0.42	-0.53
Equity/debt ratio, %	41.0	38.0
Dividend per share, SEK	—	—
Equity per share, SEK	20.62	21.00
Market cap per 31 December, SEK m	4,295	10,561

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	0.6
EV/EBIT	39.2
P/E ratio	79.2
Net debt/EBIT	8.6

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



A global leader in knowledge about security

Securitas' business is all about security. Securitas focuses on security solutions that are suited to customers' individual needs in 51 countries in North America, Europe, Latin America, the Middle East, Asia and Africa.

Securitas' core business is security services and our primary service offer is specialized guarding, mobile services, monitoring services, consulting and security investigations. Securitas has a flat and decentralized organization that furthers leadership built on local responsibility in close cooperation with customers and employees.

300,000 employees in five parts of the world

Securitas' history goes back to 1934. When it started the company only had three employees. Today the Group has 300,000 employees in 51 countries in five parts of the world.

On several markets Securitas is one of the market leaders. In the past few years the company has increased our presence in regions with anticipated high growth in the future.

Securitas has a number of customers in many different industries and segments, among them the public sector, air-

ports, distribution and transportation companies, offices, banks, shopping centers, hotels, manufacturing industries, mines, hospitals, housing estates as well as advanced technology and IT companies.

Driving forces for continued good growth on the market

The market for security services comprises all sectors, geographic markets and industries and is closely connected to the financial and social development at large.

The driving forces behind the growth and development of surveillance services vary depending on the maturity of the security industry in a certain region. The markets for surveillance services in the US and Europe have grown a few percentage points more quickly than GNP in the last decade.

In addition to the underlying growth driven by global development there are also more specific market trends that are particularly interesting for future growth. The trends that generally affect Securitas the most are: higher demand for customized services, increased interest in security issues concerning senior officers as well as greater use of technology. ■

10%

percentage of Latour's
total net asset value

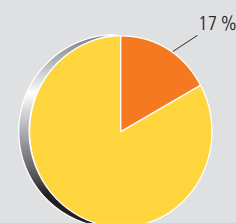
LATOUR'S HOLDING IN SECURITAS PER 31 DECEMBER 2011

Market value, Latour's share SEK m	2,360
Board members connected to Latour	Carl Douglas, Fredrik Palmstierna

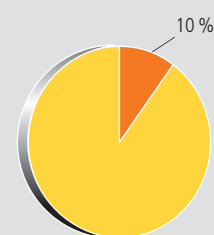
LARGEST OWNERS PER 31 DECEMBER 2011

Owner	A	B	Total	Portion % of shares	Portion % of votes
Douglas Family with companies	12 642 600	29,470,000	42,112,600	11.5	30.0
Schörling Family with companies	4 500 000	16,008,700	20,508,700	5.6	11.7
Didner & Gerge Fonder AB		14,370,000	14,370,000	3.9	2.8
Swedbank Robur Funds		13,850,656	13,850,656	3.8	2.7
Lannebo Funds		11,195,984	11,195,984	3.1	2.2
Carnegie Funds		10,376,304	10,376,304	2.8	2.0
JPM Chase NA (004471-4467)		9,361,155	9,361,155	2.6	1.8
SEB Investment Management		8,475,692	8,475,692	2.3	1.6
JPM Chase NA (004471-4475)		8,035,100	8,035,100	2.2	1.5
CACEIS/Crédit Agricole CIB		8,000,000	8,000,000	2.2	1.5
Other shareholders		218,772,706	218,772,706	59.9	42.2
Total	17,142,600	347,916,297	365,058,897	100.0	100.0

Based on information from SIS Ågarservice AB.



Portion of Latour's portfolio
of listed shares

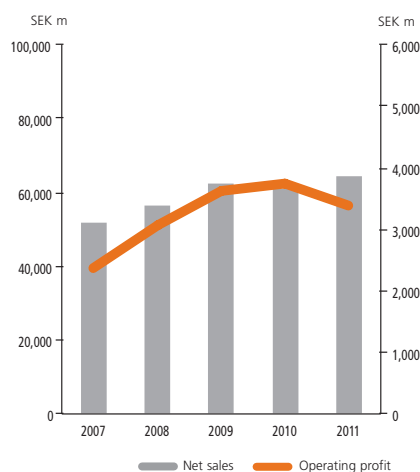


Portion of Latour's
net asset value

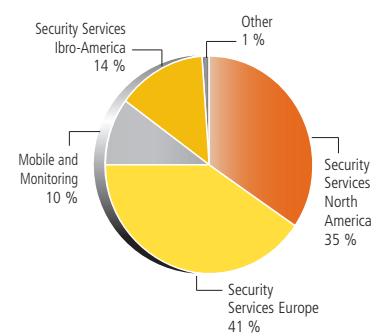


In 2011 Securitas made 19 major acquisitions with an annual sales of SEK 4.5 billion. This contributed to strengthening our presence on key markets.

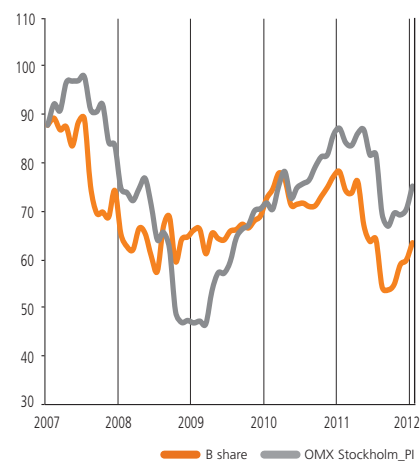
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



SECURITAS SHARE PRICE DEVELOPMENT



Chairman: Melker Schörling

CEO: Alf Göransson

Shares: The Securitas share is traded on the NASDAQ OMX Stockholm Large Cap list under the SECU B symbol. The share was listed on the Stockholm Stock Exchange in December 1991.

Further information:

www.securitas.com

KEY RATIOS SECURITAS

	Full-year 2011	Full-year 2010
Net sales, SEK m	64,057	61,340
Operating profit, SEK m	3,385	3,724
Operating margin, %	5.3	6.1
Result after net financial items, SEK m	2,480	2,968
Earnings per share, SEK	4.75	5.71
Equity/debt ratio, %	25.0	27.0
Dividend per share, SEK ¹⁾	3.00	3.00
Equity per share, SEK	25.22	24.49
Market cap per 31 December, SEK m	21,684	27,364

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	0.5
EV/EBIT	11.3
P/E ratio	13.4
Net debt/EBIT	3.5

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



One of Europe's largest technology consultants

Sweco offers qualified expertise in technology, the environment and architecture. With 7,400 employees the Group is one of the major players in Europe and the market leader in the Nordic region and in Eastern and Central Europe.

Sweco is an international consultant company expert in technology, the environment and architecture and which offers qualified consulting services with a high knowledge content, often at an early stage in a customer's project. In this way the company's engineers, architects and environmental experts contribute to the development of a sustainable society.

Sweco's operational areas

Sweco offers qualified consulting services in nine different operational areas: Architecture, Construction, Energy, Geographic IT, Industry, Infrastructure, Installation, Project Management and Water and the Environment.

The company works close to our customers with local presence in Sweden, Norway, Finland, Denmark, Russia, Estonia, Latvia, Lithuania, the Czech Republic, Slovakia, Bulgaria and Poland. Each year the company executes about 30,000 assign-

ments for close to 10,000 customers in some 80 countries worldwide. Customers are active in a great number of market segments including the manufacturing industry, processing industry, environment, energy, construction, property and transportation.

Good prerequisites for long-term profitable growth

Sweco's strong financial position together with a broad service offer and leading market positions in several important growth areas all speak for long-term good development.

Sweco's ambition is to grow profitably by strengthening market positions in the Nordic region as well as in Eastern and Central Europe. This will take place through expanding operations into new and adjacent areas, initiating an expansion of our operations on more markets and increasing investments in the growth markets in the East.

Demand for solutions for sustainable community development, urbanization and improved living standards are examples of the driving forces that create a good platform for Sweco, for instance projects in raising energy efficiency, renewable energy solutions, efficient traffic solutions and water supplies. ■

7%

percentage of Latour's
total net asset value

LATOUR'S HOLDING IN SWECO PER 31 DECEMBER 2011¹⁾

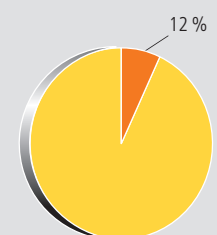
Market value, Latour's share SEK m	1,638
Board members connected to Latour	Anders G. Carlberg

LARGEST OWNERS PER 31 DECEMBER 2011

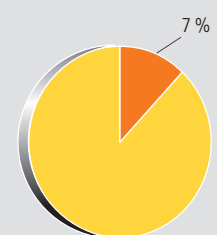
Owner	A	B	Total	Portion % of shares	Portion % of votes
G Nordström Family	5,165,616	8,484,797	13,650,413	14.9	34.2
Investment AB Latour	1,222,760	27,775,000	28,997,760	31.7	22.7
Stiftelsen J. G. Richerts minne	1,769,420	40,025	1,809,445	2.0	10.1
Kdtc		5,142,490	5,142,490	5.6	2.9
JPM Chase NA		5,039,609	5,039,609	5.5	2.9
Swedbank Robur Funds		3,396,610	3,396,610	3.7	1.9
Öhman, Anders	250,000	450,000	700,000	0.8	1.7
Lannebo Funds		2,860,000	2,860,000	3.1	1.6
Fam Kurt O Eriksson	147,707	795,883	943,590	1.0	1.3
SHB: Odin Sverige Aksjefondet		1,615,683	1,615,683	1.8	0.9
Other shareholders	830,173	26,531,074	27,361,247	29.9	19.8
Total	9,385,676	82,131,171	91,516,847	100.0	100.0

Based on information from SIS Ägarservice AB.

¹⁾ Including 797,020 B shares and 79,702 votes for shares bought back.



Portion of Latour's portfolio
of listed shares

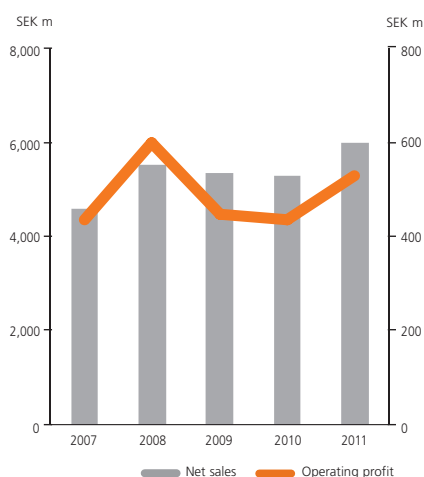


Portion of Latour's
net asset value

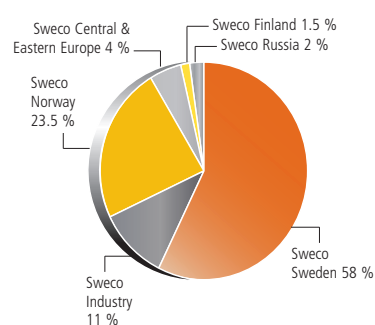


Sweco's net sales increased by 13.6 percent in 2011. Operating profit increased by 22.8 percent and the operating margin increased to 8.9 percent.

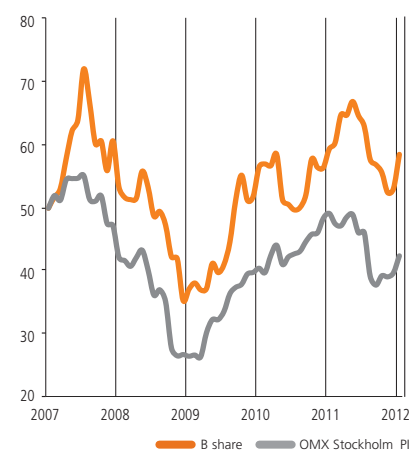
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



SWECO SHARE PRICE DEVELOPMENT



Chairman: Olle Nordström

President and CEO: Mats Wäppling

Shares: The Sweco A and B shares are traded on the NASDAQ OMX Stockholm Mid Cap list under the symbol SWEC A and SWEC B. The company was listed on the Stockholm Stock Exchange on 21 September 1998.

Further information:

www.swecogroup.com

KEY RATIOS SWECO

	Full-year 2011	Full-year 2010
Net sales, SEK m	5,988	5,272
Operating profit, SEK m	531	433
Operating margin, %	8.9	8.2
Result after net financial items, SEK m	527	424
Earnings per share, SEK	4.11	3.31
Equity/debt ratio, %	46.2	47.8
Dividend per share, SEK	3.00	3.00
Equity per share, SEK	16.46	15.61
Market cap per 31 December, SEK m	5,262	5,394

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	1.0
EV/EBIT	11.8
P/E ratio	17.0
Net debt/EBIT	n.a.

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



World leading technology in sorting

Tomra is a world leading company in technology for sorting and recycling. The company that was founded in 1972 in Norway has operations in 50 countries all over the world today and about 1,800 employees.

Tomra's products and services can be found in two main business areas: TOMRA Collection Solutions and TOMRA Sorting Solutions.

TOMRA COLLECTION SOLUTIONS

TOMRA Collection Solutions comprise products, systems and service for automated collection of deposit bottles and bale presses for compression of waste. With an installed base of almost 67 thousand systems on over 30 markets Tomra is a world leading supplier in collection systems for empty cans and bottles. Each year 30 billion drinking containers are collected in the company's systems.

TOMRA SORTING SOLUTIONS

TOMRA Sorting Solutions offer sensor-based technology for

sorting and process analysis. The business area is a world leader in sensor-based sorting solutions with more than 5,800 systems worldwide.

TOMRA Sorting Solutions comprise three strong brands: Titech, which is active in recycling, CommodasUltrasort, which is focused on the mining industry, and Odenberg, which is active in the food industry.

Good prerequisites for profitable growth

Tomra shows good growth and profitability and has strong finances, all of which points to continued positive development. Our ambition is to continue expanding internationally through effective marketing and distribution networks and the technological advantage the company possesses.

A growing interest in sustainability matters and recycling from the general public, business and politicians in combination with industry's focus on handling material efficiently and using resources optimally are positive factors for our market positions in the future. ■

5%
percentage of Latour's
total net asset value

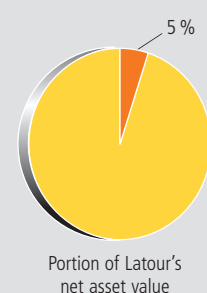
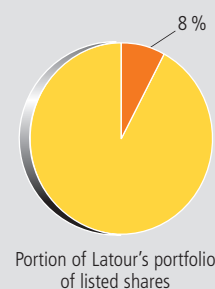
LATOUR'S HOLDINGS IN TOMRA PER 31 DECEMBER 2011

Market value, Latour's share SEK m 1,061
Board members connected to Latour: Jan Svensson

LARGEST OWNERS PER 31 DECEMBER 2011

Owner	Total	Portion % of shares	Portion % of votes
Investment AB Latour	23,000,000	15.5	15.5
Folketrygdfondet	15,853,929	10.7	10.7
The Northern Trust C Treaty Account	12,377,238	8.4	8.4
Skandinaviska Enskilda A/C Finnish Resident	4,521,650	3.1	3.1
State Street Bank AN A/C Client Omnibus F	3,994,622	2.7	2.7
The Northern Trust C Non-Treaty Account	3,327,742	2.2	2.2
Bank of New York MEL S/A Mellon Nominee 1	3,158,772	2.1	2.1
Clearstream Banking	2,758,854	1.9	1.9
JP Morgan Chase Bank Nordea Treaty Account	2,711,053	1.8	1.8
The Hermes Focus Fun C/O The Northern	2,464,933	1.7	1.7
Other shareholders	73,851,285	49.9	49.9
Total	148,020,078	100.0	100.0

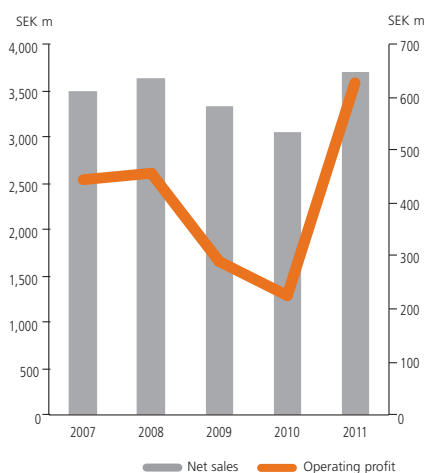
Based on information from SIS Ägarservice AB.



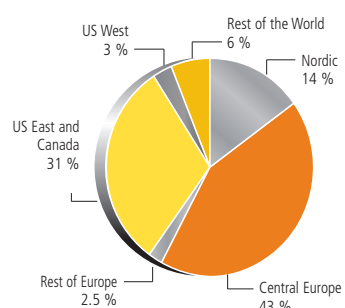


Tomra's profitable growth continued in 2011 with an increase in net sales of 21.0 percent and an operating margin that grew to 16.9 percent.

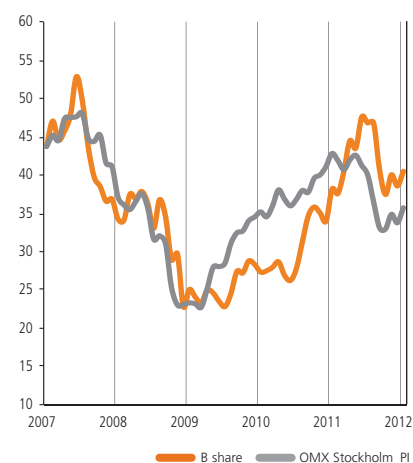
NET SALES AND OPERATING PROFIT



ALLOCATION OF NET SALES 2011



TOMRA SHARE PRICE DEVELOPMENT



Chairman: Svein Rennemo

President and CEO: Stefan Ranstrand

Shares: The Tomra B share is traded on Oslo Børs, under the symbol TOM. Tomra became a listed company in 1985.

Further information:

www.tomra.com

KEY RATIOS TOMRA

	Full-year 2011	Full-year 2010
Net sales, NOK m	3,690	3,050
Operating profit, NOK m	625	225
Operating margin, %	16.9	7.4
Result after net financial items, NOK m	604	219
Earnings per share, NOK	2.60	0.50
Equity/debt ratio, %	55.0	58.0
Dividend per share, NOK ¹⁾	1.05	0.60
Equity per share, NOK	14.47	12.38
Market cap per 31 December, NOK m	5,936	5,743

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	2.0
EV/EBIT	11.9
P/E ratio	18.0
Net debt/EBIT	0.9

¹⁾ Proposed dividend for 2011.

²⁾ Based on last price paid 2012-02-29.



International success with unique spread tow fabric

Latour made its first investment in Oxeon in 2007, a young research-based company that had good potential for international growth with its own products. In 2011 Oxeon's products were behind a long line of victories in everything from F1 to decisive hockey games. This success contributed to nearly 9 percent higher net sales.

Oxeon in Borås, Sweden, manufactures and markets a spread tow fabric that consists of carbon fibre tows instead of threads. The company, founded in 2002, has four patents in this field.

Oxeon's reinforced fabric is marketed under the brand TeXtreme® and is offered to the composite industry and customers that need to reduce the weight of their products. Customers that use TeXtreme® have been able to reduce weight by up to 25–30 percent and still maintain, or improve, mechanical performance.

In 2011 net sales increased by almost 9 percent to SEK 45.4 m and the operating margin amounted to 16 percent. Oxeon's sales are almost exclusively exports. At the beginning of 2011 an office was opened in the US to get closer to customers in North America. In order to meet the upswing in demand Oxeon invested in higher production capacity in the autumn

of 2010 and the beginning of 2011. Revolutionary technology was launched during the year which made it possible to manufacture variants of TeXtreme® where the carbon fibre tows can be placed at any angle.

TeXtreme® behind many victories

Oxeon's spread tow fabric is used by customers such as Formula 1 car-makers, Bauer, a manufacturer of hockey sticks, Fanatic, a manufacturer of windsurfing boards, and Fujikura, a manufacturer of golf club handles.

2011 was a year of success for TeXtreme® users. Not only were all the races in F1 won by cars built in this material. In the total team competition four of the five best cars were built in TeXtreme®.

A hockey stick from Bauer, made from TeXtreme®, was behind two goals in the deciding game in the Stanley Cup that Boston Bruins won by 4–0. The winner of the Art Ross Trophy and six of the ten best scorers in the season also had Bauer sticks with TeXtreme®.

Oxeon was in the 2011 finals in the JEC Innovation Awards, an annual international competition where the best innovators in composite are awarded.

