

YEAR-END REPORT  
2010

# Year-end Report 2010

- Group profit after net financial items amounted to SEK 872 (664) million.
- Group profit after tax amounted to SEK 702 (552) million, which corresponds to SEK 5,37 (4.21) per share.
- The Board of Directors proposes increasing this year's dividend to SEK 3.75 (2.75) per share.

## INDUSTRIAL AND TRADING OPERATIONS

### Fourth quarter

- Orders received increased to SEK 1,717 (1,331) million, an increase of 24 percent adjusted for acquisitions, divestitures and exchange effects.
- Net sales amounted to SEK 1,760 (1,369) million, an increase of 24 percent adjusted for acquisitions, divestitures and exchange effects.
- Operating result increased to SEK 162 (102) million, an increase of 59 percent, corresponding to an operating margin of 9.2 (7.5) percent, for comparable units.
- A number of acquisitions in the quarter – four acquisitions contribute over SEK 750 million in annual net sales. The Swegon business area acquired chillers manufacturer Blue Box and the Latour Industries business area acquired the cutting tool operation LSAB, the automation company Kontikab and the remaining 51 percent of shares in Pressmaster.

### Full year

- Orders received increased to SEK 6,165 (5,201) million, an increase of 20 percent adjusted for acquisitions, divestitures and exchange effects.
- Net sales amounted to SEK 5,991 (5,361) million, an increase of 13 percent adjusted for acquisitions, divestitures and exchange effects.
- Operating result for industrial and trading operations increased to SEK 574 (340) million, an increase of 69 percent, corresponding to an operating margin of 9.6 (6.3) percent, for continuing operations.

## INVESTMENT PORTFOLIO

- Adjusted for dividends, the value of the investment portfolio increased by 30.3 percent for the year, while the comparable index (SIXRX) increased by 26.7 percent.

## EVENTS AFTER THE REPORT PERIOD

- The Latour business area acquired Nord-Lock's retailer in Italy.

### LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting of wholly owned industrial and trading operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principle owners. The investment portfolio consists of eight substantial holdings that on 31 December 2010 had a market value of about SEK 11 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco, and collectively they make up 81 percent of the entire value of the portfolio. The wholly owned industrial and trading operations are since the beginning of 2010 organized in four business areas: Hultafors Group, Latour Industries, Specma Group and Swegon. Net sales in 2010 in the industrial and trading operations amounted to SEK 6 billion.

## Industrial and trading operations

### *Results and market*

Demand continued to develop very well in almost all operations in the fourth quarter. The only area where volumes continued to be troublesome was Machinery Trading in Latour Industries. Orders received in the fourth quarter increased to SEK 1,171 (1,331) million, an increase of 24 percent adjusted for exchange effects in comparable units.

The total level of orders received in continuing operations increased to SEK 6,165 (5,201) million for the full year. Invoicing increased to SEK 5,991 (5,361) million. The operating result for the four business areas increased to SEK 574 (340) million, entailing an operating margin of 9.6 (6.3) percent.

The operating result in the fourth quarter alone amounted to SEK 162 (102) million, corresponding to an operating margin of 9.2 (7.5) percent. This operating result can be compared to that of the third quarter which amounted to SEK 163 million with an operating margin of 11.6 percent. In other words the operating margin decreased in the fourth quarter, primarily due to reduced invoicing in Machinery Trading. Nonetheless the trend is still positive. Many of our operations are expanding product development and market investments to create organic growth. Acquisitions made in during the year only had marginal impact on 2010, but they will have a positive effect on operating result in times to come. The acquisitions added annual net sales of approximately SEK 900 million, but their contribution to reporting in 2010 is just SEK 200 million. Please refer to pages 4–5 for more information about each business area.

### *Acquisitions and divestitures*

A number of acquisitions were made in the fourth quarter. At the beginning of October the Swegon business area acquired all shares in the Italian chillers manufacturer Blue Box. The company, which is expected to generate net sales of about EUR 50 million this year, has some 250 employees and exports its products to over 30 countries worldwide. Blue Box complements Swegon's market position and product range. In the future Blue Box' products will be incorporated into Swegon's energy saving comprehensive solutions.

At the end of October the Latour Industries business area acquired Kontikab, manufacturer of machines for industrial leak detection. The company has net sales of approximately SEK 25 million and about 20 employees.

In December the Latour Industries business area acquired 100 percent of the shares in LSAB. LSAB, registered in Långshyttan, has 150 employees and annual net sales of SEK 150 million. The company sells, manufactures and services cutting tools for wood and metal in Sweden, Finland, Estonia, Latvia and Russia. In December the business area also acquired the remaining 51 percent of shares in Pressmaster. Pressmaster, registered in Älvdalen, develops, manufactures and sells professional hand tools for the international electricity and electronics market. Customers can be found primarily among leading manufacturers of electricity and electronic switches, hand tool manufacturers as well as among major industrial distributors. Its main markets are the US, Germany, England, France, Japan, Italy and the Nordic region.

Earlier this year the Specma Group business area acquired two operations: Samwon Tech (Europe) Ltd in Great Britain and Komponenthuset A/S in Denmark. In the same period the Latour Industries business area acquired REAC AB and divested a smaller automation operation in Laxå.