Awarded efforts for strong growth

In 2011 Oxeon was given a prize in "Ernest & Young Entrepreneur Of The Year" for best international growth and it was voted one of the hottest companies in West Sweden by Göteborgs-Posten, a Swedish newspaper. Oxeon was ranked number five, after companies like AB Volvo and SKF. In 2010 Oxeon was awarded the Supergasell in the newspaper Dagens Industri's competition for the fastest growing Swedish company, because it grew 3,000 percent in three years.

In the spring of 2011 the Swedish Prime Minister visited Oxeon's headquarters in Borås, Sweden, to learn about the factors behind the company's exceptional development.

Latour's holding

Oxeon is an unlisted company. At year-end Latour's holding amounted to a net asset value of SEK 32 m and 31.6 percent of capital and votes.

Oxeon (SEK m)	2011	2010
Net sales	45.4	41.8
Operating margin (EBIT), %	16.0	29.8
Profit before tax	6.8	11.1



Oxeon's spread tow fabric reduces weight and increases performance in products like Formula 1 cars and Bauer hockey sticks.

ACADEMIC WORK.

The largest staffing agency for Young Professionals in the Nordic region

Academic Work is the largest staffing agency in the Nordic region in the niche Young Professionals, i.e. students and young academics. Academic Work currently has operations throughout Sweden and has been active internationally since 2007. The company's ambition is continued expansion and its vision is to be the largest in its niche.



In 2011 Academic Work staffed more than 16,500 jobs. With 200,000 active candidates the company has the largest CV database.

Academic Work was founded in 1998 by three students who saw that connecting students looking for extra work with companies looking for temporary staff would benefit them both. This simple business concept was the foundation for a steadily growing company with over 450 employees today.

The largest candidate base in the Nordic region

With 200,000 active candidates Academic Work has the largest CV base in its niche. Staffing includes recruitment, where the student is directly hired by a company, and staffing personnel temporarily, where consultants are hired on an assignment-basis to clients. Academic Work makes 800 recruitments annually and 6,000 staffing consultants are working on assignment for clients every day.

Higher net sales and improved profit in 2011

Net sales increased by 30 percent to SEK 1,667 (1,279) m in 2011 and operating profit increased to 10.8 (7.8) percent. Profit before taxes were SEK 180 (100) m.

The company's positive development has been noted several times in Swedish business. In 2011 Academic Work was nominated for the Founders Awards, a competition for the most successful companies in Sweden. Another distinction is Superföretag awarded by Veckans Affärer (a business magazine) which Academic Work won based on the following criteria: growth, profit, returns, effectiveness, capital structure and financing.

International expansion

In 2007 Academic Work initiated its international expansion by opening an office in Oslo, Norway. By the end of 2011 the company had operations in Norway, Finland, Denmark and Germany.

Latour's holding

Academic Work is an unlisted company. At year-end Latour's holding amounted to a net asset value of SEK 350 m and 20 percent of the capital and votes. The holding was added to Latour in 2011 in connection to the merger with Säkl.

Academic Work (SEK m)	2011	2010
Net sales	1,667	1,279
Operating margin (EBIT), %	10.8	7.8
Profit before tax	180	100

Five year overview

PARENT COMPANY (SEK m)	2011	2010	2009	2008	2007
Dividends received	430	279	292	320	274
Dividends paid	957 ¹⁾	491	360	491	458
Equity/debt ratio	93%	100%	98%	98%	93%
Adjusted equity/debt ratio ²⁾	96%	100%	98%	98%	95%
GROUP (SEK m)					
Return on equity	18%	6%	6%	16%	8%
Return on total capital	17%	6%	6%	14%	8%
Adjusted equity/debt ratio ³⁾	84%	85%	82%	75%	78%
Adjusted equity ³⁾	16,709	13,783	11,051	8,524	12,003
Net debt/equity ratio ³⁾	7%	2%	7%	15%	15%
Net asset value ⁴⁾	22,653	20,536	15,850	10,527	15,348
DATA PER SHARE					
Profit after tax ⁵⁾	14.13	5.37	4.21	11.14	6.71
Listed price 31 December	106,7	124,6	99	62	104
Net asset value per share ⁷⁾	142	157	122	80	117
Share price as a percent of net asset value ⁷⁾	75%	79%	81%	78%	89%
Earnings per share before dilution	14.13	5.37	4.21	11.14	6.71
Earnings per share after full dilution	14.10	5.36	4.21	11.14	6.71
Administration costs, as a percent of portfolio value	0.11%	0.07%	0.08%	0.09%	0.07%
Cash flow from current operations per average number of shares	2.8	3.7	5.4	4.5	3.0
Equity ⁸⁾	66	94	76	60	77
Dividends paid	6.00 ⁹⁾	3.75	2.75	3.75	3.50
Return	5.6% ¹⁰⁾	3.0%	2.8%	6.0%	3.4%
P/E ratio	8	23	24	6	15
Total outstanding shares	159,500,000	131,000,000	131,000,000	131,000,000	131,000,000
Average number of outstanding shares	144,898,630	131,000,000	131,000,000	131,000,000	131,046,405
Average number of shares after full dilution	145,224,005	131,172,973	131,067,110	131,000,000	131,046,405
Bought back shares	460,000	460,000	460,000	460,000	460,000
Average number of bought back shares	460,000	460,000	460,000	460,000	413,595

¹⁾ Proposed dividend based on the number of outstanding shares as of 2012-02-25.

²⁾ Including surplus value in investment portfolio.

³⁾ Including surplus value in associated companies.

⁴⁾ Calculated on the average of the multiple span applied since 2006.

⁵⁾ Recalculated for the split 3:1 which was carried out in June 2007.

⁶⁾ Calculated on an average number of outstanding shares.

⁷⁾ Calculated on the average of the multiple span applied since 2006.

⁸⁾ Calculated on the number of outstanding shares per the balance date.

⁹⁾ Proposed dividends.

¹⁰⁾ Calculated on the proposed dividend.

Information by quarter

SEK m	Q1	Q2	2011 Q3	Q4	Full year	Q1	Q2	2010 Q3	Q4	Full year
INCOME STATEMENT										
Net sales	1,713	1,898	1,714	1,846	7,71	1,338	1,493	1,400	1,760	5,991
Cost of goods sold	-1,120	-1,237	-1,103	-1,179	-4,639	-878	-971	-899	-1,172	-3,920
Gross profit	593	661	611	667	2,532	460	522	501	588	2,071
Costs etc. for the operation	-434	-452	-295	-468	-1,649	-339	-349	-336	-427	-1,451
Operating profit	159	209	316	199	883	121	173	165	161	620
Total portfolio management	61	275	734	338	1 408	73	241	60	-68	306
Profit before financial items	220	484	1,050	537	2,291	194	414	225	93	926
Net financial items	-26	-7	-19	-9	-61	-16	-12	-20	-6	-54
Profit after financial items	194	477	1 031	528	2 230	178	402	205	87	872
Taxes	-33	-52	-61	-36	-182	-38	-43	-39	-50	-170
Profit for the year	161	425	970	492	2,048	140	359	166	37	702
KEY RATIOS										
Earnings per share, SEK	1.23	3.24	6.15	3.08	14.13	1.07	2.74	1.27	0.29	5.37
Cash flow for the period	-47	-126	587	-490	-76	-71	35	130	-57	37
Adjusted equity	86%	84%	83%	84%	84%	83%	82%	83%	85%	85%
Adjusted equity/assets ratio	13,813	13,347	14,809	16,709	16,709	11,756	11,495	12,549	13,783	13,783
NET SALES										
Hultafors Group	275	289	285	334	1,182	259	274	282	319	1,134
Latour Industries	360	401	380	432	1,573	211	252	243	276	982
Specma Group	336	355	324	366	1,381	246	270	241	308	1,065
Swegon	592	731	668	716	2,707	469	529	482	673	2,153
Other companies and eliminations	150	122	57	-2	328	153	168	152	184	657
	1,713	1,898	1,714	1,846	7,171	1,338	1,493	1,400	1,760	5,991
OPERATING PROFIT										
Hultafors Group	33	41	48	30	151	31	34	44	35	143
Latour Industries	75	67	60	45	248	45	48	60	47	200
Specma Group	21	19	20	19	79	3	9	9	8	29
Swegon	42	94	90	86	312	25	64	46	72	208
Eliminations	-	-	-	-	-	-	-	-	-	-
	171	221	218	180	790	104	155	159	162	580
Capital gains in divested companies	-2	-	65		63	3	-	-	-1	2
Other items	-10	-12	33	19	30	14	18	6	-	38
	159	209	316	199	883	121	173	165	161	620
OPERATING MARGIN, %										
Hultafors Group	11.8	14.1	17.0	8.9	12.8	12.0	12.3	15.5	10.9	12.6
Latour Industries	20.8	16.7	15.9	10.4	15.7	21.3	19.0	24.8	16.9	20.3
Specma Group	6.2	5.4	6.1	5.2	5.7	1.2	3.3	3.9	2.6	2.7
Swegon	7.1	12.8	13.5	12.1	11.5	5.4	12.2	9.6	10.8	9.7
	10.4	11.6	12.7	9.8	11.6	7.7	10.4	11.4	10.3	10.9

Annual Report 2011

The board of directors and chief executive officer of Investment AB Latour (publ) herewith present the Annual Report and the consolidated annual accounts for 2011.

Contents

Board of director's report	65
Proposed disposition of profits	68
Consolidated income statement	69
Consolidated balance sheet	70
Consolidated cash flow statement	72
Change in consolidated equity	73
Change in interest-bearing net debt	73
Parent company income statement	74
Parent company balance sheet	75
Parent company cash flow statement	76
Change in parent company equity	76
Notes to the financial statements	77
Audit report	99

Board of directors' report

Group

Investment AB Latour is a mixed investment company. Latour's investments consist of wholly owned industrial operations and an investment portfolio containing nine portfolio holdings in which Latour is the major owner or one of the major owners. In addition there are a number of partnered unlisted companies. The investment portfolio was valued at SEK 14.0 billion on 31 December 2011. The largest holdings in terms of value are Assa Abloy, Securitas and Sweco, which together account for 72 percent of the investment portfolio value.

Group operations are run by Latour's subsidiary Nordiska Industri AB and Latour-Gruppen AB. Trading with shares and securities is handled by another subsidiary, Karpalunds Ångbryggeri AB and yet another subsidiary, Säkl Förvaltning AB manages securities.

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 on the market with better investment opportunities and improved 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.

Changes in the industrial operations 2011

Latour's ambition is for the industrial and operations to grow by 10 percent annually over a business cycle, through a combination of organic growth and acquisitions. Our ambition is to own stable industrial companies with their own products and good prerequisites for internationalization. Five acquisitions were made in the industrial operations in 2011. Furthermore two companies were sold.

In the first six months the business area Latour Industries acquired through Nord-Lock the Italian retailer Sigma-3 S.r.l., the automation company Elator in AVT and Specma Seals

acquired Denstech AB, specialists in seal technology in the process industry.

In the third quarter the business area Latour Industries 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. Their 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 added annual net sales of about SEK 230 m.

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

In the first quarter the business area Specma Group divested its subsidiary Autotube AB. The sale was a part of Latour's continuous overview of the structure in the industrial operations. With the sale of Autotube Latour lost its last operations that had the automotive industry as its largest customer group. Autotube had net sales of SEK 357 m in 2010.

All the shares in the 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.

Further information concerning acquisitions and divestitures of companies is found in notes 44 and 46.

Changes in the investment portfolio

In 2011 a total of 23,000,000 shares were acquired in Tomra Systems ASA. The shares in Tomra correspond to 15.5 percent of shares an capital. The share price was 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, areas considered to have a good potential for stable and long-term international growth.

Tomra fits in well with Latour's investment portfolio and desire to grow internationally.

In addition to Tomra, 622,522 shares were acquired in HMS Networks, 1,000,000 shares in Nobia and 341,829 in Nederman.

At the beginning of September the entire holding in Niscayah was divested at a purchase price of SEK 739 m as a result of the public bid offered by Stanley Black & Decker.

Events after the financial year-end

No important events have been reported.

A smaller acquisition was made at the beginning of February by Latour Industries' subsidiary REAC. The acquisition adds four employees in system and electronic development.

Net sales and profit

Profit for the Group after financial items amounted to SEK 2,230 m (872). Profit after tax was SEK 2,048 m (702), corresponding to SEK 14.13 (5.37) per share. The strong improvement in profit is a result of most of the listed holdings becoming associated companies after the merger between Latour and Säkl. The share of profit in each associated company has been included in Latour's profit.

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

Investments

Investments in tangible assets during the year totalled SEK 188 m (341), of which SEK 148 m (171) were machinery, SEK 30 m (22) vehicles and SEK 10 m (148) buildings. Of the investments made during the year SEK 21 m (215) referred to fixed assets in newly acquired companies.

Investments in intangible assets during the year totalled SEK 277 (490) m, of which SEK 230 (480) m was goodwill.

Parent company

The parent company's result after financial posts amounted to SEK 2,618 m (354). The parent company equity ratio was 93 (100) percent. The strong improvement in profit is a result of most of the listed holdings becoming associated companies after the merger between Latour and Säkl.

The Latour share

On 31 December 2011 the total number of outstanding shares amounted to 159,500,000, excluding bought back shares. Latour already owns 460,000 bought back B shares. Call op-

tions to senior officers have been issued on 447,000 of the bought back shares.

In 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. Further information concerning the share can be found on pages 16 and 17 and in note 35.

Personnel

The average number of employees in the Group was 3,642 (3,057), of which 1,448 (1,060) were employed abroad. Information concerning wages and remuneration as well as the allocation of the number of employees is given in note 9.

Currency exposure

The subsidiaries' sales and purchases in foreign currencies are balanced through the Group's joint financial function. On the balance sheet date sales covered by forward exchange contracts totalled SEK 579 m. Currency hedging amounted to SEK 237 m, not including hedging through currency clauses in major import deals. There is a relatively good balance between purchases and sales in foreign currency, with the exception of net sales in Norwegian crowns and net purchases in US dollars.

Risks in industrial operations

As an owner of diversified industrial operations and an investment portfolio with nine holdings, Latour automatically has a relatively good diversification of risks. Our customers are found in a number of industries, with a certain preponderance by the construction industry. Sales are well distributed in the construction industry between new construction and repairs and maintenance. Moreover, there is a relative balance between commercial premises, public premises and housing. The board annually assesses and evaluates Latour's risk exposure via a structured risk analysis.

Financial risks

Information concerning Group financial instruments and risk exposure can be found on pages 92 to 94.

Board work

The Latour board consists of nine members, including the chief executive officer. There are no deputies. All members are elected for a one-year term. Except for the chief executive officer no members have a position or assignment in the Group. The secretary of the board is the chief financial officer of the Group. Fredrik Palmstierna was elected chairman of the board by the Annual General Meeting 2011.

The members of the board represent 88 percent of the voting shares in the company and 81 percent of the share capital. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly owned com-

panies in the industrial operations. They are therefore not represented in the investment company's board.

The board annually adopts a work program that regulates board meetings, matters that must be put before the board at these meetings, the division of responsibility between the board and the chief executive officer as well as certain other matters. Instructions to the chief executive officer stipulate his duties and reporting responsibilities to the board.

The board has had five meetings during the year, not including the constitutional board meeting and four additional board meetings. Two of the board members were unable to attend one respectively three meetings. Other than that the board was complete.

The company's auditors attended two board meetings and provided reports and observations from the audits performed.

Among the matters dealt with by the board are strategic changes in portfolio investments, acquisitions and divestitures of subsidiaries, the company's risk exposure, budgets and forecasts for the subsidiaries as well as financial follow-up of operations.

The chairman of the board has also made sure that during the year an evaluation of the board's work was carried out and that all board members have expressed their views.

The corporate Governance Report can be found on page 100-103.

Guidelines for remuneration to senior officers

The following guidelines were adopted at the Annual General Meeting 2011:

Remuneration to the chief executive officer and other senior officers consists of wages, variable remuneration and pension. Other senior officers are Group management and business area managers. The variable remuneration is based on targeted goals and amounts to between 0-100 percent of basic wages. In order to promote a long range perspective the board may, in addition to the annual variable remuneration, decide on compensation connected to the business area's long-term value development over a period of three years. The retirement age for the chief executive officer is 62, after which pension makes up 60 percent of basic wages for three years. The retirement age for all other senior officers is 65.

The board may further allow a supplemental remuneration to company management in the form of share-related incentive programs (e.g. a call option program) under the condition that they benefit long-term engagement in the business area and that it is based on market terms.

The board's proposed guidelines for the period up to the next Annual General Meeting will be presented in the summons to the Annual General Meeting 2012.

Environmental impact

The Latour Group runs operations required to have permits according to the Environmental Act in two of the Group's subsidiaries. The companies obliged to seek permits and submit reports are active in production in the engineering industry. Environmental impact is through emissions into the atmosphere and discharge into municipal purification plants. All affected companies have the permits necessary for their operations and have fulfilled all requirements for their operations.

Proposed dividends and profit distribution

The board of directors proposes that the Annual General Meeting resolves to pay a higher ordinary dividend of SEK 4.50 (3.75) per share and an additional dividend of SEK 1.50 per share. The total proposed dividends amount to SEK 957 m. The additional dividend should be seen in light of the divestiture of the entire holding in Niscayah for the purchase price of SEK 739 m in September 2011.

The board of directors proposed disposition of profits is presented in its entirety on page 68.

Prospects for 2012

At the end of 2011 the rise in demand leveled off somewhat after a longer period of recovery and growth. Keeping in mind the global financial crisis in 2008 we take this development seriously, even if there is nothing more than a slowdown in the growth so far. We feel a certain optimism regarding our operations in 2012. At the same time we have action plans for harder times.

The work to develop the industrial companies to larger, more international operations is still highly prioritized. Actions for organic growth are important but we continue to evaluate acquisitions, both in Sweden and Europe. We made five acquisitions in 2011 and our financial stability allows us to make even more.

Just like the wholly owned operations, Latour's listed holdings developed well overall in 2011. Our positive belief in the portfolio as a whole in the long run has not changed.

No forecast is given for 2012. ■

Proposed disposition of profits

Of parent company equity on the balance date SEK 146 m stemmed from assets and liabilities valued at fair value according to Chapter 4, paragraph 14a of the Annual Accounts Act.

Group equity includes changes in value for the net sum of SEK 142 m.

The following profits in the parent company are at the disposal of the Annual General Meeting:

Retained profit	SEK 4,659.4 m
Result for the year	SEK 2,618.2 m
	<u>SEK 7,277.6 m</u>

The number of shares entitling the holder to receive dividends totalled 159,500,000 on 15 March 2012, which does not include bought-back shares. The board proposes that the profits be disposed of in the following manner:

To shareholders, a dividend of SEK 6.00 per share (of which an ordinary dividend of SEK 4.50 per share and an additional dividend of SEK 1.50 per share)

which totals

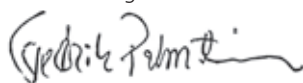
	SEK 957.0 m
To be carried forward	SEK 6,320.6 m
	<u>SEK 7,277.6 m</u>

The board is of the opinion that the proposed dividend is justifiable with regard to the demands that operations impose on the amount of equity, taking into consideration the scope and risks of the business and with regard to the company's and Group's financial strength, liquidity and overall position.


The income statement and balance sheet will be presented to the Annual General Meeting on 2012-05-10 for adoption.

The board of directors and the chief executive officer hereby certify that the consolidated financial reports have been prepared according to International Financial Reporting Standards (IFRSs), as adopted by the EU, and that they give a true and fair view of the Group's financial position and result. The Annual Report has been prepared according to generally accepted accounting principles and gives a true and fair view of the parent company's financial position and result. The board of directors' Report for the Group and the parent company gives a true and fair view of the development of Group and parent company operations, financial positions and result and describes significant risks and uncertainties that the parent company and the companies within the Group face.


Gothenburg 15 March 2012



Fredrik Palmstierna
Chairman



Mariana Burenstam Linder
Member



Anders G. Carlberg
Member



Anders Böös
Member



Carl Douglas
Member



Elisabeth Douglas
Member



Eric Douglas
Member



Jan Svensson
Member/CEO



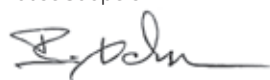
Caroline af Ugglas
Member

Our independent Accountants' Report was given 15 March 2012

Öhrlings PricewaterhouseCoopers AB



Helén Olsson Svärdström
Authorized Public Accountant
Principal auditor



Bo Karlsson
Authorized Public Accountant

Consolidated income statement

SEK m	Note	2011	2010
Net sales	3,4	7,171	5,991
Cost of goods sold		-4,639	-3,920
Gross profit		2,532	2,071
Sales costs		-1,244	-1,071
Administrative costs		-408	-363
Research and development costs		-140	-106
Other operating income	12	170	101
Other operating costs	12	-27	-12
Operating profit	5-11	883	620
Result from participation in associated companies	13	1,449	228
Result from portfolio management	14	-26	92
Administration costs		-15	-14
Profit before financial items		2,291	926
Financial income	15	54	27
Financial costs	16	-115	-81
Profit after financial items		2,230	872
Taxes	17	-182	-170
Result for the year		2,048	702
<i>Attributable to:</i>			
Parent company shareholders		2,048	703
Non-controlling interests		-	-1
Earnings per share regarding profit attributable to parent company shareholders	35		
Before dilution		SEK 14.13	SEK 5.37
After dilution		SEK 14.10	SEK 5.36
STATEMENTS OF THE COMPREHENSIVE INCOME			
SEK m		2011	2010
Result for the year		2,048	702
Other total comprehensive income, net after tax			
Change in translation reserve for the year		-12	-108
Change in the fair value reserve for the year		-1,110	2,179
Change in the hedging reserve for the year		-7	23
Change in associated companies' equity		1,018	-111
Other		-	-2
Other total comprehensive income, net after tax		-111	1,981
Comprehensive income for the year		1,937	2,683
<i>Attributable to:</i>			
Parent company shareholders		1,937	2,684
Non-controlling interests		-	-1

Consolidated balance sheet

SEK m	Note	2011	2010
ASSETS			
Fixed assets			
<i>Intangible assets</i>	18	1,622	1,439
<i>Tangible assets</i>			
Buildings	19	323	387
Land and land improvements	20	20	29
Machinery	21	269	277
Equipment	22	138	145
Construction in progress and advance payments	23	15	9
<i>Financial assets</i>			
Participation in associated companies	25	6,315	1,179
Listed shares	26	1,624	8,138
Other securities held as fixed assets	27	0	1
Deferred prepaid tax	36	25	37
Other long-term receivables	28	54	66
		10,405	11,707
Current assets			
<i>Inventories etc.</i>	29		
Raw materials and consumables		315	266
Work in progress		93	83
Finished products and goods for resale		759	634
Advance payments to suppliers		5	5
<i>Listed shares, trade</i>	30	88	43
<i>Current receivables</i>			
Accounts receivables	31	1,213	1,211
Prepaid tax		62	49
Derivative instruments	32	19	27
Other current receivables		79	55
Prepaid expenses and accrued income		62	55
<i>Cash</i>	33	498	573
		3,193	3,001
Total assets		13,598	14,708

Consolidated balance sheet

SEK m	Note	2011	2010
EQUITY			
<i>Capital and reserves attributable to parent company shareholders</i>	35		
Share capital		133	110
Share buyback		–29	–29
Reserves		92	5,941
Profit brought forward		10,293	6,258
		10,489	12,280
<i>Non-controlling interests</i>		0	0
Total equity		10,489	12,280
LIABILITIES			
<i>Long-term liabilities</i>			
Pension obligations	36	158	159
Deferred tax liability	37	110	99
Other provisions	38	28	32
Interest-bearing liabilities	39	419	178
		715	468
<i>Current liabilities</i>			
Bank overdraft facilities	40	13	41
Liabilities to credit institutions	34	595	534
Advance payments from customers		48	39
Accounts payable		619	680
Tax liabilities		54	102
Other provisions	38	9	8
Other liabilities		638	140
Accrued expenses and deferred income	41	418	416
		2,394	1,960
Total liabilities		3,109	2,428
Total equity and liabilities		13,598	14,708
Pledged assets	42	11	16
Contingent liabilities	43	14	16

Consolidated cash flow statement

SEK m	Note	2011	2010
Operating profit		883	620
Depreciation		163	157
Capital gains		-88	-17
Other adjustments for items not included in cash flow		-23	-38
Paid tax		-224	-144
Cash flow from current operations before changes in operating capital		711	578
<i>Change in operating capital</i>			
Inventories		-253	-64
Accounts receivable		-147	-212
Current receivables		-10	57
Current liabilities		109	126
		-301	-93
Cash flow from current operations		410	485
<i>Investments</i>			
Acquisition of subsidiaries	44	-313	-437
Sales of subsidiaries	46	319	7
Received payment through fusion with Säkl	45	246	-
Acquisition of fixed assets		-181	-106
Sale of fixed assets		42	14
Cash flow from investments		113	-522
<i>Portfolio management</i>			
Dividends received		325	284
Administration costs etc.		-8	-10
Change in operating capital		-	3
Acquisition of listed shares etc.		-1,306	-162
Acquisition of shares in associated companies		-96	-25
Sale of listed shares		287	1,039
Sale of shares in associated companies		757	79
Cash flow from portfolio management		-41	1,208
Cash flow after investments and portfolio management		482	1,171
<i>Financial payments</i>			
Interest received		54	27
Interest paid		-109	-81
New loans		507	162
Repayment by installments		-522	-883
Dividends paid		-491	-360
Issued call options		3	1
Cash flow from financial payments		-558	-1 134
Change in cash		-76	37
Cash at the beginning of the year		573	564
Translation difference in cash		1	-28
Cash at the end of the year	33	498	573

Change in consolidated equity

	Note	Attributable to parent company shareholders				Non-controlling interests	Total
		Share capital	Shares bought back	Reserves	Profit brought forward		
Closing equity 2009-12-31		110	-29	3,847	6,027	1	9,956
Opening balance 2010-01-01	35	110	-29	3,847	6,027	1	9,956
Total comprehensive income				2,094	590	-1	2,683
Issued call options					1		1
Dividends					-360		-360
Closing equity 2010-12-31	35	110	-29	5,941	6,258	0	12,280
Opening balance 2011-01-01	35	110	-29	5,941	6,258	0	12,280
Total comprehensive income				-1,129	3,066		1,937
New issue costs					-10		-10
New issue		23			3,611		3,634
Effect of fusion through the pooling method	26			-4,720			-4,720
Issued call options					3		3
Fusion translation	45				-2,144		-2 144
Dividends					-491		-491
Closing equity 2011-12-31	35	133	-29	92	10,293	0	10,489

Change in consolidated interest-bearing net debt

SEK m	2011-01-01	Change in cash	Change in borrowing	Other changes	2011-12-31
Receivables	60		-7		53
Cash	573	-321		246	498
Pension obligations	-159			1	-158
Long-term liabilities	-178		-241		-419
Bank overdraft facility used	-41			28	-13
Current liabilities	-540		-561		-1,101
Interest-bearing net debt	-285	-321	-809	275	-1,140

Parent company income statement

SEK m	Note	2011	2010
Result from participation in Group companies		–	100
Result from participation in associated companies		2,553	111
Result from portfolio management	14	6	150
Management costs		–9	–5
Profit before financial items		2,550	356
Interest income and similar profit items	15	86	0
Interest costs and similar loss items	16	–18	–2
Profit after financial items		2,618	354
Taxes	17	–	–
Result for the year		2,618	354

Statement of the comprehensive income – Parent company

SEK m	Note	2011	2010
Result for the year		2,618	354
Change in the fair value reserve for the year		–1,108	2,179
Total other comprehensive income		–1,108	2,179
Comprehensive result for the year		1,510	2,533

Parent company balance sheet

SEK m	Note	2011	2010
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Participation in subsidiaries	24	1,246	241
Participation in associated companies	25	2,897	719
Listed shares	26	1,600	8,138
Receivables from Group companies		2,249	774
		7,992	9,872
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		22	–
Other current receivables		4	–
Prepaid expenses and accrued income		2	–
Cash	33	248	6
		276	6
Total assets		8,268	9,878
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	35	133	110
Other funds		242	6,070
<i>Non-restricted equity</i>			
Profit brought forward		4,659	3,335
Result for the year		2,618	354
		7,652	9,869
<i>Provisions</i>			
Pension obligations		1	1
		1	1
<i>Long-term liabilities</i>			
Debts to credit institutions		100	–
Other non-interest-bearing liabilities		5	5
		105	5
<i>Current liabilities</i>			
Other liabilities		510	3
		510	3
Total equity and liabilities		8,268	9,878
Pledged assets			
Pledged assets		–	–
Contingent liabilities	43	1,987	1,837

Parent company cash flow statement

SEK m	Note	2011	2010
Paid tax		–	–
Current receivables		–28	–
Current liabilities		3	3
Cash flow from current operations		–25	3
<i>Portfolio management</i>			
Dividends received		322	280
Administrative costs etc.		–1	–2
Acquisition of listed shares etc.		–1,125	–32
Sale of listed shares		523	952
Cash flow from portfolio management		–281	1,198
Cash flow after investments and portfolio management		–306	1,201
<i>Financial payments</i>			
Interest received		86	0
Interest paid		–18	–2
Received payment through fusion	45	246	–
Net change in borrowings		692	–
Repayment by installments		–	–840
Dividends paid		–461	–360
Issued call options		3	1
Cash flow from financial payments		548	–1,201
Change in cash		242	0
Cash at the beginning of the year		6	6
Cash at year-end	33	248	6

Change in parent company equity

SEK m	Note	Share capital	Reserve fund	Other funds Fund for fair value	Profit brought forward	Total
Opening balance 2010-01-01		110	96	3,795	3,694	7,695
Total comprehensive result				2,179	354	2,533
Dividends paid					–360	–360
Issued call options					1	1
Closing balance 2010-12-31		110	96	5,974	3,689	9,869
Total comprehensive result				–1,108	2,618	1,510
New issue costs					–9	–9
New issue	23				3,611	3,634
Effect of fusion through the pooling method	26			–4,720		–4,720
Fusion translation	45				–2,144	–2,144
Dividends paid				–491	–491	
Issued call options				3	3	
Closing balance 2011-12-31		133	96	146	7,277	7,652

Notes to the financial statements

(All amounts are in SEK m unless stated otherwise)

Note 1 General information

Investment AB Latour (publ), corporate registration number 556026-3237, is a mixed investment company with wholly owned industrial operations and an investment portfolio, which consists of eight significant holdings.

The parent company is a limited company registered in Gothenburg. The headquarters address is J A Wettergrens gata 7, Box 336, 401 25 Gothenburg, Sweden. The parent company is listed on the OMX Nordic Exchange Large Cap list.

The board of directors and the chief executive officer have approved these consolidated accounts for publication on 15 March 2012. The Annual Report and consolidated annual accounts will be presented to the Annual General Meeting on 10 May 2012 for adoption.

Note 2 Accounting principles

Basis of preparation of the consolidated financial reports

The consolidated accounts for Investment AB Latour have been prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standard Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the EC Commission for use in the EU. In addition, the Group has followed the Accounting Act and RFR 1 Supplemental accounting regulations for Groups have been applied.

The consolidated accounts have been prepared according to the acquisition method except for revaluations of available-for-sale financial assets as well as financial assets and liabilities (including derivative instruments) valued at fair value via profit or loss.

Preparing reports according to IFRSs requires using a number of estimations important from an accounting perspective. In addition, management must make some assumptions when using company accounting principles. Areas that require a high level of assumption, those that are complex or areas in which assumptions and estimations are essential to the consolidated accounts are presented in note 49.

The parent company uses the same accounting principles as the Group except in cases described below in the section "Parent company accounting principles". The deviations between the parent company's and the Group's principles are due to limitations in the ability to use IFRSs in the parent company because of the Annual Accounting Act and the Security Law as well as in certain cases for tax purposes.

New and amended accounting principles

The following new and amended standards are obligatory for the first time for the financial year that began on 1 January 2011.

None of the IFRS or IFRIC interpretations that are obligatory for the first time for the financial year that began on 1 January 2011 have had any significant effect on the Group.

New standards, amendments and interpretations of existing standards that have not yet come into effect and will not be applied in advance.

IAS 19 "Employee benefits" was amended in June 2011. The amendment means that the Group will no longer apply the "corridor method" but will instead report all actuary gains and losses in other comprehensive income statements as they occur. The cost for services in past years will be recognized immediately. Interest expenses and anticipated yields on plan assets will be replaced with net interest calculated with the help of the discount rate, based on the net surplus or net deficit in the defined benefit plan.

The consequent effect of the changes in IAS 19 regarding actuary gains and losses is expected to have a negative impact on equity by about SEK 32 m net after tax.

IFRS 9 "Financial instruments" handles classification, valuing and reporting financial liabilities and assets. IFRS 9 stipulates that financial assets must be classified in two different categories: valuing at fair value or valuing at accrued acquisition value. Classification is determined the first time an asset is reported based on the company's business model and the characteristics in the contracted cash flows. There are no major changes regarding financial liabilities compared to IAS 39. The Group intends to apply the new standard at the latest the financial year that starts 1 January 2015 and we have not yet evaluated the effects.

IFRS 10 "Consolidated financial statements" is founded on already existing principles as it identifies control as the critical factor for determining whether a company should be included in Group accounting or not. The standard provides further guidance to aid in determining what is control when it is difficult to judge. The Group intends to apply IFRS 10 for the financial year that starts 1 January 2013 and we have not yet evaluated the full effect on financial reporting.

IFRS 12 "Disclosures of interests in other entities" covers information requirements regarding subsidiaries, joint arrangements, associated companies and structured entities that are not consolidated. The Group intends to apply IFRS 12 for the financial year that starts 1 January 2013 and we have not yet evaluated the full effect on financial reporting.

IFRS 13 "Fair value measurement" is intended to make valuations at fair value more consistent and less complex by providing an exact definition and common source in IFRS for fair value evaluations and related information. The requirements do not expand the area for when fair value must be applied but instead provides guidance on how it is to be applied when other IFRSs already demand or allow fair value. The Group has not yet evaluated the full effect of IFRS 13 on financial reporting and intends to apply IFRS 13 for the financial year that starts 1 January 2013.

None of the other IFRSs or IFRIC interpretations not yet in effect are expected to have any significant effect on the Group.

Consolidated accounts

Subsidiaries

The consolidated financial statements comprise the companies over which Investment AB Latour has a direct or indirect control.

During the accounting period Latour has gone through a merger with Säkl AB. Latour has chosen to report the merger at historically booked values, in accordance with the pooling method. Application of this method means that the booked values in each unit are merged and the accounting principles are adjusted to mirror uniform accounting principles.

Acquisitions of companies are reported according to the acquisition method. This method means that equity, including the capital portion of untaxed reserves in the subsidiary at the time of acquisition are entirely eliminated. Consequently only profit generated after acquisition is included in Group equity.

The purchase price of a subsidiary are the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price includes the fair value of all the assets or liabilities resulting from an agreement on conditional consideration. If the group-wise acquisition value of the shares exceeds the book value of the company's net assets in the acquisition analysis, the difference is shown as goodwill of the Group. If the acquisition cost is lower than the fair value of acquired subsidiary's net assets and any contingent liabilities, the difference is recognized directly in the income statement. Acquisition costs are expensed as they occur. Identifiable acquired assets and transferred liabilities in a business combination are initially valued at fair value on acquisition-date. The Group decides, for each acquisition, if all the non-controlling interests in the acquired entity will be valued at fair value or for the proportional share of the acquired entity's net assets.

Companies acquired during the year are included in the consolidated accounts with amounts that relate to the period after the acquisition. Profits from companies sold during the year have been included in the consolidated income statement for the period up to the point of divestiture. If ownership in an associated company is reduced without losing control only a proportional share of the amounts previously reported in other comprehensive income are, where relevant, reclassified in income.

Latour's foreign Group companies' assets and liabilities are converted at the exchange rate on the balance sheet date. All items in the income statement are converted at the average exchange rate for the year. Translation differences are recognized in Group equity.

Internal Group transactions, balance posts, income and expenses on transactions between Group companies is eliminated. Profit and loss resulting from internal Group transactions and which is reported under assets is also eliminated.

Associated companies

Shareholdings in associated companies, in which the Group holds at least 20 percent but less than 50 percent of voting rights or otherwise has a significant influence but not control over operational and financial management, are reported according to the equity method.

The equity method entails that the book value of shares in associated companies in the Group's accounts corresponds to the Group's participation

in associated companies' equity and any residual value in group-wise surplus and undervalues. The Group's "Share of profits or losses in associated companies" is recorded in the Group's income statement as the Group's share of associated companies' result after tax, adjusted for any depreciation on, or liquidation of, acquired surplus or undervalues respectively.

In the parent company associated companies are recorded according to the acquisition value method.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with Group shareholders. In acquisitions from non-controlling interests the difference between the purchase price and the actual acquired proportion of the booked value of the subsidiary's net assets is recognized in equity. Profits and losses in divestitures to non-controlling interests are also recognized in equity.

When the Group no longer has control or significant influence, each remaining holding is revalued at fair value and the change in booked value is recognized in the income statement. The fair value is used as the first booked value and forms the basis for further reporting of the remaining holding as an associated company, joint venture or financial asset. All amounts referring to the divested unit previously reported in total comprehensive income are reported as if the Group had directly sold the attributable assets or liabilities. This made lead to the recognition via profit and loss of amounts previously reported in other comprehensive income.

If ownership in an associated company is reduced without losing control only a proportional share of the amounts previously reported in other comprehensive income are, where relevant, remeasured in income.

Net sales

Net sales are made up of invoiced sales, excluding value-added taxes, and after deduction of discounts on goods and similar income reductions but before deductions for delivery expenses. Sales are reported after the Group has transferred to the buyer the relevant risks and benefits associated with title to the goods sold and once no right of disposal or possibility of actual control over the goods remains. Where appropriate the Group applies percentage of completion. Group sales are primarily product sales.

Ongoing assignments

Income and costs attributable to completed services rendered or subcontracted assignments are reported as income respectively costs in relation to the stage of completion of the assignment on the balance sheet date (percentage of completion). The stage of completion of an assignment is determined through expenditures made at balance sheet date relative to estimated overall expenditures. If a service rendered or subcontracted assignment cannot be calculated reliably, income is only reported to the extent it corresponds to expenditures that the customer will most likely pay for. An assignment likely to make a loss is immediately reported as an expense.

Other operating income

Other operating income includes income from activities outside standard operations.

Financial income and expenses

Financial income and costs consists of interest income and costs, income from dividends and realized and unrealized exchange losses and gains. Interest income on receivables and interest costs on liabilities are calculated with the compound interest method. Interest costs are recognized in the period they occur regardless of how the borrowed funds are used. Interest costs include transaction costs for loans which have been recorded over the period of the contract, which is also valid for any difference between received funds and repayment amounts. Interest from dividends is recorded when the dividend has been adopted and distribution is assured.

Loan costs

Loan costs that refer to production of an asset for which loan costs can be included in the acquisition value are activated during the period of time it takes to complete the work and prepare the asset for the use it is intended. Other loan costs are recorded when they occur.

Inventory

Inventory is reported at the lower of acquisition cost and net sales value, where acquisition value is calculated using the FIFO method or, alternatively, the weighted average cost if this is a good estimate of FIFO. The net sales value is the estimated sales price in the ongoing operations, with a deduction for applicable variable sales costs. The value of finished goods and work-in-progress includes raw materials, direct work, other direct costs and production related expenditures. Obsolescence is depreciated separately. When assessing net sales value, consideration is given to the age and turnover rate for the article in question. The change between the

opening and closing provision for obsolescence for the year affects operating results in its entirety.

Translation of foreign currency

Functional currency and report currency

Items in the financial statements for the various units in the Group are valued in the currency used in the economy that each company primarily operates in (functional currency). Swedish crowns are used in the consolidated accounts, which is the parent company's functional and report value.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency using the exchange rate on the balance sheet date. Exchange gains and losses that are generated through payment of such transactions and from translation of monetary assets and liabilities in foreign currency at balance date rates are reported in the income statement. The exception is when the transactions are hedges that qualify for hedging accounting of cash flows or net investments where profit/loss is booked as equity.

Translation differences for non-monetary items, such as shares that are valued at fair value via profit or loss are reported as part of the fair value profit/loss. Translation differences for non-monetary items such as shares that are classified as available-for-sale financial assets are recognized as reserves for fair value in equity.

Group companies

The result and financial position for all Group companies (none of which have a high inflation value) that have a different functional currency than report currency are translated to the Group's report currency according to the following:

- assets and liabilities for each balance sheet is recalculated to the balance date rate,
- income and expenses for each income statement is recalculated to the average exchange rate (as long as the average rate is a reasonable approximation of the accumulated effect of the rates on the transaction date, if not income and expenses are recalculated to the rate on the transaction date), and
- all exchange differences are recorded as a separate portion of equity.

At consolidation, exchange differences arising from the translation of net investments in foreign operations, loans and other currency instruments that are identified as hedges of such investments are recognised as equity. When a foreign operation is sold such exchange differences are reported in the income statement as a part of capital gains/losses.

Goodwill and adjustments in fair value that arise when acquiring a foreign company are treated as assets and liabilities in that operation and are translated to the balance date rate.

Tangible assets

Buildings and land largely comprise factories, warehouses and offices. Tangible assets are booked as acquisition value less depreciation. Acquisition value includes costs directly related to the acquisition of the asset.

Costs after acquisition are added to the asset's book value or are reported as a separate asset, depending on what is most appropriate, only when it is probable that the future financial benefits that are connected to the asset will be available to the Group and the asset's acquisition value can be calculated in a reliable manner. All other forms of reparation and maintenance are reported as costs in the income statement during the period they occur.

Depreciation of assets is done on a straight-line basis according to plan down to the estimated residual value of the asset over its estimated useful life according to the following:

Buildings	25–30 years
Land improvements	10–20 years
Machinery	5–10 years
Vehicles and computers	3– 5 years
Other inventory	5–10 years

Assets' residual values and useful lives are tested every balance date and adjusted as needed.

An asset's book value is immediately written down to its recovered value if the book value exceeds its calculated recovered value.

Profits and losses in divestitures are determined through a comparison between sales income and book value and are reported in the income statement.

Intangible assets

Goodwill

Goodwill is the difference between the acquisition value and the Group's

share of the fair value of the acquired subsidiary's or associated company's identifiable net assets on the date of acquisition. Goodwill on the acquisition of subsidiaries is reported as intangible assets. Goodwill on the acquisition of associated companies is included in the value of the Group's share of the associated company.

Goodwill is tested annually to identify any write-down needs and is booked as acquisition value less accumulated write-downs. Booked write-downs of goodwill are not recovered. Profit or loss when a unit is sold include the remaining value of the goodwill related to the divested unit.

Goodwill is allocated to cash generating units when an impairment test is carried out.

Trademarks and licenses

Trademarks and licenses are reported at acquisition value. Trademarks and licenses have a limited useful life and are reported at acquisition value less accumulated depreciation. Trademarks and licenses are amortized on a straight-line basis in order to spread the cost over their estimated useful life (5–10 years).

Write-downs

Assets that have an undefined useful life period are not written-down but tested annually for impairment. The value of depreciated assets is tested for impairment whenever there are indications that the carrying amount is possibly not recoverable. The asset is written-down by the amount that the book value exceeds its recoverable value. The recovery value is the higher of an asset's fair value reduced by sales costs and value in use. When testing for impairment the assets are grouped in the smallest cash-generating units. An impairment test is performed on every balance sheet day on all assets other than financial assets and goodwill, which has previously been written down, to determine whether or not they should be recovered.

Research and development

Expenses for research are recorded on an ongoing basis. Expenses for development are capitalized to the extent they are expected to yield economic benefits in the future. The booked value includes expenses for materials, direct costs for wages and indirect expenses referable to the asset in a reasonable and consistent manner. Other expenses for development are recorded in the income statement as costs as they occur.

Financial instruments

Financial instruments recorded in the balance sheet include accounts receivable, securities, loan receivables and derivatives. Accounts payable, any issued debt or equity instruments, loan liabilities and derivatives are recorded as liabilities and equity.

Financial instruments are initially booked at acquisition value equal to the instrument's fair value including transaction costs for all financial instruments except those categorized as Financial assets recognized at fair value as profit or loss. Recognition then takes place on the basis of classification specified below.

A financial asset or liability is recorded in the balance sheet when the company becomes a party in the instrument's contractual conditions. Accounts receivable are recorded in the balance sheet when an invoice has been sent. Liabilities are recorded when an item has been delivered and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recorded when an invoice has been received.

A financial asset or a part thereof is derecognized from the balance sheet when the rights in the contract are realized, have matured or the company loses control over them. A financial liability or a part thereof is derecognized from the balance sheet when the commitment has been met or otherwise extinguished. The same holds true for part of a financial liability.

Acquisitions and divestitures of financial assets are booked on the date of business, which is the date the company pledges to acquire or sell the asset.

Fair value of listed financial assets is the equivalent of the asset's listed purchase price on the balance sheet date. Fair value of unlisted financial assets is determined by using valuation techniques such as recent transactions, the price of similar instruments or discounted cash flows. For further information see note 34.

Financial assets are controlled at every external reporting instance to determine whether or not there are objective indications that one or a group of financial assets should be written-down. For any equity instruments classified as available-for-sales financial assets, there must be a significant and long decline in the fair value to under the instrument's acquisition value before it can be written-down. If the need arises to write-down an asset in the category available-for-sales financial assets, any previously accumulated value loss recognized other comprehensive income is recognized in the income statement instead. Write-downs of equity instruments reported in the income statement may not later be reversed via the income statement. Financial instruments are classified in categories based on the purpose of

the acquisition of the financial instrument. Company management determines classification at the time of acquisition.

The categories are as follows:

Financial assets valued at fair value via profit and loss

This category has two subgroups; financial assets held for trading and those that the company chose to initially designate to this category. A financial asset is classified in this category if the intention is to sell in the short term (for example listed shares, trading, see note 30). Derivatives are classified as financial assets held for trading if they are not used for hedge accounting. Assets in this category are recognized continuously at fair value and changes in value are recognized in the income statement.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not derivatives or listed on an active market. Receivables arise when the company provides money, goods and services directly to a customer without any intention to conduct trading in the receivables. This category also includes acquired receivables. Assets in this category are valued at amortized cost. Amortized cost is determined based on the compound interest calculated at the time of acquisition.

Available-for-sale financial assets

The category financial assets available-for-sale includes financial assets that have not been classified in any other category or financial assets that were designated to this category at initial recognition (for example listed shares and other investments held as fixed assets). Assets in this category are valued at their current fair value and changes in value are recognized in other comprehensive income. When the investment is derecognized from the balance sheet the cumulative gain or loss that was recognized in equity is recognized as profit or loss.

Other financial liabilities

Financial liabilities not held for trading are initially valued at fair value, net after transaction costs, and thereafter at amortized cost. Amortized cost is determined based on the compound interest calculated at the time the liability was recognized. This means that surplus or undervalues as well as direct issue costs are distributed over the lifespan of the liability.

Derivative instruments are recognized in the balance sheet on the contract date and are valued at fair value, both initially and in following revaluations. The method of recognizing the profit or loss generated from revaluation is determined depending on if the derivative is identified as a hedging instrument and, if such is the case, the properties of the item hedged. The Group identifies certain derivatives as either: a hedge of a very probable forecasted transaction (cash flow hedge); or a hedge of a net investment in a foreign operation.

When a transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item as well as the purpose of risk management and strategy for taking different hedging measures. The Group also documents its assessment when initiating the hedge and continuously thereafter to see if the derivative instruments used in hedging transactions are effective in terms of evening out changes in fair value or cash flows in hedged items.

Cash flow hedges

The effective portion of changes in fair value of derivative instruments identified as cash flow hedges, and which qualify for hedge accounting, are recognized in equity.

Any ineffective portion of the changes in value is recognized directly in the income statement.

The cumulative profit or loss in equity is recovered in the income statement in the period the hedged item affects result (e.g. when a forecasted hedged sale takes place).

When a hedging instrument matures or is sold or when the hedge no longer qualifies for hedge accounting and cumulative profits or losses relating to the hedge are recognized in equity, these result remain in equity and are recorded as income/costs at the same time the forecasted transaction is finally recorded in the income statement. When the forecasted transaction is no longer assessed as probable, the cumulative profit or loss recognized in equity is transferred directly to the income statement.

Hedges of net investments

Hedges of net investments in foreign operations are reported in a similar manner to cash flow hedges. Result attributable to the hedging instrument that relate to the effective portion of the hedge are recognized in equity, profit or loss that relates to the ineffective portion is transferred directly to the income statement.

Cumulative profit or loss in equity is recognized in the income statement when foreign operations are sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised directly in the income statement under *övriga intäkter alternativt övriga kostnader*.

Cash

Cash consist of cash and immediately available balances in banks and similar institutions as well as short-term liquid investments with a term of less than three months that run no real risk of fluctuations in value.

Long-term receivables and other current receivables

Long-term receivables and other current receivables are receivables that arise when the company supplies money without intending to trade on the receivable rights. If the expected holding time of the receivable is longer than one year it is a long-term receivable and if it is shorter it is another receivable. These receivables belong to the category *Loans and receivables*.

Taxes on income

Recorded taxes on income include taxes paid or recovered for the current year, adjustments for previous years' taxes and changes in deferred taxes.

Evaluation of all tax liabilities/prepayment is made on the basis of nominal amounts and according to tax regulations and fixed or announced, and likely to be stipulated, tax rates.

Tax is reported in the income statement except when the underlying transaction is recognized directly against equity, in which case the tax impact is also recognized against equity.

Deferred tax is calculated using the balance sheet method on all temporary differences arising between book and taxable values for assets and liabilities.

Deferred tax credits pertaining to future tax deductions are recorded to the extent it is likely that the deduction can be set off against a surplus on future taxation.

Untaxed reserves including deferred tax liabilities are reported in legal entities.

Deferred tax is not calculated on temporary differences in participation in subsidiaries and associated companies where the date for the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not be recovered in the foreseeable future.

From a fiscal perspective, Investment AB Latour is an investment company. Profits on sales of shares are not liable to tax and losses are not deductible. The company must however declare 1.5 percent of the market value of all shareholdings at the beginning of the year as standard taxable income. However this is only valid for listed shares where the share of votes is under 10 percent. Dividends received are taxable and dividends paid are deductible. Interest income is taxable while administration costs and interest expenses are deductible.

Cash flow analysis

The cash flow analysis is prepared according to the indirect method. Reported cash flow only includes transactions that involve payments and expenditures. Cash includes, besides cash and bank account balances, current financial investments with a maturity period of less than three months.

Leasing

Leasing is classified within the Group as either financial or operational. Leasing of fixed assets where the Group essentially faces the same risks and enjoys the same benefits as direct ownership is classified as financial leasing. The leased asset is then reported as a fixed asset and future leasing fees as interest-bearing debts. Leasing of assets where the lessor essentially retains ownership of the asset is classified as operational leasing, and the leasing fee is expensed in a straight line over the leasing period. In the parent company all leasing contracts are reported as operational.

Government grants

Government grants are reported in the income statement and balance sheet when it is reasonably certain that the conditions associated with the grant will be satisfied and the grant will likely be obtained. Grants are systematically distributed in the same manner and over the same periods as the costs such grants are intended to compensate. Grants pertaining to investments in material assets have reduced the book value of the assets in question.

Provisions

Provisions are recorded when the Group/company has a formal or informal obligation as a consequence of an event and it is likely that resources must be expended to regulate the obligation and a reliable estimation of the amount can be made.

Provisions for warranties are based on the previous years' actual costs.

Pensions

The Group has several defined contribution and defined benefit pension plans. In Sweden and Norway employees are covered by defined benefit, alternatively defined contribution, pension plans. In other countries they are covered by defined contribution plans.

In defined contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay any additional fees. Group profit is charged with costs as the benefits are earned.

In defined benefit plans, remuneration to employees and ex-employees is paid on the basis of salary at the point of retirement and the number of years of service. The Group bears the risk for payment of the pledged remuneration.

The pension cost and the pension obligation of defined benefit plans are calculated using the Projected Unit Credit Method. The method allocates the cost for pensions at the same rate as employees carry out services for the company which increase their right to future remuneration. The calculation is made annually by independent actuaries. The company's obligations are valued at the current value of anticipated future payments by using a discounted interest rate equal to the rate on first class corporate bonds or government bonds with the same maturity period as the obligations in question. The most important actuarial assumptions are set out in note 35.

The interest cost, setting off anticipated returns against any administrative assets, is classified as a financial cost. Other expense items in the overall pension cost burden operating result.

Contingent liabilities

A contingent liability is reported when an obligation may result from events that have occurred and its existence is only confirmed by one or several uncertain future events or when an obligation is not recorded as a liability or provision because it is improbable that an expenditure of resources will be required to regulate it.

Segment reporting

The Group's operations are steered and organized in the Industrial operations and Investment portfolio. Industrial operations are in turn divided into four business areas. These business lines and the investment portfolio make up the Group's operating segments. Income, operating result, assets and liabilities pertaining to the segments include directly attributable items together with items that can reliably be allocated to the segment in question. Non-allocated items generally comprise interest-bearing assets and liabilities, interest income and expenses, costs common to the Group and taxes.

Parent company accounting principles

The parent company follows the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. RFR 2 requires the parent company to follow IFRS/IAS as far as possible. Differences between parent company and Group accounting principles are primarily due to the Annual Accounts Act and the Security Law and in certain cases special tax laws. In the following case the parent company's accounting principles do not coincide with IFRS.

Payments to employees/defined benefit pensions

The parent company's defined benefit pension plans have been calculated according to the Security Law and the Swedish Financial Supervisory Authority's regulations since this is a prerequisite for fiscal deductions.

Note 3 Segment reporting**DEVELOPMENT PER BUSINESS AREA 2011-01-01 – 2011-12-31**

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Specma Group	Swegon	Other ¹⁾		
INCOME							
External sales	1,181	1,566	1,378	2,706	340		7,171
Internal sales	1	7	3	1	–		12
RESULT							
Operating profit	151	248	79	312	93		883
Result from portfolio management						1,408	1,408
Financial income							54
Financial costs							–115
Taxes							–182
Profit for the year							2,048
OTHER INFORMATION							
Assets	1,069	1,379	863	1,726	142	8,248	13,427
Unallocated assets							171
Total assets							13,598
Liabilities	202	277	207	670	65	4	1,425
Unallocated liabilities							1,684
Total liabilities							3,109
Investments in:							
tangible assets	11	52	24	70	31		188
intangible assets	–	276	–	1	–		277
Depreciation	20	40	19	65	19		163

¹⁾ Autotube and Stenberg Group that were divested in 2011 are included in this item.

DEVELOPMENT PER BUSINESS AREA 2010-01-01 – 2010-12-31

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Specma Group	Swegon	Other ¹⁾		
INCOME							
External sales	1,133	975	1,058	2,151	674		5,991
Internal sales	1	7	7	2	1		18
RESULT							
Operating profit	143	200	29	208	40		620
Result from portfolio management						306	306
Financial income							27
Financial costs							–81
Taxes							–170
Profit for the year							702
OTHER INFORMATION							
Assets	944	949	713	1,627	899	9,375	14,496
Unallocated assets							212
Total assets							14,708
Liabilities	188	229	207	624	191	40	1,479
Unallocated liabilities							949
Total liabilities							2,428
Investments in:							
tangible assets	8	80	15	198	40	–	341
intangible assets	–	180	27	283	–	–	490
Depreciation	25	24	20	53	35	–	157

¹⁾ Autotube and Stenberg Group that were divested in 2011 are included in this item.

Group management has determined operating segments based on the information dealt with in Latour's board and which is used to make strategic decisions. The board primarily judges business areas from an operational perspective but to a certain extent geographic aspects as well.

Operations is divided into two main areas; the wholly owned industrial operations and the investment portfolio. The industrial operations are organized in four business areas, Hultafors Group, Latour Industries, Specma Group and Swegon.

The investment portfolio primarily consists of portfolio management of

long-term holdings where Latour owns at least 10 percent of the votes.

In the segment result assets and liabilities have been included in directly related items as well as in items that can be reasonably and reliably allocated to a segment. Tax credits and liabilities (deferred and current) are not recognized in the assets and liabilities of a segment nor are interest-bearing assets and liabilities. All investments except current inventory and inventory of little value are included in the segments' investments in tangible and intangible assets.

Note 4 Geographic markets

Sales allocated to the geographic markets according to the following:

	2011	2010
Sweden	2,965	2,546
Nordic countries excluding Sweden	1,436	1,463
Europe excluding Nordic countries	2,249	1,687
Other markets	521	295
Total	7,171	5,991

Assets are divided into geographic markets as follows:

	2011	2010
Sweden	11,014	12,558
Nordic countries excluding Sweden	580	708
Europe excluding Nordic countries	1,584	1,372
Other markets	420	70
Total	13 598	14 708

Investments are divided into geographic markets as follows:

	2011	2010
Sweden	168	339
Nordic countries excluding Sweden	11	14
Europe excluding Nordic countries	125	474
Other markets	161	4
Total	465	831

The Group's home market is the Nordic countries, with most of production in Sweden.

Note 5 Transactions with related parties

The Douglas family has control over Investment AB Latour. Privately and through companies, the Douglas family controls 79.8 percent of voting rights in Latour. The family has received board representation fees of SEK 1,050,000. Förvaltnings AB Wasatornet, a company wholly owned by the Douglas family, has issued 200,000 call options and 80,000 sell options to senior officers in the Latour Group. Investment AB Latour holds 460,000 bought back shares. Call options have been issued on 447,000 of the repurchased shares to senior officers in the Latour Group. The Annual General Meeting 12 May 2011 gave the board authorisation to decide on buying back shares or transferring own shares. The options are based on market terms. For information concerning wages and other remuneration to the board and other senior officers, see note 9.

Purchasing and sales for the year between Group companies was SEK 2,526 (1,840) m. There were no purchases or sales with the parent company. There were no essential payables or receivables with other closely related persons or associated companies on the balance sheet date.

Note 6 Expenses allocated per type of cost

GROUP	2011	2010
Change in the stock	3,686	3,115
Remuneration to personnel	1,806	1,550
Depreciation	163	157
Other costs	785	650
Total	6,440	5,472

Note 7 Exchange rate differences

Operating result includes exchange rate differences relating to operating receivables and liabilities as follows:

GROUP	2011	2010
Net result	-1	22
Costs of goods sold	5	7
Sales costs	0	0
Other operating income	4	2
Other operating expenses	-	-8
Total	8	23

Note 8 Remuneration to accountants

GROUP	2011	2010
<i>PwC</i>		
Audit assignment	5	4
Audit-related activities	0	0
Tax advisory services	0	0
Other services	2	1
<i>Other accountants</i>		
Audit assignment	2	1
Other services	1	1
Total	10	7

Remuneration to accountants for auditing in the parent company amounted to SEK 114,000 (80,000) and for other consultation SEK 32,000 (257,000).

In addition to auditing the parent company has paid for consultation and other legal auditing connected to the new issue and merger with Sökl AB. These costs are recognized directly in equity and for PwC amount to SEK 1 m.

Note 9 Personnel**Wages, other remuneration and social costs**

	Wages and other remuneration	2011 Social security contributions (of which pension costs)	Wages and other remuneration	2010 Social security contribution (of which pension costs)
Parent company	3	1 (0)	1	1 (0)
Subsidiaries	1,349	445 (142)	1,145	405 (116)
Group	1,352	446 (142)	1,146	406 (116)

Of the Group's pension expenses, SEK 13 (14) m relates to boards and CEOs.

Wages and other remuneration by country and between board members and others, and employees:

	2011		2010	
	Board and CEO (of which bonus)	Other employees	Board and CEO (of which bonus)	Other employees
<i>Parent company</i>				
Sweden	3 (0)	–	1 (0)	–
<i>Subsidiaries</i>				
Sweden	41 (8)	787	37 (8)	713
Denmark	8 (0)	52	6 (0)	64
Finland	7 (0)	84	5 (1)	75
Norway	3 (1)	51	4 (1)	46
Germany	4 (0)	29	4 (0)	24
Great Britain	4 (1)	43	6 (1)	46
Other countries	27 (4)	212	24 (4)	91
Group total	97 (14)	1,258	87 (15)	1,059

Periods of notice within the Group are, depending on age and position, between 3 and 24 months.

Remuneration to senior officers*Principles*

The chairman of the board and board members receive the remuneration decided by the Annual General Meeting. They are not paid extra for committee work.

Remuneration to the CEO and other senior officers consists of basic salary, variable remuneration, other benefits and pension. Other senior officers are the members of Group management and business area managers, who report directly to the CEO.

The variable remuneration to the CEO is based on goals achieved during the year was maximized in 2011 to 78 percent of the basic wage.

Variable remuneration for other senior officers is based on profits and return on working capital. This remuneration is a maximum of 14 and 83 percent of the basic salary. In order to promote a long range perspective the board may, in addition to the annual variable remuneration, decide on compensation connected to the business area's long-term value development over a period of three years.

The board may further allow a supplemental remuneration to company management in the form of share-related incentive programs (e.g. a call option program) under the condition that they benefit long-term engagement in the business area and that they are based on market terms.

Remuneration and other benefits during 2011

(SEK '000)	Basic salary/ board fees	Variable remuneration ³⁾	Other benefits ²⁾	Pension cost	Total
Chairman of the board	1,000	–	–	–	1,000
Other board members (7 people) ¹⁾	2,450	–	–	–	2,450
Chief Executive Officer	3,488	2,154	118	1,036	6,796
Other senior officers (5 people)	8,426	2,842	482	2,723	14,473

¹⁾ Other board members have received SEK 350,000 per member.

²⁾ Other benefits concern accommodation and car benefits.

³⁾ Variable remuneration to the CEO was equal to 62 percent of his basic salary and to other senior officers it ranged from 11-52 percent of their basic salary.

Pensions

The CEO may retire at the age of 62, whereupon a pension of 60 percent of his basic salary is paid for 3 years.

The retirement age for other senior officers is 65.

Call options

Call options have been issued on 447,000 of a total of 460,000 repurchased shares to senior officers. The option premium for the issued call shares in 2011 amounted to SEK 10.00 and SEK 13.20 per call option and the redemption price per share amounts to SEK 105.00 and 149.15. There are no social security fees since the program is based on market terms.

Cont.

Note 9 cont.

Severance payment

The period of notice between the company and CEO is 12 months if given by the company. In the case of dismissal by the company the CEO will receive severance pay of 12 months' salary. Severance pay is not set off against any other income. The CEO must give six months notice and does not receive severance pay.

The period of notice between the company and other senior officers varies from 6 to 24 months. In the case of dismissal by the company the senior officers receive their salary during their notice period. Senior officers must give six months' notice and do not receive severance pay.

Preparation and decision process

The principles for remuneration to senior officers are decided by the Annual General Meeting. The Chief Executive Officer's salary and employment terms are determined by the board. The board has given the chairman, after contact with the remuneration committee, the assignment of reaching an agreement with the CEO. The board is then informed of the outcome of the negotiations.

Remuneration to other senior officers is determined by the CEO in consultation with the chairman of the board.

Gender split in company management

PARENT COMPANY	2011		2010	
	Men	Women	Men	Women
Board members	67%	33%	71%	29%
Chief Executive Officer	100%	0%	100%	0%

Group senior officers are 100 percent (100) men.

Average number of employees

PARENT COMPANY	2011		2010	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	–	–	–	–
SUBSIDIARIES				
Sweden	2,194	85%	1,997	81%
Finland	235	83%	200	81%
Romania	106	36%	95	38%
Denmark	69	71%	125	79%
Norway	94	88%	88	73%
Great Britain	136	57%	163	58%
Germany	57	61%	49	61%
Other countries	751	77%	340	63%
Total in subsidiaries	3,642	80%	3,057	76%
Total	3,642	80%	3,057	76%
OPERATING AREAS	2011	2010		
Industrial operations	3,641	3,056		
Investment portfolio	1	1		
Total	3,642	3,057		

Note 10 Depreciation

Depreciation of intangible assets in the Group amounted to 13 (14) and of tangible assets to 150 (143). Depreciation is distributed per function in the income statement as follows:

GROUP	2011	2010
<i>Trademarks, licences</i>		
Costs of goods sold	8	9
Sales costs	0	3
Administrative costs	5	2
Total	13	14
<i>Buildings</i>		
Costs of goods sold	13	10
Sales costs	2	2
Administrative costs	2	4
Research and development costs	2	–
Other operating costs	1	2
Total	20	18
<i>Land and land improvements</i>		
Costs of goods sold	0	0
Total	0	0
<i>Machinery</i>		
Cost of goods sold	69	65
Sales costs	4	1
Administrative costs	1	3
Total	74	69
<i>Equipment</i>		
Cost of goods sold	19	19
Sales costs	13	16
Administrative costs	9	6
Research and development costs	1	1
Other operating costs	14	14
Total	56	56
Total depreciation	163	157

Note 11 Leasing

Leasing costs for premises, machinery, computers and office equipment for the Group were 64 (67).

Future minimum leasing fees in the Group for non-cancellable operating leases fall due as follows:

Year	Future minimum leasing fees
2012	47
2013–2016	104
2017–	8
Total	159

The financial leasing in the Group consists of a building. It is reported as a fixed asset at the booked value of SEK 97 (101). Future leasing fees for this building are reported as interest-bearing liabilities of SEK 76 (82) m and mature in 2027 (see note 19 also).

Note 12 Operating income and expenses

Other operating income		
GROUP	2011	2010
Capital gains on sales	81 ¹⁾	5
Income from rent	2	2
Valuation of forward exchange contracts	–	38
Exchange rate differences	4	2
Share of result in associated companies	32 ²⁾	15
Other income	51	39
Total	170	101

Other operating expenses		
GROUP	2011	2010
Depreciation	–15	–16
Capital gains on sales	–2	–2
Property management costs	0	0
Valuation forward exchange contracts	–8	0
Write-downs of goodwill	–12	0
Exchange rate translations	0	–8
Other costs	10	14
Total	–27	–12

¹⁾ Gains of SEK 74 m from the sales of one of the Group's properties are included

²⁾ Refers to shares in the result from Oxeon by SEK 3 (4) m and Academic Work SEK 29 (–) m.

Note 13 Result from participation in associated companies

	2011	2010
Share of result for the year after tax	944	132
Depreciation of surpluses	–	–3
Write-downs	23	59
Net change in capital	–6	–12
Result from sales of participation	488	52
Total	1,449	228

Individual holdings have affected results as follows:

	2011	2010
Assa-Abloy	478	–
Fagerhult	103	28
HMS Networks	14	–
Loomis	46	–
Nederman	40	64
Niscayah Group	486	–
Securitas	182	–
Sweco	100	136
Total	1,449	228

Since Latour normally cannot wait for the result reports from each associated company Latour has chosen to apply the principle of basing each company's quarterly financial report on the outcome of the previous quarter and then extrapolate an estimated outcome. The companies' results vary which means the reported profit share can deviate from the booked outcome but this is corrected in the next quarterly financial report. The reported value of shares in associated companies is checked against market prices and written down if necessary.

Note 14 Result from investment portfolio

GROUP	2011	2010
<i>Result from fixed assets</i>		
Dividends	–	209
Capital gains on sales	–	–134
Other income	6	4
	6	79
<i>Result from current assets</i>		
Dividends	7	4
Capital gains	–27	11
Revaluation, booked in the income statement	–10	–2
Other	–2	–
	–32	13
Total portfolio	–26	92

PARENT COMPANY	2011	2010
<i>Result from fixed assets</i>		
Dividends	–	280
Capital gains on sales	–	–134
Other income	6	4
Total portfolio	6	150

Note 15 Financial income

GROUP	2011	2010
Interest income	12	4
Exchange gains	40	19
Other financial income	2	4
Total	54	27

PARENT COMPANY	2011	2010
Interest income from Group	81	–
Other interest income	5	0
Total	86	0

Note 16 Financial costs

GROUP	2011	2010
PRI interest	–7	–7
Other interest expenses	–72	–52
Exchange losses	–27	–22
Other financial costs	–9	0
Total	–115	–81

PARENT COMPANY	2011	2010
Interest expenses to Group	–18	–2
Total	–18	–2

Note 17 Tax on result for the year

GROUP	2011	2010
Current tax costs for the period	–164	–169
<i>Deferred tax attributable to changes in temporary differences</i>		
Deferred tax income	21	19
Deferred tax costs	–39	–20
Total	–182	–170

Difference between actual tax costs and tax based on applicable tax rates

GROUP	2011	2010
Result before tax	2,230	872
Tax according to applicable tax rate, 26.3 %	–586	–229
Tax effect of special taxation rules for investment companies	189	93
Effect of associated company accounts	154	16
Tax effect of non-deductible costs	–6	–14
Tax effect of non-taxable income	40	18
Other tax effects	33	–54
Tax on result for the year according to the income statement	–182	–170

PARENT COMPANY	2011	2010
Result before tax	2,618	354
Tax according to applicable rate, 26.3 %	–688	–93
Tax effect of special taxation rules for investment companies	189	93
Tax effect of non-taxable income	499	–
Tax on result for the year according to the income statement	0	0

The applicable tax rate for the Group, as for the parent company, is 26.3 percent.

Investment companies are allowed a tax deduction for the dividend approved at the subsequent Annual General Meeting. Capital gains are not taxable while capital losses are not deductible. Investment companies are taxed on a standardised basis. Please refer to note 37.

Note 18 Intangible assets

GROUP	Goodwill	Trademarks, licences	Total
Accumulated acquisition values			
Opening balance 2010-01-01	963	128	1,091
Acquisitions for the year	480	10	490
Sales for the year	-3	-	-3
Translation difference	-51	-3	-54
Closing balance 2010-12-31	1,389	135	1,524
Opening balance 2011-01-01	1,389	135	1,524
Acquisitions for the year	230	47	277
Sales for the year	-79	-1	-80
Reclassification	5	-5	0
Translation difference	10	1	11
Closing balance 2011-12-31	1,555	177	1,732
Accumulated depreciation			
Opening balance 2010-01-01	0	-70	-70
Depreciation for the year	-	-14	-14
Closing balance 2010-12-31	0	-84	-84
Opening balance 2011-01-01	0	-84	-84
Depreciation for the year	-	-13	-13
Closing balance 2011-12-31	0	-97	-97
Accumulated depreciation			
Opening balance 2010-01-01	-1	0	-1
Depreciation for the year	-	-	0
Closing balance 2010-12-31	-1	0	-1
Opening balance 2011-01-01	-1	0	-1
Depreciation for the year	-12	-	-12
Closing balance 2011-12-31	-13	0	-13
Book value	1,542	80	1,622
Recorded values			
Per 2010-01-01	962	58	1,020
Per 2010-12-31	1,388	51	1,439
Per 2011-01-01	1,388	51	1,439
Per 2011-12-31	1,542	80	1,622

The effect of depreciation on results is detailed in note 10.
All goodwill is related to the segment industrial operations. After impairment testing of goodwill write-downs in 2011 were SEK -12 m. The write-downs refer to the holding in Brickpack AB and were based on anticipated future developments.

Impairment tests of goodwill

Certain valuation assumptions, which are the basis of the evaluation, have been given for the Group's most significant goodwill items.

Group goodwill value per business area

GROUP	Booked value, SEK m
Hultafors Group	371
Latour Industries	593
Specma Group	153
Swegon	425
	1,542

Assumptions for certain significant goodwill items are given below

	Book value SEK m	Growth assumption (projection)	Margin assumption (projection)
Blue Box Group	271	3-23 %	8-11 %
Snickers Workwear	340	3-8 %	11.2 %
Nord-Lock Group	346	3-9 %	15 %
Swegon Ilto	111	3-10 %	10-10.8 %
Specma HS	87	0-10 %	7-10.5 %
		Growth assumption (terminal)	Marginal assumption (terminal)
Blue Box Group		3 %	11 %
Snickers Workwear		2 %	11.2 %
Swegon Ilto		3 %	10.5 %
Nord-Lock Group		2 %	15 %
Specma HS		3 %	10.5 %

All Group goodwill items have been evaluated according to IAS 36 in order to determine the recoverable amount for cash generating units. The valuations are not market value. Individual assumptions regarding growth, profit margins, tied up capital and investment needs as a risk premium have been made for each of the Group goodwill items. The risk premium increment which has been added onto the risk free interest level is made up of a general risk premium for company investments and a specific risk premium for individual operations based on their circumstances.

Key assumptions

Impairment tests have been made with projections of between 5 to 10 years depending on the assessment in the individual case. Occurrence of the sustainable level in impairment tests has therefore been assessed at 5 to 10 years from one case to another. Estimations of future cash flows have been made based on the assets' existing structure and do not include future acquisitions. The required return before tax varies from between 10.3 percent to 12.4 percent. In most of the tests the higher part of the interval has been used.

Market shares and growth

Current market shares have been assumed valid for future periods based on previous experience and external information sources

Personnel expenses

Projected personnel expenses are based on anticipated inflation, a certain real wage increase (historical average) and planned rationalizations in production. The projection concurs with previous experience and external information sources.

Exchange rates

Exchange rates projections are based on current listed exchange and forward rates. The projection concurs with external information sources.

Exchange rate EUR	8.94
Exchange rate DKK	1.203
Exchange rate NOK	1.150
Exchange rate GBP	10.68
Exchange rate CHF	7.36
Exchange rate USD	6.92

For most of the Group's units the recoverable value surpasses book value with a good margin. Group management believes that a change in one key assumption would not, on its own, have such a significant effect that it would reduce the recoverable value to a value lower than the book value.

Note 19 Buildings

GROUP	2011	2010
Opening acquisition value	660	529
Opening acquisition value from acquisitions	–	157
Purchase	10	0
Sales and disposals	–125	–6
Reclassification	0	0
Translation differences	–2	–20
Closing acquisition values	543	660
Opening depreciation	–259	–237
Opening depreciation value from acquisitions	0	–11
Sales and disposals	68	–
Depreciation for the year	–20	–18
Reclassification	0	0
Translation differences	1	7
Closing depreciation	–210	–259
Opening write-downs	–14	–20
Write-downs for the year	–	–
Sales and reversals	4	6
Closing write-downs	–10	–14
Book value	323	387

Depreciation for the year is found in note 10.

Building items include a property owned by the company through a financial leasing contract with the following amounts:

	2011	2010
Acquisition value - activated financial leasing	102	102
Accumulated depreciation	–5	–1
Booked value	97	101

Note 20 Land and land improvements

GROUP	2011	2010
Opening acquisition value	35	35
Opening acquisition value from acquisitions	–	1
Sales and disposals	–9	0
Translation differences	0	–1
Closing acquisition values	26	35
Opening depreciation	–6	–6
Depreciation for the year	0	0
Translation differences	0	0
Closing depreciation	–6	–6
Book value	20	29

Depreciation for the year is found in note 10.

Note 21 Machinery

GROUP	2011	2010
Opening acquisition value	1,065	904
Opening acquisition value from acquisitions	76	144
Purchases	86	64
Sales and disposals	–185	–31
Reclassification	–	–1
Translation differences	4	–15
Closing acquisition values	1,046	1,065
Opening depreciation	–788	–669
Opening depreciation from acquisitions	–59	–91
Sales and disposals	147	31
Depreciation for the year	–74	–69
Reclassification	–	1
Translation differences	–3	9
Closing depreciation	–777	–788
Book value	269	277

Depreciation for the year is found in note 10.

Note 22 Equipment

GROUP	2011	2010
Opening acquisition value	595	520
Opening acquisition value from acquisitions	10	86
Purchases	71	62
Sales and disposals	–98	–55
Reclassification	–5	–2
Translation differences	–	–16
Closing acquisition values	573	595
Opening depreciation	–450	–379
Opening depreciation from acquisitions	–6	–72
Sales and disposals	74	41
Depreciation for the year	–56	–56
Reclassification	3	3
Translation differences	–	13
Closing depreciation	–435	–450
Book value	138	145

Depreciation for the year is found in note 10.

Note 23 Construction in progress and advance payments for fixed assets

GROUP	2011	2010
Opening acquisition value	9	14
Costs expended during the year	16	14
Reclassification	–10	–19
Book value	15	9

Note 24 Participation in subsidiaries

	2011	2010
Opening acquisition value	1,246	241
Change for the year	–	–
Closing acquisition value	1,246	241

Company name	Corporate registration number	Domicile	Number of shares	Share of equity in %	Book value (SEK m)
Karpalunds Ångbryggeri AB	556000-1439	Stockholm	3,600	97	1
Säkl Förvaltning AB	556832-2209	Stockholm	500	100	1,005
Latour-Gruppen AB	556649-8647	Göteborg	400,000	100	49
Hultafors Group AB	556365-0752	Bollebygd	349,873	100	
Hultafors AB	556023-7793	Bollebygd	30,000	100	
Hultafors Group Finland Oy	0664406-9	Finland	100	100	
Hultafors Group Norge AS	983513328	Norway	1,000	100	
Hultafors Group Danmark AS	14252533	Denmark	500,000	100	
Hultafors UMI S.R.L.	J32/572/22.11.1996	Romania	78,661	100	
Fisco Tools Ltd	755735	Great Britain	200,000	100	
Hultafors Group Sverige	556113-7760	Bollebygd	1,000	100	
Snickers Workwear Logistics BV	8117646	The Netherlands	200	100	
Snickers Production SIA Latvia	40003077239	Latvia	100	100	
Snickers Original NV Belgium	0444.346.706	Belgium	50	100	
Snickers Workwear Ltd	01952599	Great Britain	100,000	95	
Snickers Workwear Switzerland AG	CH 036.3.044.124-4	Switzerland	1,000	100	
Tradewear Ltd	65695194	Ireland	15,700	100	
Hultafors Group Germany GmbH	147860778	Germany	50,000	100	
Specma Group AB	556089-9550	Göteborg	10,000	100	
Specma Hydraulic Finland OY	0292607-7	Finland	400	100	
Specma Hydraulic Shanghai	79274263-4	China	1	100	
Specma Hydraulic Polska Sp.z o.o.	320724049	Poland	500	100	
Specma HS AB	556063-2134	Göteborg	10,000	100	
Fastighets AB Hydraulen	556363-6256	Göteborg	1,000	100	
Specma Component AB	556219-2202	Skellefteå	7,500	100	
Specma Wiro AB	556362-4641	Motala	5,000	100	
Specma Hydraulic U.S. Inc.	30-05199401	USA	100	100	
Specma Do Brasil Mang. Hidr. Ltda	10.343.468/0001-32	Brazil	127,500	51	
Samwon Tech (Europe) Ltd	4 746 517	Great Britain	100	100	
Komponenthuset A/S	29 92 02 49	Denmark	348	74.9	
Swegon AB	556077-8465	Vara	400,000	100	
Swegon GmbH	HRB 55388	Germany	1	100	
Swegon AS	247231	Denmark	5	100	
Swegon GmbH Austria	FN 229472	Austria	1	100	
KB Söderby 1:752	916634-4441	Vara	1	100	
Swegon Ltd	1529960	Great Britain	50,000	100	
Swegon S.á.r.l.	409-770-195	France	2,000	100	
Swegon SA	48-205-4517	Switzerland	100	100	
Swegon s.r.o.	275 90 071	The Czech Republic	1	100	
Swegon Inc	26-1934480	USA	1,000	100	
Swegon Eesti OU	11726958	Estonia	1	100	
Swegon AS	933-765-806	Norway	1,500	100	
Oy Swegon AB	240.505	Finland	20,000	100	
Lewaco Trading AB	556343-3423	Vara	1,000	100	
Swegon Sp.z o.o.	632031333	Poland	1,454	100	
Swegon BV	24408522	The Netherlands	100	100	
Swegon s.r.l	1853574	Italy	1	100	
Swegon Belgium S.A.	893.224.696	Belgium	620	100	
Swegon Indoor Climate S.A.	A-84244763	Belgium	6,011	100	
Swegon ILTO Air OY	1615732-8	Finland	1,000	100	
Swegon BB s.r.l	03991770276	Italy	1	100	
Blue Box Group s.r.l	02481290282	Italy	1	100	
Blue Box France SA	48535226400017	France	0.9	100	
Aplicaciones Climaticas BBG SI	B 97613780	Spain	0.65	100	
Blue Box Air	U74210MH2008FTC189149	India	2,397,500	95.9	
Latour Industries International AB	556018-9754	Göteborg	100,000	100	
Carstens AB	556059-6776	Bankeryd	18,500	100	
KB Backen Västergård 1:141	916634-4490	Bankeryd	1	100	
Granaths Hårdmetal AS	182650	Denmark	2,550	100	
Machine Trading Team OY	1032222-2	Finland	100	100	
Skandinaviska Chuckfabriken AB	556456-8060	Hässleholm	400	100	
Bergmans Chuck AB	556059-1736	Hässleholm	1,200	100	
Fortiva AB	556563-6742	Hässleholm	4,000	100	
LSAB Växjö AB	556463-2833	Växjö	2,500	100	
LSAB Norge AS	95882479	Norway	300	100	
LSAB Group AB	556655-6683	Hedemora	1,000	100	
LSAB Långshyttan AB	556222-1746	Hedemora	2,500	100	
LSAB Norrslip AB	556246-5780	Hedemora	2,000	100	

Cont.

Note 24 cont.

Company name	Corporate registration number	Domicile	Number of shares	Share of equity in %	Book value (SEK m)
LSAB Mörlunda AB	556505-4912	Hedemora	1,000	100	
LSAB Trollhättan AB	556396-2272	Hedemora	1,000	100	
LSAB Suomi OY	0140601-0	Finland	1,050	100	
LSAB Vändra AS	10120018	Estonia	6,000	100	
LSAB Latvia SIA	40003381260	Latvia	23,150	100	
LSAB Instrument Service	1089847103950	Russia	1	100	
MachToolRent	1107847394687	Russia	1	99	
Specma Tools AB	556737-4664	Gothenburg	1,000	100	
Specma Seals AB	556198-5077	Gothenburg	10,000	100	
AVT Group AB	556863-5964	Gothenburg	500	100	
AVT Industriteknik AB	556596-5786	Alingsås	4,000	100	
Denstech AB	556337-4767	Gothenburg	1,950	100	
Brickpack AB	556194-2615	Laholm	200	100	
Nord-Lock AB	556137-1054	Åre	8,000	100	
Nord-Lock International AB	556610-5739	Gothenburg	1,000	100	
Nord-Lock Ltd	4117670	Great Britain	100	100	
Nord-Lock SARL	439-251-901	France	1,000	100	
Nord-Lock Inc.	38-3418590	USA	1,000	100	
Nord-Lock Oy	0893691-1	Finland	100	100	
Nord-Lock Poland Sp. Z o.o.	0000273881	Poland	10	100	
Nord-Lock s.r.o.	27294714	The Czech Republic	200,000	100	
Nord-Lock Benelux BV	2050318	The Netherlands	180	100	
Nord-Lock Holding GmbH	HRB 175392	Germany	1	90	
Nord-Lock GmbH	HRB 510204	Germany	1	92	
Nord-Lock Japan Co, Ltd	1299-01-047553	Japan	200	100	
Nord-Lock Switzerland GmbH	CH 020.4.041.709-1	Switzerland	200	100	
Nord-Lock AS	895 421 812	Norway	100	100	
Nord-Lock ApS	33 878 605	Denmark	100	100	
Nord-Lock PTE. LTD.	201110682R	Singapore	50,000	100	
Sigma 3 Srl	2 464 160 015	Italy	1	100	
KLT Fastighets KB	969674-4250	Alingsås	1	100	
Pressmaster AB	556053-4496	Älvdalen	70,000	100	
Pressmaster GmbH	HRB3211	Germany	50	100	
Pressmaster Inc. Chicago	53 207 642	USA	1	100	
REAC AB	556520-2875	Åmål	20,000	100	
REAC A/S	19 353 508	Denmark	500,000	100	
Balle Innovasjon ApS	32 568 890	Denmark	1,250	100	
Superbolt Inc.	25-1478791	USA	12,000,000	100	
P&S Vorrpannsysteme AG	CH-320.3.028.873-7	Switzerland	1 000	100	
P&S Vorrpannsysteme GmbH	HRB 191560	Germany	1	100	
FOV Fodervävnader i Borås AB	556057-3460	Gothenburg	60,000	100	
Nordiska Industri AB	556002-7335	Gothenburg	840,000	100	191
PM-LUFT AB	556048-2118	Torrevilla	1,000	100	
Farex AB	556196-7802	Borlänge	1,000	100	
Total book value					1,246

Smaller inactive subsidiaries are not included in the specification above.

Note 25 Participation in associated companies

GROUP	2011	2010	PARENT COMPANY	2011	2010
Opening book value	1,179	1 167	Opening book value	719	660
Merger with Säkl	2,513	–	Merger with Säkl	109	–
Reclassification	2,166	–	Reclassification	2,163	–
Acquisitions during the year	139	31	Acquisitions during the year	93	6
Sold during the year	–278	–10	Sold during the year	–187	–6
Profit share for the year after tax	976	135	Returned write-down	–	59
Dilution effect	–6	–12	Closing value	2,897	719
Dividends received	–431	–128	Assa Abloy	1,199	–
Depreciation of surpluses	–	–3	AB Fagerhult	289	296
Write-downs/reversed write-downs	–	59	HMS Networks AB	192	–
Net change in capital	57	–60	Loomis AB	65	–
Closing value	6,315	1 179	Nederman Holding AB	306	271
			Securitas AB	585	–
			Sweco AB	152	152
			Academic Work	109	–
			Closing value	2,897	719

Cont.

Note 25 cont.

GROUP	Number of shares	Share of capital	Market value ¹⁾	Acquisition value
Assa Abloy AB (Reg.no 556059-3575. Stockholm) ²⁾	35,165,243	3,015	6,069	1,697
AB Fagerhult (Reg.no 556110-6203. Domicile Habo) ⁴⁾	6,206,800	726	990	571
HMS Networks AB (Reg.no 556661-8954. Halmstad)	2,473,522	203	224	192
Loomis AB (Reg.no 556620-8095. Stockholm) ²⁾	7,538,328	296	742	107
Nederman Holding AB (Reg.no 556576-4205. Domicile Helsingborg)	3,512,829	334	348	306
Securitas AB (Reg.no 556302-7241. Stockholm) ²⁾	39,732,600	1,014	2,360	1,081
Sweco AB (Reg.no 556542-9841. Domicile Stockholm) ⁵⁾	28,997,760	564	1,638	186 ³⁾
Academic Work (Reg.no 556559-5450. Domicile Stockholm)	26,001,200	124	350	109
Oxeon AB (Reg.no 556614-1197. Domicile Borås)	215,200	31	32	25
Other smaller holdings	–	8	–	8
		6,315	12,754	4,283

Group participation in associated companies:

2010	Assets	Liabilities	Income	Profit/loss	Share of capital %	Share of votes %
AB Fagerhult	809	570	817	31	33	33
Nederman Holding AB	447	313	459	6	27	27
Sweco AB	952	497	1,681	96	32	23
2011						
Assa Abloy AB	5,288	3,021	3,991	478	10	30
AB Fagerhult	1,366	927	1,488	92	49	49
HMS Networks AB	87	21	85	14	22	22
Loomis AB	936	585	1,132	46	10	29
Nederman Holding AB	496	329	600	17	30	30
Securitas AB	3,989	2,988	6,969	182	11	30
Sweco AB	1,032	556	1,897	105	32	23
Academic Work	118	102	334	29	20	20
Oxeon AB	16	4	14	2	32	32

¹⁾ Buying rate.²⁾ 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.³⁾ The acquisition value of Sweco B is SEK 34 m higher in the Group due to the utilisation of a call option.⁴⁾ At the end of December 2011 30,000 shares of Latour's holding in Fagerhult were loaned out.⁵⁾ The A share in Sweco is listed, but due to limited trade it has been given the same listed price as the B share.**Note 26** Listed shares

GROUP	2011	2010	PARENT COMPANY	2011	2010
Opening acquisition value	2,166	3,167	Opening acquisition value	2,163	3,164
Purchases	1,060	26	Purchases	1,032	26
Merger with Säkl AB	438	–	Merger with Säkl AB	438	–
Sales	0	–1,027	Sales	–	–1,027
Reclassification after merger with Säkl	–2,166	–	Reclassification after merger with Säkl	–2,163	–
Closing acquisition value	1,498	2,166	Closing acquisition value	1,470	2,163
Opening fair value reserve	5,972	3,793	Opening fair value reserve	5,975	3,796
Divestitures, booked in the income statement	–	442	Divestitures, booked in the income statement	–	442
Effect of fusion through the pooling method	–4,720	–	Effect of fusion through the pooling method	–4,720	–
Revaluation recognized in equity	–1,126	1,737	Revaluation recognized in equity	–1,125	1,737
Closing fair value reserve	126	5,972	Closing fair value reserve	130	5,975
Book value	1,624	8,138	Book value	1,600	8,138

INVESTMENT PORTFOLIO	Market value	Listed price ¹⁾	Acquisition	Share of votes	Share of equity
Share	Number	SEK m	value, SEK m	%	%
Nobia	23,000,000	563	466	13.8	13.8
Tomra	23,000,000	1,061	1,032	15.5	15.5
Total		1,624	1,498		

¹⁾ Buying rate.

Through the merger with Säkl AB and acquisitions during the year, all holdings classified as Listed shares at the beginning of the year have been reclassified as Associated companies where the voting shares now exceed 20 percent.

Note 27 Other securities held as fixed assets

GROUP	2011	2010
Opening acquisition value	1	7
Purchases	–	1
Reclassification	–	–7
Closing acquisition value	1	1
Opening depreciation	0	0
Depreciation for the year	–1	–
Closing depreciation	–1	0
Book value	0	1
Other holdings	0	1
Book value	0	1

Note 28 Long-term receivables

GROUP	2011	2010
Opening acquisition value	66	67
Increase for the year	24	3
Decrease for the year	–36	–4
Book value	54	66

The Group's interest-bearing receivables have an average interest rate of 0 percent and run for an average period of 5 years.

Note 29 Inventory

The value of goods pledged as security for loans or other obligations is 0 (0).

Inventory value:	2011	2010
<i>At net sales value</i>		
Raw materials and consumables	6	–
Work-in-progress	7	–
Finished work and goods for resale	3	–
<i>At net sales value</i>		
Raw materials and consumables	309	266
Work-in-progress	86	83
Finished work and goods for resale	756	634
	1,167	983

Note 30 Listed shares – trading

GROUP	2011	2010
Book value at the beginning of the year	43	45
Acquisitions for the year	247	136
Sales at the actual acquisition value	–194	–142
Revaluation, booked in the income statement	–8	4
Book value at the end of the year	88	43

GROUP	Number	Acquisition value	Book value	Market value
Autoliv	50,000	20	19	19
Fagerhult	28,000	4	4	4
Husqvarna B	110,000	5	3	3
Kinnevik B	50,000	6	6	6
Sandvik	131,000	13	11	11
Securitas B	200,000	14	12	12
Skanska B	70,000	8	8	8
SKF B	38,000	7	6	6
Volvo B	210,000	17	16	16
Other shares an participation		3	3	3
		97	88	88

Note 31 Accounts receivable

GROUP	2011	2010
Nominal value	1,241	1,230
Provisions for bad debts	–28	–19
Net accounts receivable	1,213	1,211
Provision for bad debts		
Opening provisions	–19	–19
Opening provisions for acquired companies	–3	0
Provisions for bad debts for the year	–2	–9
Realized losses during the year	–9	2
Reversed unutilized amount	5	6
Exchange rate difference	0	1
	–28	–19

Provisions for, and provisions from, bad debts are included in the post Other operating costs in the income statement. Amounts reported in the provision for depreciation are normally written off when the Group is not expected to retrieve further cash.

The Group does not believe there is any credit risk in the outstanding accounts payable apart from those that have been written down.

Age analysis of accounts receivable	2011	2010
Not mature	958	954
Mature receivables that per 31 December 2011 were not written down		
Mature less than 3 months	207	214
Mature 3 to 6 months	23	21
Mature more than 6 months	25	22
	1,213	1,211

Note 32 Derivative instruments

GROUP	2011	2010
Forward exchange contracts - cash flow hedging	19	27
Other derivative instruments	–	–
Total	19	27

Forward exchange contracts

The nominal amount of outstanding forward exchange contracts on 31 December 2011 was SEK 342 m (434) (see note 34).

None of the cash flow hedges meet the terms for effective hedge accounting which is why the entire change is reported in the income statement. Hedge accounting has affected the result by SEK –8 (38) m.

Hedges on net investments in foreign operations

Borrowing that has been identified as net investment hedging in Group subsidiaries in the USA amount to SEK 104 m, SEK 89 m in Group subsidiaries in Italy and SEK 143 m in Group subsidiaries in Finland.

The exchange rate loss from the translation of borrowing to Swedish krona amounts to SEK –7 m (gain of SEK 23 m 2010) at the end of the report period and is presented in the other comprehensive income statement.

Note 33 Cash

Cash consist of SEK 256 m (573) in bank balances and SEK 242 m (0) in short-term investments. The Group receives interest on bank balances according to a floating interest rate based on the bank's daily rate.

Of the Group's and the parent company's cash, SEK 5 m (5) comprise frozen funds.

Note 34 Financial instruments and financial risk management**Hedge accounting**

Latour uses hedge accounting on forward exchange contracts. Changes in market values of cash flow hedges are recognized in other comprehensive income when they are considered effective, otherwise directly in the income statement. Accumulated amounts in other comprehensive income are returned to the income statement during the periods the hedged item affects results. Unrealized profits or losses that stem from a market valuation of derivative instruments attributable to hedges of net investments, and which stem from exchange differences, are recognized in other comprehensive income.

Book value and fair value of financial assets and liabilities

The table below shows book and fair value per type of financial instrument. Financial instruments include securities, derivative instruments, receivables, operating liabilities, leasing obligations and borrowing. Financial instruments are largely market related investments at Latour. Listed securities are valued at the latest buying rate on the balance sheet date. Forward exchange contracts are valued at the forward rate. Translation to SEK is according to listed rates on the balance sheet date. The main difference between book value and fair value arises in the Group's holdings of participation in associated companies.

For other items, the book value largely reflects fair value.

GROUP 2011	Financial assets available for sale	Financial assets valued at fair value via profit or loss	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total recorded value	Fair value
<i>Financial assets</i>							
Listed shares, management	1,624 ¹⁾					1,624	1,624
Other investments held as fixed assets	0 ²⁾					0	0
Other long-term receivables			54 ³⁾			54	54
Listed shares – trading		88 ¹⁾				88	88
Unrealized gains, currency derivatives		19 ²⁾				19	19
Other current receivables			1,292 ⁴⁾			1,292	1,292
Cash		498 ¹⁾				498	498
Total	1,624	605	1,346	0	0	3,575	3,575
<i>Financial liabilities</i>							
Long-term loans					419 ⁴⁾	419	419
Bank overdraft facilities					13 ⁴⁾	13	13
Current loans					595 ⁴⁾	595	595
Accounts payable					619 ⁴⁾	619	619
Other liabilities					638 ⁴⁾	638	63
Unrealized gains, currency derivatives				0		0	0
Total				0	2,284	2,284	2,284

¹⁾ Level 1 – valued at fair value based on listed prices on an active market for identical assets.

²⁾ Level 2 – valued at fair value based on other observable inputs for assets and liabilities than listed prices included in level 1.

³⁾ Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

⁴⁾ Level 4 – reported at accrued acquisition value

GROUP 2010	Financial assets available for sale	Financial assets valued at fair value via profit or loss	Loan and accounts receivable	Financial liabilities valued at fair value via profit or loss	Other liabilities	Total recorded value	Fair value
<i>Financial assets</i>							
Listed shares, management	8,138 ¹⁾					8,138	8,138
Other investments held as fixed assets	1 ²⁾					1	1
Other long-term receivables			66 ³⁾			66	66
Listed shares – trading		43 ¹⁾				43	43
Unrealized gains, currency derivatives		27 ²⁾				27	27
Other current receivables			1,266 ⁴⁾			1,266	1,266
Cash		573 ¹⁾				573	573
Total	8,139	643	1,332	0	0	10,114	10,114
<i>Financial liabilities</i>							
Long-term loans					178 ⁴⁾	178	178
Bank overdraft facilities					41 ⁴⁾	41	4
Current loans					534 ⁴⁾	534	534
Accounts payable					680 ⁴⁾	680	680
Other liabilities					140 ⁴⁾	140	140
Unrealized gains, currency derivatives				0		0	0
Total				0	1,573	1,573	1,573

¹⁾ Level 1 – valued at fair value based on listed prices on an active market for identical assets.

²⁾ Level 2 – valued at fair value based on other observable inputs for assets and liabilities than listed prices included in level 1.

³⁾ Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

⁴⁾ Level 4 – reported at accrued acquisition value

Cont.

Note 34 cont.

Financial risk management

The Group's financing operations and management of financial risks is primarily centralised to Group staff. Operations are run in according to the finance policy adopted by the board and are characterized by a low level of risk. The purpose is to ensure the Group's long-term financing, minimise the Group's capital expense and effectively manage and control the Group's financial risks.

Currency exposure

The Group's operations face currency exposure in the form of exchange rate fluctuations. The Group's currency exposure consists partly of transaction exposure relating to purchases and sales in foreign currency, and partly to translation exposure relating to net investments in foreign subsidiaries and exchange rate fluctuations when the results from foreign subsidiaries are converted to Swedish crowns.

Transaction exposure

The Group's goal concerning transaction exposure is to hedge 50 percent of the coming 12 months' budgeted cash flows. The effect of hedging on results was SEK 8 (38) m, and booked in operating result.

The net currency flows for the year for Swedish units were distributed as follows:

Currencies (amounts in SEK m)	2011	2010
NOK	282	247
DKK	60	77
GBP	128	40
USD	-448	-205
EUR	-81	-8
CHF	-10	-
Totalt	-69	151

+ = net inflow, - = net outflow

Given a net transaction exposure equivalent to the one in 2011, and that hedging measures had been taken, results would be affected negatively by SEK 1 m if the Swedish crown had become one percentage point stronger than all transaction currencies.

On 31 December 2011 the Group had outstanding hedging contracts distributed in the following currencies and on these maturity dates.

Amount in SEK m	2012	2013	Total
Sell EUR	220	64	284
Sell NOK	136		136
Sell DKK	38	23	61
Sell GBP	34		34
Sell USD	33		33
Sell CHF	15		15
Sell PLN	16		16
<i>Sell total</i>	<i>492</i>	<i>87</i>	<i>579</i>
Buy USD	-134	-103	-237
<i>Buy total</i>	<i>-134</i>	<i>-103</i>	<i>-237</i>
Net	358	-16	342

The valuation of the forward exchange contracts to fair value is a derivative instrument and totalled SEK -19 (-27) m.

Translation exposure

The need to hedge net assets in foreign subsidiaries is decided on a case-to-case basis and hedges are based on the group-wise value of the net assets. Hedging is through loans in foreign currency. Profit from hedges in foreign operations was SEK -7 (23) m. The amount was reported in Provisions in equity (please refer to note 35).

Net assets of the foreign subsidiaries are allocated as follows:

Currencies	2011		2010	
	Amount SEK m	%	Amount SEK m	%
EUR	159	43	109	38
DKK	14	4	14	5
NOK	110	30	106	37
USD	29	8	11	4
GBP	11	3	3	1
RON	13	4	10	3
CHF	2	1	6	2
LVL	9	2	8	3
PLN	13	4	12	4
JPY	9	2	8	3
Övriga	1	0	1	0
Totalt	370	100	288	100

Exchange rate difference for the year from translation of foreign net assets amounted to SEK -12 (108) m and is reported in other comprehensive income.

Financing risks and liquidity risk

The Group handles the more short-term liquidity risk within the framework of the financing risk. In a business like Latour's, where long-term financial resources are procured centrally, the short-term liquidity risk is automatically handled within long-term financing. Nonetheless, high demands are made on cash flow reports in the individual businesses. In order to reduce the risk of difficulties in procuring capital in the future and refinancing of matured loans, the Group has the following contracted credit promises:

Current operating credits	214
Credits granted until 2012	687
Credits granted until 2013	1,137
Credits granted until 2014	501
Credits granted until 2015	1
Credits granted until 2016	1,066
	3,607

The Group's net financial liabilities, excluding shareholdings and other securities, amounted on 31 December 2011 to SEK 1,140 m. Most of the Group's loans are in SEK with a maturity period of less than one year, but within the framework for the credit promises presented above. Granted credits contracts longer than one year contain financial covenants which state that net borrowing may not exceed a certain level in relation to the listed market price of the Group's listed securities. Even if Group credit were utilized to the limit per 2011-12-31 there would still be a substantial margin.

Interest exposure

The Latour Group's major source of financing is the cash flow from current operations and portfolio management as well as from loans. The loans, which are interest-bearing, expose the Group to interest rate risks.

Interest rate exposure is the risk that interest rate fluctuations will affect the Group's net interest and/or cash flow negatively. The Group's financing policy establishes guidelines for setting fixed rates and average loan periods for borrowings. The Group strives to achieve a balance between the estimated cost of servicing loans and the risk that major interest rate fluctuations might affect profits negatively. At the end of 2011 the average fixed loan period was about 6 months.

If the interest rate level of Latour's loan portfolio had been one percentage point higher, the result for the year would have been affected by SEK -8 m.

The average cost for outstanding long and short term borrowing on the balance sheet date (for long-term borrowing please refer also to note 39):

	2011 Debt		2010 Debt	
	%	SEK m	%	SEK m
Long-term borrowing SEK	4.2	312	4.7	60
Long-term borrowing EUR	2.1	85	2.1	113
Long-term borrowing GBP	-	19	-	1
Long-term borrowing DKK	4.9	3	6.2	4
	3.6	419	3.1	178
Short-term borrowing SEK	3.0	265	3.0	301
Short-term borrowing NOK	4.3	500	-	0
Short-term borrowing EUR	2.1	237	1.8	272
Short-term borrowing USD	1.5	104	-	-
Short-term borrowing CNY	4.5	8	4.5	8
	3.4	1,114	2.8	581

Cont.

Note 34 cont.

Credit risk

The Group has limited exposure to credit risks. These risks are primarily related to outstanding accounts receivable. Losses on accounts receivable arise when customers become insolvent or for other reasons fail to meet their payment obligations. The risks are limited through credit insurance policies. Certain businesses even require payment in advance. Group management takes the view that there is no significant credit risk concentration in relation to any specific customer or counterparty or in relation to any specific geographic region.

Price risk

The Group is exposed to a price risk concerning shares due to investments held by the Group and which, in the Group's balance sheet are classified either as available-for-sale financial instruments or assets valued at fair value via profit or loss. The price risk on shares consists of share price risks, liquidity risks and counterparty risks. Share price risk is the risk of value loss due to changes in prices on the stock market. This is the greatest risk in Latour's business and occurs primarily in the valuation of the investment portfolio companies. If the market price of holdings in the investment portfolio changed by 5 percent it would affect comprehensive income and equity by SEK 81 (407) m. Share prices are regularly

analyzed and monitored by Latour's group management. Latour affects companies' strategies and decisions through its active ownership, which is in part manifested through board participation. Liquidity risk can occur if a share, for example, is hard to sell. Liquidity risk is, however, limited. Counterparty risk is the risk that a party in a transaction with a financial instrument cannot fulfil their obligations and thereby creates a loss for the other party.

The Group is not exposed to any price risk concerning raw materials or commodities.

Business risks

Business risk is the risk of a loss due to shortcomings in internal routines and systems. A number of internal guidelines and regulations as well as policies adopted by the board are the basis of Latour's risk management. Legal reviews of contracts and relations are performed regularly. The company also has a system of continuous controls that regulate and ensure responsibility and authority in daily operations.

Insurance risks in the Group are handled depending on the deemed need for insurance. Matters concerning secrecy and information security are highly prioritized at Latour and are regulated by internal guidelines. Latour also continuously controls and develops its systems and procedures concerning IT security.

Note 35 Equity

Reserves

GROUP	Hedging reserve	Translation reserve	Fair value reserve	Total
Opening balance 2010-01-01	-18	72	3,793	3,847
Translation differences for the year		-108		-108
Available-for-sales financial assets:				
Revaluation recognized directly in other comprehensive income			1,737	1,737
Recognized in the income statement when divested			442	442
Net asset hedge, currency effects	23			23
Closing other reserves 2010-12-31	5	-36	5,972	5,941
Opening balance 2011-01-01	5	-36	5,972	5,941
Translation differences for the year		-12		-12
Available-for-sales financial assets:				
Revaluation recognized directly in other comprehensive income			-1,110	-1,110
Recognized in the income statement when divested				-
Effects of the merger through the pooling method			-4,720	-4,720
Net asset hedge, currency effects	-7			-7
Closing other reserves 2011-12-31	-2	-48	142 ²⁾	92

¹⁾ Tax on amounts recognized directly in equity is SEK 1 (1) m.

²⁾ Fair value in the Investment portfolio is SEK 126 m and in outstanding call options SEK 16 m.

Share capital

The parent company's share capital. The quota value of each share is SEK 0.83.

Other contributed capital

Refers to equity contributed by shareholders. Contributed capital is included here as a form of issue in kind and a new issue at a rate exceeding the par value.

Bought back shares

Bought back shares are the acquisition cost for own shares held by the parent company and booked as a deduction in equity. Funds from the divestiture of own shares are recognized as an increase in equity and transactions costs are recognized directly in equity.

Other provisions

Translation provision

The translation provision includes all the exchange rates differences that occur when translating financial reports into a currency other than the currency consolidated financial reports are presented in. The parent company and the Group present their financial reports in Swedish krona.

Hedging provision

The hedging provision consists of exchange rate differences that occur

when translating debts and derivatives classified as hedging instruments of net investments in a foreign unit.

Fair value reserve

The fair value reserve includes the accumulated net change of the fair value of available-for-sale financial assets until the asset is derecognized in the balance sheet.

Profit brought forward including part of results for the year

Contained in profit brought forward including part of comprehensive income for the year are profits earned in the parent company, its subsidiaries and associated companies. Previous provisions to the statutory reserve, not including transferred share premium reserves, are incorporated in this equity item.

Non-controlling interests

Non-controlling interests comprise the share of equity not owned by the parent company.

Dividends

Dividends are proposed by the board in accordance with the Companies Act and approved by the Annual General Meeting. The proposed but as yet not approved dividends for 2011 are SEK 957.0 m (SEK 6.00 per share). The amount has not been reported as a liability.

Cont.

Note 37 Taxes**Deferred tax in the balance sheet**

Temporary differences exist where the book value and taxation value differ for a given asset or liability. Temporary differences have resulted in the Group's overall deferred tax credits and deferred tax liabilities as set out below:

GROUP	2011	2010
Deferred tax credits		
Intangible assets	1	–
Buildings and land	–	6
Machinery and equipment	1	2
Inventories	10	9
Current receivables	2	2
Provisions	4	6
Current liabilities	6	3
Other items	1	9
	25	37
Deferred tax liabilities		
Intangible assets	–5	–29
Buildings and land	–3	–1
Machinery and equipment	–4	–1
Inventories	2	2
Current receivables	3	2
Untaxed reserves	–91	–65
Reserves	–5	–
Derivatives	–7	–7
Other items	–2	–
	–110	–99

Deferred tax credits and liabilities are set-off when there is a legal right to set off current tax credits and tax liabilities and when deferred taxes refer to the same tax system. Deferred tax recognized in other comprehensive income amounts to SEK 1 m (1).

There is a fiscal loss carry-forward in the parent company of SEK 1,100 (529) m which has not taken into account deferred tax.

Note 38 Other provisions

GROUP	Guarantee provisions	Other provisions	Total
Opening value 2010-01-01	10	21	31
Amounts claimed during the year	–5	–8	–13
Provisions for the year	16	6	22
Reclassification	6	–6	0
Closing value 2010-12-31	27	13	40
Acquisition (company)	1	–	1
Divestiture (company)	–	–7	–7
Amounts claimed during the year	–2	–	–2
Provisions for the year	4	1	5
Closing value 2011-12-31	30	7	37

The provisions consist of:	2011	2010
Long-term part	28	32
Current part	9	8
	37	40

Other provisions primarily consist of provisions for restructuring costs.

Note 39 Long-term liabilities

GROUP	2011	2010
Liabilities to credit institutions falling due in 1-5 years	311	49
Liabilities to credit institutions falling due in >5 years	3	7
Liabilities referring to financial leasing	76	82
Other long-term liabilities	40	40
Total	419	178

For other details concerning long-term liabilities see note 33.

Note 40 Bank overdraft facility

The bank overdraft facility available to the Group is SEK 213 (200) m of which SEK 13 (41) m has been used.

Note 41 Accrued expenses and deferred income

GROUP	2011	2010
Accrued interest expenses	7	5
Accrued social security fees	58	47
Accrued other wage-related costs	146	132
Other items	207	232
Total	418	416

Note 42 Pledged assets

GROUP	2011	2010
For own debts and provisions		
Concerning Pension provision		
– Floating costs	5	5
– Other securities	5	1
Concerning current liabilities		
– Shares in Tomra AS	1,061	–
Other		
– Floating charges	–	6
– Property mortgages	1	4
– Other securities	–	–
Total	1,072	16
PARENT COMPANY	2011	2010
For own liabilities and reserves		
Shares in Tomra AS	1,061	–
Total	1,061	–

Note 43 Contingent liabilities

GROUP	2011	2010
Pension guarantees	–	1
Other liabilities	18	15
Total	18	16
PARENT COMPANY	2011	2010
Guarantees for subsidiaries	1,987	1,837
Total	1,987	1,837

The parent company has pledged to assume certain obligations that may befall Group companies.

Note 44 Acquisitions

Assets and liabilities in acquired operations	2011	2010
Intangible assets	39	0
Tangible assets	21	223
Financial assets	4	10
Inventories	49	99
Accounts receivable	32	232
Other current receivables	22	50
Cash	16	60
Deferred tax liability	–2	–9
Long-term net borrowing	–44	–386
Current liabilities	–40	–295
Net identifiable assets and liabilities	97	–16
Additional purchase price	–	19
Group goodwill	230	497
Cash regulated purchase price	327	500
Acquisition of items not included in cash flow	2	–3
Cash in acquisitions	–16	–60
Effect on Group cash	313	437

Transaction costs in connection with acquisitions for the year amount to SEK 4 m.

Cont.

Note 44 cont.

Sigma 3 S.r.l

On 2 February 2011 the Group acquired 100 percent of shares in Sigma 3 S.r.l. The acquired operations contributed income of SEK 19 m and net profit of SEK 4 m for the period between 2 February and 31 December 2011.

Transaction costs for the acquisitions, that were charged to the profit of the period, amounted to SEK 1 m for this acquisition.

Goodwill is attributable to the coordination profits that will be obtained when the service and sales organizations will have been coordinated with existing operations in Nord-Lock.

Tangible assets	1
Inventories	1
Accounts receivable	5
Current liabilities	-4
Net identifiable assets and liabilities	3
Group goodwill	8
Cash regulated purchase price	11
Acquired cash	-
Change in Group cash at acquisition	11

Denstech AB

On 19 April 2011 the Group acquired 100 percent of shares in Denstech AB. The acquired operations contributed SEK 26 m in income and net result of SEK 1 m in 2011. If the acquisition had been made on 1 January 2011 the company's income would have been SEK 32 m and the profit for the year SEK -1 m.

Goodwill is attributable to the earning capacity of the company and the coordination gains that will be obtained with existing operations in the Latour Industries business area.

Tangible assets	4
Inventories	0
Other receivables	2
Cash	4
Current liabilities	0
Net identifiable assets and liabilities	10
Group goodwill	15
Kontant reglerad köpeskillning	25
Acquired cash	-4
Change in Group cash at acquisition	21

Superbolt Inc/P&S Vorespannsysteme AG

On 4 August 2011 the Group acquired 100 percent of shares in Superbolt Inc. and P&S Vorespannsysteme AG. The acquired operations contributed with income of SEK 97 m and net profit of SEK 15 m in 2011. Had the acquisition been made on 1 January 2011 the company's income would have been SEK 235 m and the profit for the year SEK 23 m.

Transaction costs for the acquisition, that were charged to the profit for the period, amounts to SEK 3 m for these acquisitions.

Goodwill is attributable to the cooperation gains that will be obtained when the service and sales organizations will have been coordinated with existing operations in the Latour Industries business area.

Intangible assets	39
Tangible assets	12
Financial assets	4
Inventories	48
Customer receivables	27
Other receivables	20
Cash	12
Deferred tax liability	-1
Long-term liabilities	-44
Current liabilities	-36
Net identifiable assets and liabilities	81
Group goodwill	204
Kontant reglerad köpeskillning	285
Acquisition of provisions not included in cash flow	1
Acquired cash	-12
Change in Group cash at acquisition	274

Other acquisitions

In addition to recorded acquisitions the Group made some further smaller acquisitions with net assets of SEK 6 m and that added SEK -7 m to the Group cash flow. These acquisitions only marginally influenced the profit for 2011.

Note 45 Merger Säkl AB

On 6 July 2011 the merger with Säkl AB was registered through a legal fusion in which Säkl was absorbed by Latour.

Assets and liabilities in merged operations

Financial assets	2,131
Other receivables	8
Cash	246
Long-term liabilities	-750
Current liabilities	-30
Identifiable assets and liabilities	1,605
Minus profit for the period	115
Net identifiable assets and liabilities	1,490
New issue ¹⁾	3,634
Merger difference ²⁾	-2,144

Costs in connection to new issue and merger charged capital with SEK 10 m.

¹⁾ Attributable to 28,500,000 B shares in Latour

²⁾ The difference between the value of the new issue as well as net assets and liabilities that were added through the merger.

Note 46 Subsidiary divestitures

	2011	2010
Intangible assets	73	3
Tangible assets	112	1
Long-term liabilities	70	-
Inventories	118	-
Customer receivables	173	1
Other receivables	20	1
Cash	37	1
Long-term net borrowing	-81	-
Current liabilities	-233	-1
Net result as of sales date	10	-
Result on sale of subsidiaries	68	2
Received purchase price	367	8
Provisions not included in cash flow	-11	-
Cash in divested companies	-37	-1
Change in Group cash at acquisition	319	7

In the first quarter Autotube AB was divested. Autotube had net sales of SEK 357 m in 2010. In the summer the real estate managing company Nadden AB was divested. In the third quarter 2011 the Latour Industries business area divested all shares in the Stenberg Group. Stenberg had annual net sales of about SEK 350 m.

Note 47 Government grants

Government grants have affected the Group's income statement and balance sheet as follows:

GROUP	2011	2010
Grants that affected result for the year	2	2
Grants that affected assets	4	3
Grants that affected liabilities	0	0

Grants consist primarily of development and investment aid.

Note 48 Events after the balance sheet date

No significant events have taken place.

A smaller acquisition was made by Latour Industries subsidiary REAC at the beginning of February 2012. The acquisition added four employees in system and electronics development.

Note 49 Important estimations and assessments

In order to prepare the accounts according to generally accepted accounting principles, Group management and the board of directors must make estimations and assessments which affect the asset and liability items, respectively balance and income statement items, reported in the annual accounts, as well as reported information in general, for example contingent liabilities. These assessments are based on historic experience and the various assumptions that Group management and the board of directors consider plausible under existing circumstances. In cases where it is not possible to ascertain the book value of assets and liabilities through information from other sources these estimations and assumptions form the basis of the valuation. If other assumptions are made or other circumstances influence the matter can the actual outcome differ from these assessments.

Particularly in the areas of income accounting and uncertain receivables, valuing intangible and fixed assets, restructuring measures, pension obligations, taxes, disputes and contingent liabilities can assessments have a significant effect on Latour's result and financial position (see each note respectively).

Group management has discussed the development and selection of, and information concerning, the Group's critical accounting principles and estimations, as well as their application and estimations with the auditing committee.

Assessing the need to write-down goodwill

Goodwill is subject to annual impairment test according to the accounting principle described in note 2. The recovery value for cash generating units is determined by calculating value of use. To make these calculations certain estimations must be made (note 18).

Pension obligations

The current value of pension obligations depends on a number of factors that are established on an actuary basis with the help of a number of assumptions. Discount interest is included in the assumptions used to determine the net cost (income) of pensions.

The Group establishes appropriate discount interest rates at the end of every year. This is the interest used to determine the current value of estimated future payments that are assumed necessary to pay for pension obligations. The Group bases the discount interest rate on first class government bonds expressed in the currency the remuneration will be paid in and with the same maturity period as the obligations in question.

Other important actuarial assumptions concerning pension obligations are based in part on current market conditions. Further details are given in note 36.

Warranties

Management in each subsidiary estimates necessary reserves to guarantee future warranty demands based on information concerning historical warranty demands as well as current trends which indicate that historical information can differ from future demands.

Among the factors that can affect information concerning warranty demands is the success of the Group's productivity and quality initiative as well as the cost of labour and material.

Note 50 Definitions

Adjusted equity	Equity and the difference between book value and fair value in associated companies.
Adjusted equity/assets ratio	Equity and the difference between book value and fair value in associated companies in relation to adjusted total assets.
Direct return	Dividends as a percentage of the share purchase price.
EBIT (Operating result)	Result before net financial items and tax.
EBIT-multiple	Operating result in relationship to market value adjusted for net debt/equity ratio.
EBITA	Result before net financial items, tax and depreciation on intangible assets related to acquisitions.
Equity/assets ratio	Equity in relation to the total assets.
Net debt/equity ratio	Interest-bearing liabilities plus interest-bearing reserves less cash in relation to adjusted equity.
Net loan debt level	Interest-bearing liabilities plus interest-bearing reserves less cash and interest-bearing receivables.
Net worth	The difference between the company's assets and liabilities, when the investment portfolio (incl. associated companies) is recognized at market value and operative subsidiaries that are owned at the end of the period are recognized in an interval based on EBIT-multiples for comparable listed companies in each business area.
Operating capital	Total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities.
Operating margin	Operating result as a percentage of net sales.
P/e ratio	The share purchase price in relation to profit after paid tax.
Profit margin	Profit after net financial items plus financial costs as a percentage of invoiced sales.
Return on equity	Net profit according to the income statement as a percentage of average equity.
Return on operating capital	Operating result as a percentage of average operating capital.
Return on total capital	Profit after net financial items plus financial costs in relation to average total assets.

Audit report

To the annual meeting of the shareholders of
Investment AB Latour (publ), corporate identity number 556026-3237

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Investment AB Latour for the year 2011. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 65–98.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2011 and of its financial performance [and its cash flows] for the year then ended in accordance with the Annual Accounts Act, and the consoli-

dated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2011 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Investment AB Latour for the year 2011.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit (loss) be appropriated (dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Gothenburg 15 March 2012

Öhrlings PricewaterhouseCoopers AB



Helén Olsson Svärdröm
Authorized Public Accountant
Principal Accountant



Bo Karlsson
Authorized Public Accountant

Corporate Governance

Investment AB Latour (publ) is a Swedish public limited company whose shares are listed on NASDAQ OMX Stockholm Large Cap list. Latour's corporate governance is based on laws, listing agreements, guidelines and good praxis. This report regarding corporate governance has been prepared in accordance with the Swedish Code of Corporate Governance ("the Code") as well as chapter 6, 6-9§ of the Annual Accounts Act and chapter 9, 31§ of the Company Act and refers to the financial year 2011. The auditor has stated that the corporate governance report has been prepared, and that disclosures according to chapter 6, 6 § second paragraph 2-6 in the Annual Accounts Act (for example the most important elements in the company's system for internal control and risk management in connection to financial reporting) agree with the other parts of the Annual Report.

Latour's Articles of Association and further information about corporate governance in Latour can be found on our website www.latour.se/en in Investors and Media.

Annual General Meeting

The Annual General Meeting must be held within six months after the end of the financial year. The Annual General Meeting can be held in Gothenburg or Stockholm. All shareholders recorded in the registered list of shareholders before the Annual General Meeting and who have announced their intention to attend have the right to participate and vote for their entire shareholdings.

The Annual General Meeting 2011 authorised the board to decide on the acquisition of Latour shares on one or more occasions until the next Annual General Meeting. Both A and B shares may be acquired and the total number of shares may be such that, after acquisition, the company does not hold more than ten (10) percent of all shares issued in the company.

Nominating process

The Annual General Meeting selects board members for a one-year term. At the Annual General Meeting 2011 the nominating committee provided a proposal concerning the election of the chairman and the other members of the board, remuneration to the board and possible remuneration for committee work to the Annual General Meeting. The Annual General Meeting decided that the nominating committee until the Annual General Meeting 2012 will consist of Gustaf Douglas and at least two representatives for other major shareholders. Since then the following members have been appointed to the nominating committee: Gustaf Douglas (chairman, principle owner), Björn Karlsson (Bertil Svensson's family and foundation) and Per Erik Mohlin (SEB Funds). None of them has received any remuneration for their participation in the nominating committee.

Board of directors

The Latour board consists of nine members, including the chief executive officer (see page 104). There are no deputies. All members are elected for a one-year term. Except for the chief executive officer no members have a position or assignment in the Group. The secretary of the board is the chief financial officer of the Group. Fredrik Palmstierna was elected chairman of the board by the Annual General Meeting 2011. The members of the board represent 88 percent of the voting shares in the company and 81 percent of the share capital. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly owned companies in the industrial operations. They are therefore not represented in the investment company's board.

The board annually adopts a work program that regulates board meetings, matters that must be put before the board at these meetings, the division of responsibility between the board and the chief executive officer as well as certain other matters. Instructions to the chief executive officer stipulate his duties and reporting responsibilities to the board.

The board has had five meetings during the year, not including the constitutional board meeting as well as four extra board meetings. Three of the board members were prevented to participate at one and three meetings, otherwise the board has been complete. The company's auditors attended two board meetings and provided reports and observations from the audits performed. Among the matters dealt with by the board are strategic changes in portfolio investments, acquisitions and divestitures of subsidiaries, the company's risk exposure,

The board composition, number of meetings and attendance in the financial year 2011/2012

Name	Board meetings*	Remuneration, SEK'000
Mariana Burenstam Linder	9 of 9	350
Anders Böös	9 of 9	350
Anders G. Carlberg	9 of 9	350
Carl Douglas	8 of 9	350
Elisabeth Douglas	8 of 9	350
Eric Douglas	6 of 9	350
Fredrik Palmstierna	9 of 9	1,000
Jan Svensson	9 of 9	0
Caroline af Ugglas	9 of 9	350

*Of which one was the constitutional meeting.

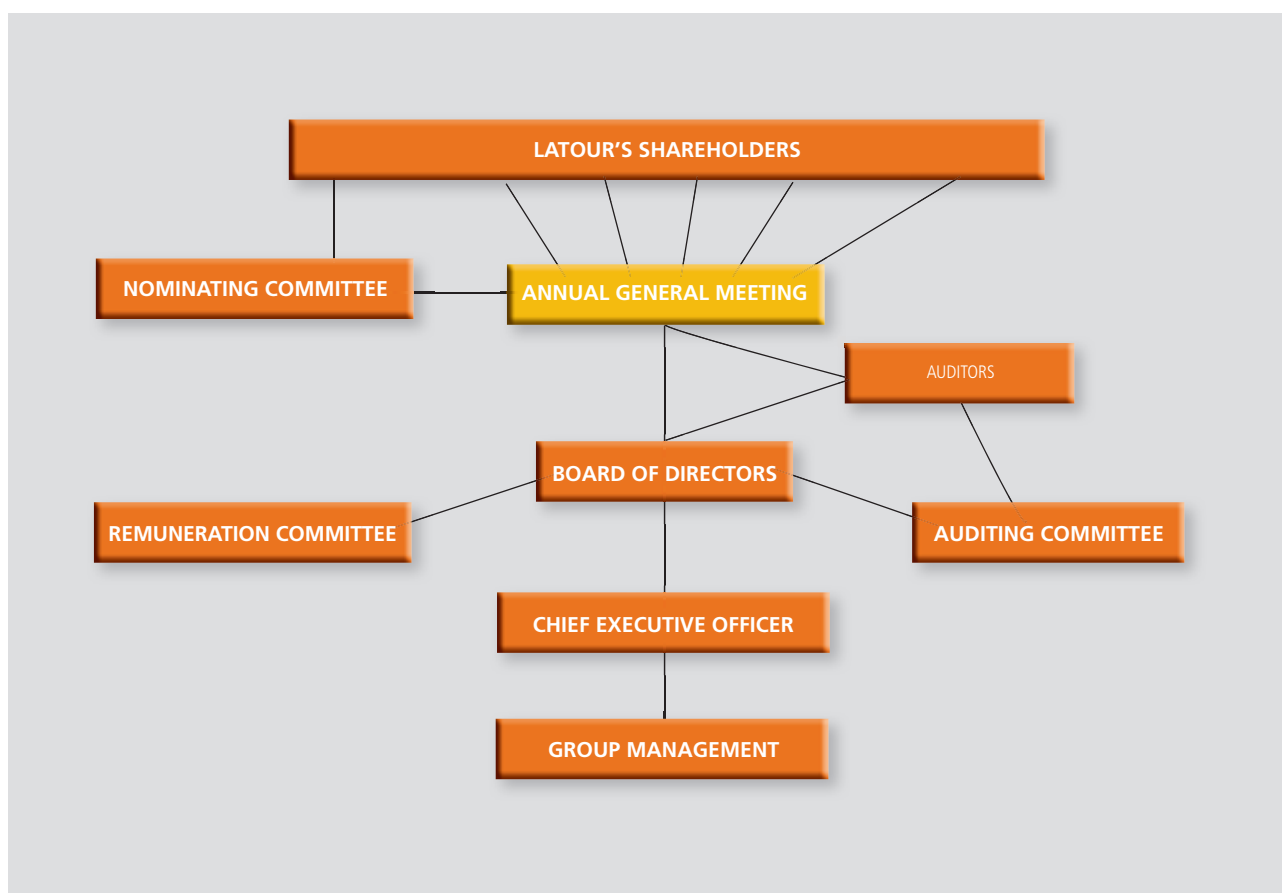


Illustration of Latour's corporate governance process from owner to Group management. The Annual General Meeting is the highest deciding body in the Group and it elects the company board.

budgets and forecasts for the subsidiaries as well as financial follow-up of operations.

The chairman of the board has also made sure that during the year an evaluation of the board's work was carried out and that all board members have expressed their views.

Committees

The board has appointed a remuneration committee and an auditing committee. The remuneration committee consists of Fredrik Palmstierna (chairman), together with Caroline af Ugglas and Eric Douglas. CEO Jan Svensson participates as an additional member. The auditing committee consists of the entire board except the chief executive officer.

The remuneration committee has held one meeting and all members were present. The committee presents proposals to the board concerning remuneration to the chief executive officer and supports him in determining remuneration to the other senior officers. The board then decides on these matters.

Remuneration to the chief executive officer consists of a fixed and a variable portion, of which the variable portion is based on achieved individual goals. Remuneration to other senior officers also consists of a basic salary and a variable portion

based on a fixed key ratio. The variable portion is maximized to a certain number of monthly wages.

The auditing committee has met twice and all members as well as the auditors were present. Financial risks and the focus of auditing were discussed, among other things. The auditors also presented observations made during the audit.

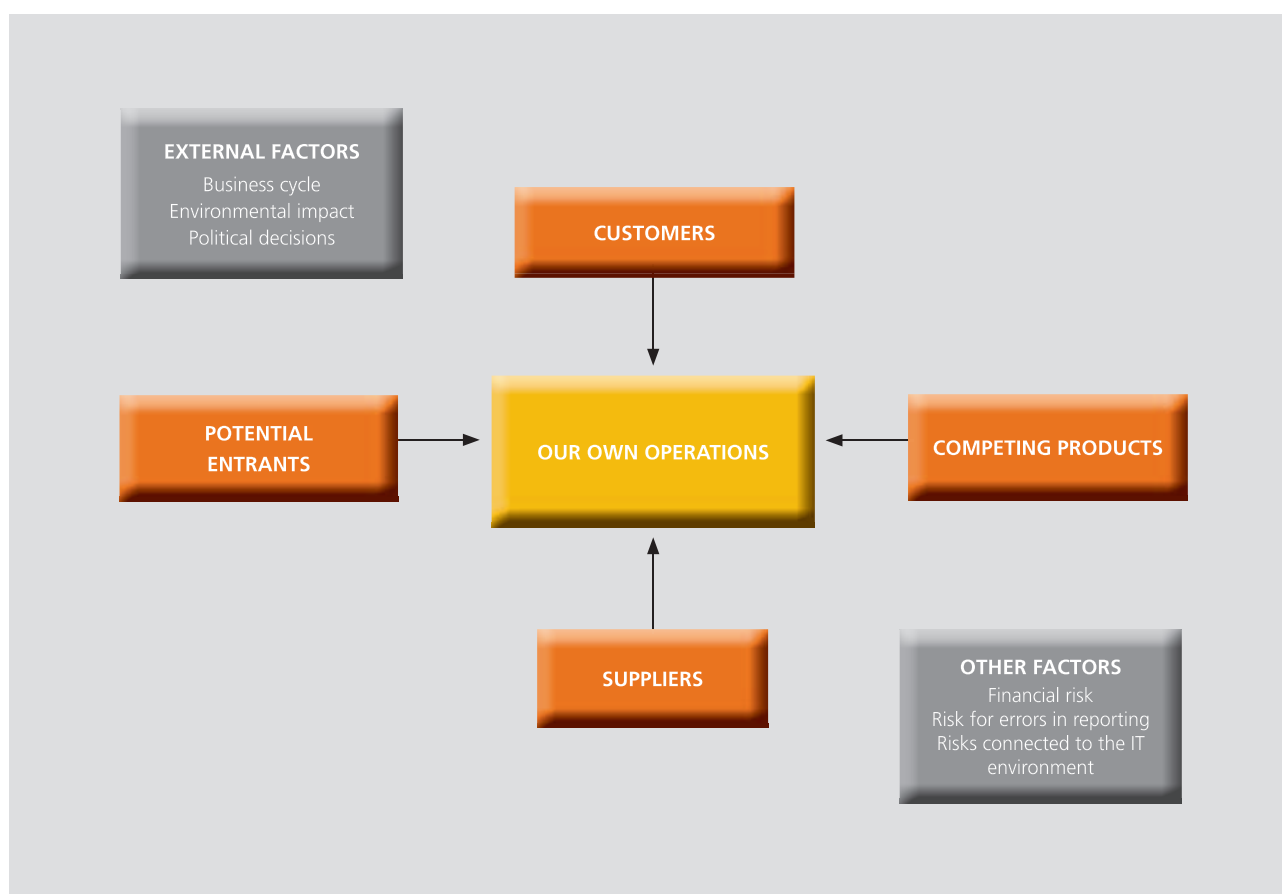
Auditors

PwC was selected at the Annual General Meeting of 2008 as auditors with Helén Olsson Svärdröm as principal auditor. Helén Olsson Svärdröm has been active in the auditing firm since 1985 and been involved in Latour auditing since 2004, responsible for Group coordination. She has no other assignments in companies that are closely related to Latour's largest owner or the chief executive officer.

The auditors have reported orally and in writing to the board concerning auditing and internal control of the Group at the board meetings in December 2011 and March 2012.

Group management

Latour's industrial operations are divided into four business areas. The investment portfolio is managed by the parent com-



Latour analyses risk exposure in the company and investment portfolio every year. Each business area is assessed based on a number of critical factors shown in the diagram above.

pany, Investment AB Latour. Subsidiary Latour-Gruppen AB is the parent company for all the business areas that are a part of the wholly owned industrial and operations.

Group management consists of the chief executive officer and the chief financial officer. The business area managers lead operations in the operative parent companies that own shares in the underlying companies and are responsible for business areas results and management. The Group's business organization is built on decentralised responsibility and authority. The business areas are responsible for developing their own operations and for meeting financial targets that include the return on operating capital, tied up capital, operating margins and growth.

Internal control relating to financial reporting

Internal control relating to financial reporting is based on a control environment that includes the organization, the decision-making process, authority and responsibility and which has been documented and communicated in management documents. An example of this is the division of responsibility between the board and the chief executive officer as well as instructions for authorisation rights, and accounting and reporting instructions.

The risks identified concerning financial reporting are managed by the Group's control structure.

Steering documents have been distributed to the appropriate staff to aid in complete and correct financial reporting. Follow-up of effectiveness and implementation takes place through programmed controls and manual procedures. The Group has a common report system in which all reporting is done. Group management regularly visits the subsidiaries for a financial follow-up and it actively participates in the subsidiaries' boards where it reviews financial reporting.

The board of Latour receives monthly financial reports and the Group's financial situation is discussed at every board meeting.

A review of the Group's internal control of essential processes was carried out. The larger companies presented their self-assessment concerning the reliability of their procedures. The inadequacies that were noted did not affect the reliability of control over reporting but necessary measures will be taken. This will be followed-up in the regular auditing.

The above information concerning internal control has not been reviewed by an auditor.

Structured process for risk management

Latour makes an annual structured analysis of the risk exposure in the company and the collected investment portfolio. In this analysis each business area is evaluated based on a number of external and internal factors. External factors are business cycles, environmental impact and political decisions. The internal factors are financial risk and risks connected to IT structure and management as well as the development in customers, competition and suppliers.

Latour's investment portfolio companies are analyzed from a financial, industrial and geographic perspective. When both the investment portfolio and wholly owned industrial operations have been analyzed a balanced risk assessment is made for Latour's entire investment portfolio.

An important risk exposure that was identified from an investment portfolio perspective is the fact that many holdings have customers in construction-related sectors. However, construction-related sectors have a number of dimensions as described in the board of directors' report.

Another relevant risk from a financial perspective can be the need for new share issues in the listed holdings. The risk for defensive new share issues or crisis issues is, however, considered low at present. Offensive new share issues for expansion are not considered a risk. They are equivalent to another investment opportunity.

A description of Latour's handling of financial risks can be found in note 34 on pages 92-94.

Latour's policy concerning wholly owned operations is that Latour will own companies with high quality and long-

term healthy profitability, and minimize risks by investing in product development, focusing on quality in internal processes, maintaining cost awareness and ensuring access to competent employees and managers.

All in all it is the board's view that the Group from a business perspective has a well-balanced diversion of risks in accordance with the comprehensive and communicated company policy.

Applying the Swedish Code of Corporate Governance

Latour applies the Swedish Code of Corporate Governance with the following exceptions.

According to definitions in the Code the majority of Latour's board is not independent and several of the board members have been on the board a long time. The company's view is that there are great advantages of long experience of operations and continuity in a company like Latour.

The special auditing function in the form of internal auditing does not exist in the Latour Group. Discussions with the company's external auditors concerning the focus of auditing as well as the auditing firm's extensive organization, together with the controls made by Group management and the existing control functions in the business areas, are considered to be an acceptable level.

Gothenburg 15 March 2012
Board of directors
Investment AB Latour (publ)

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of Investment AB Latour (publ) Corporate identity number 556026-3237

It is the Board of Directors who is responsible for the Corporate Governance Statement for the year 2011 on pages 100-103 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Gothenburg 15 March 2012
Öhrlings PricewaterhouseCoopers AB



Helén Olsson Svärdström
Authorized Public Accountant
Principal Accountant



Bo Karlsson
Authorized Public Accountant

Board of directors



Back row from left:

Jan Svensson b 1956. Board member since 2003. Mechanical engineer and Bachelor of Science (Econ.). President and CEO Investment AB Latour. Chairman of the board of AB Fagerhult, Nederman Holding AB and Oxeon AB. Member of the boards of Loomis AB and Tomra Systems ASA. Shares in Latour: 122,000 B and 80,000 sell options B and 122,000 call options B (Jan Svensson and family).

Anders Böös b 1964. Board member since 2005. Previously CEO of H & Q AB and Drott AB. Chairman of the boards of IFS AB and Cision AB. Member of the boards of Newsec AB, East Capital Baltic Property Fund AB and Tundra Fonder AB. Shares in Latour: 30,000 B.

Carl Douglas b 1965. Board member since 2008. Bachelor of Arts. Entrepreneur. Vice chairman of Securitas AB. Member of the boards in Assa Abloy AB and Swegon. Shares in Latour: 270,000 B.

Eric Douglas b 1968. Board member since 2002. Economic college graduate and three years studies at the University of Lund in "Economy for Entrepreneurs". Entrepreneur since 1992. Partner in Pod Investment AB. Chairman of the board of Sparbössan Fastigheter AB. Vice chairman of AB Fagerhult and LinkTech AB. Member of the board of, among others, Latour Industries AB. Shares in Latour: 340,000 B.

Caroline af Ugglas b 1958. Board member since 2003. Bachelor of Science (Econ.) from the University of Stockholm. Head of equities and corporate governance at Livförsäkringsaktiebolaget Skandia. Member of the boards in Connecta AB and The Swedish Corporate Governance Board. Shares in Latour: 4,300 B.

Anders G. Carlberg b 1943. Board member since 2011. Bachelor of Science (Econ.). Chairman of Höganäs AB and Herenco AB. Vice chairman of Sapa. Member of the boards of Axel Johnson Inc, SSAB, Beijer-Alma, Mekonomen, Sweco AB and others. Shares in Latour: 29,100 B (with family).

Front row from left:

Fredrik Palmstierna b 1946. Chairman of the board since 2008 and member of Latour's board from 1985-87 and since 1990. Bachelor of Science (Econ.) M.B.A. Member of the boards of Securitas AB, AB Fagerhult, Hultafor AB, Nobia AB, Acadmic Work AB and Stiftelsen Viktor Rydbergs Skolor AB. Shares in Latour: 1,500,000 A, 2,663,425 B and 200,000 call options B (Fredrik Palmstierna and companies).

Elisabeth Douglas b 1941. Board member since 1987, Chairman 1991-1993. University studies at Sorbonne, Paris, France, and the University of Stockholm. Shares in Latour: 1,040,000 B and through companies 10,050,000 A and 88,570,000 B.

Mariana Burenstam Linder b 1957. Board member since 2011. Bachelor of Science (Econ.), CEO Burenstam & Partners AB. Chairman of the board in Kontanten AB and the Sweden-America Foundation. Member of the boards of BTS AB and The Foundation Svenska Dagbladet. Shares in Latour: 17,461 B.

Everyone except Jan Svensson are independent in relationship to the company and the company management.

Caroline af Ugglas, Mariana Burenstam Linder, Anders Böös, Anders G. Carlberg, Jan Svensson are independent in relationship to the major shareholders in the company.

Group staff

Latour's company culture is characterized by the fact that we are a small, flexible organization with a short decision-making process. The parent company consists of eleven employees and we want it to be an attractive work place that offers stimulating and developing duties.

Main functions

The main functions in the parent company are management, treasury and finance and business development. Group management has the overriding responsibility for management, business development, financial governance, follow-up of results and communication.

The wholly owned companies are managed with clear and delegated responsibility. Close cooperation with executive management in the wholly owned operations is very important to Latour. Corporate governance of the listed holdings is performed by experienced board members. This is an area where Latour benefits from our broad business network.

Good relations with interested parties

Latour emphasizes the importance of good relations with representatives from the company's network and other interested parties with long-term, substantial influence on the company. One of our goals is high quality, open company communication with the world around us, ensuring that external interested parties feel it is easy to get in touch with Latour. ■



Back from left: Bo Jägnfält, business development, Katarina Rautenberg, accounting clerk, Andreas Örje Wellstam, business development. Middle from left: Torbjörn Carlén, cash manager, Jan Svensson, President and CEO, Dennis Baecklund, project employee, Anders Mörrck, Chief financial officer.

Front from left: Kristin Larsson, Group accountant, Kristina Vannerberg, CEO assistant, Jonas Davidsson, Group controller.

Group management

Jan Svensson b 1956

President and chief executive officer since 2003. Mechanical engineer and Bachelor of Science (Econ.).

Shares in Latour: 122,000 B, 80,000 sell options and 122,000 call options B (with family).

Anders Mörrck b 1963

Chief financial officer since 2008. Bachelor of Science (Econ.).

Shares in Latour: 8,000 B and 40,000 call options B.

Accountants

Öhrlings PricewaterhouseCoopers AB

Helén Olsson Svärdröm, b 1962. Authorised public accountant, Principal auditor

Bo Karlsson, b 1966. Authorised public accountant

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Shareholder information

Annual General Meeting

Time and location

The Annual General Meeting will be held Thursday 10 May 2012, 5 p.m. at the Radisson Blu Scandinavia Hotel, Södra Hamngatan 59, Gothenburg, Sweden.

Participation

Shareholders who wish to participate in the Annual General Meeting must be recorded in the registered list of shareholders managed by Euroclear Sweden AB by Friday 4 May 2012, and submit a notice of intention to participate to the company at the latest Friday 4 May 2012 by 3 p.m.

Notice of participation

The notice of participation may be submitted by telephone +46 31 89 17 90, or in writing to Investment AB Latour, Box 336, SE-401 25 Gothenburg, Sweden, or on Latour's website www.latour.se/en.

Registration

Shareholders who have their shares held in the name of a nominee must arrange in sufficient time before Friday 4 May 2012 to have the nominee temporarily register their shares in their own name in order to be able to participate in the proceedings at the Annual General Meeting.

Dividend

The board of directors recommends a dividend of SEK 4.50 per share and additional dividends of SEK 1.50 per share to the Annual General Meeting. The dividend record date suggested is Tuesday 15 May 2011. If the Annual General Meeting decides according to this recommendation, the dividend is expected to be sent from Euroclear Sweden AB on Monday 21 May 2012 to all those who are registered in the share register on the record date.

Information dates

2012-05-04	Interim report per 2012-03-31
2012-05-10	Annual General Meeting
2012-08-21	Interim report per 2012-06-30
2012-11-06	Interim report per 2012-09-30
2013-02-20	Year-end report 2012
Week 15	Annual report 2012

All new shareholders are sent a printed Annual Report the year they become shareholders, without any need to register. After the first year the Annual Report is distributed to those who have registered their desire to receive a printed copy. Subscription for electronically distributed interim reports, annual accounts and press releases can be made by registering at www.latour.se. Printed Annual Reports can be ordered by registering at www.latour.se, by telephone +46 31 891790, via info@latour.se or via letter to Investment AB Latour (publ), Box 336, SE-401 25 Gothenburg, Sweden.

This document is essentially a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

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