## Development per business area

### Hultafors Group



(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Net sales	319	300	1,134	1,052
EBITDA	41	52	168	141
EBITA	37	48	152	122
EBIT	35	46	143	115
EBITA %	11.7	16.1	13.4	11.6
EBIT %	10.9	15.5	12.6	10.9
Growth %	6.6	-3.4	7.8	-13.3
Of which exchange effects	-8.0	1.6	-6.8	4.6
Of which acquisitions	-	3.9	-	3.9
Average number of employees	581	567	568	622

#### Highlights fourth quarter

- Invoicing increased by 15 percent in the fourth quarter compared to the same quarter in 2009, adjusted for exchange effects.
- All markets grew compared to Q4 2009. The largest increase was in Norway (+27 %), Denmark (+22 %), Sweden (+17 %) and Germany (+16 %).
- The adjusted operating margin in the fourth quarter amounted to 12.8 percent, excluding one-off costs of SEK 4 million.
- Future challenges are continuing the cost-effectiveness in our supply chain, increasing the number of sales points as well as integrating Hultafors Group's total concept into more markets in Europe. A substantial challenge is handling growing costs for raw materials in textiles.

#### Allocation of net sales

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Workwear	193	180	618	568
Tools	99	93	392	354
Ladders	27	27	124	130
	319	300	1,134	1,052

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

### Latour Industries



(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Net sales	353	298	1,297	1,196
EBITDA	42	18	201	93
EBITA	36	11	175	66
EBIT	35	11	172	63
EBITA %	10.1	3.7	13.5	5.5
EBIT %	10.0	3.5	13.3	5.3
Growth %	17.9	14.6	8.4	-30.8
Of which exchange effects	-4.4	0.1	-3.6	1.6
Of which acquisitions	7.8	1.3	2.2	3.7
Average number of employees	587	531	555	544

#### Highlights fourth quarter

- In December LSAB, registered in Långhyttan, was acquired. The company sells, manufactures and services cutting tools for metal and wood in Sweden, Finland, Estonia, Latvia and Russia. Annual net sales are SEK 150 million and the company has 150 employees. LSAB will not be included in the company reports until 2011 and then in the same business unit as Fortiva.
- In December 51 percent of shares in Pressmaster were acquired. Latour had acquired 49 percent of the shares through new issue in the autumn of 2009.
- Demand was noticeably better in most areas.
- Continued low investment levels in industry had a negative impact on Machinery Trading.

#### Allocation of net sales

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Nord-Lock	102	67	390	269
Specma Tools	18	16	64	56
Specma Seals	21	18	80	77
BrickPack	17	12	60	44
Stenbergs	92	105	360	473
Fortiva	54	51	203	179
Carstens	32	29	110	107
REAC	21	0	29	0
Other/eliminations	-2	-	1	-9
	353	298	1,297	1,196
<b>Associated companies</b>				
Pressmaster, 49 %	26	23	94	65

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

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Net sales	416	272	1,415	1,045
EBITDA	28	-1	85	-24
EBITA	20	-10	51	-61
EBIT	20	-11	51	-64
EBITA %	4.8	-2.2	3.6	-5.8
EBIT %	4.8	-4.0	3.6	-6.1
Growth %	53.2	-28.2	35.4	-36.6
Of which exchange effects	-4.6	1.8	-2.8	2.2
Of which acquisitions	5.2	0	4.3	0
Average number of employees	876	729	816	788

### Highlights fourth quarter

- Continued increase in orders received and invoicing in the fourth quarter.
- The market for OEM and Automotive is beginning to slow on a high level.
- Increased orders received and invoicing in System which reached its lowest point later in the business cycle.
- Increasing growth in the After Sales market in the final quarter.
- Focus on controlling costs in order to achieve the full effect of the increase in volumes.

### Allocation of net sales

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
OEM	160	81	557	350
System	70	75	238	259
After sales	76	50	263	214
Automotive	110	66	357	222
	<b>416</b>	<b>272</b>	<b>1,415</b>	<b>1,045</b>

**Specma Group** has operations in four divisions. The OEM division primarily serves customers in mobile hydraulics, System Division customers are active in marine industry and industrial hydraulics, After Sales Division is focused on after sales customers and Automotive works with customers in the automotive industry.

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Net sales	673	503	2,153	2,081
EBITDA	87	68	262	280
EBITA	73	56	211	228
EBIT	72	56	208	226
EBITA %	10.8	11.2	9.8	11.0
EBIT %	10.8	11.2	9.7	10.8
Growth %	33.8	-12.9	3.5	-10
Of which exchange effects	-7.8	1.4	-5.0	3.2
Of which acquisitions	22.9	-	5.5	-
Average number of employees	1,280	974	1,054	992

### Highlights fourth quarter

- The interest in energy efficient solutions is rapidly increasing in European customers.
- At the beginning of October Swegon acquired all the shares in Blue Box, an Italian chillers manufacturer with net sales of EUR 52 million and 250 employees.
- Net sales was 19 % higher than last year adjusted for exchange effects and acquired units.
- Positive trend for air treatment aggregates, both for commercial premises and in housing.
- Operating margin was influenced negatively by translation differences.
- Future challenges are to continue winning market shares outside the Nordic region and integrating Blue Box in the Swegon Group.

### Allocation of net sales

(SEK m)	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Sweden	199	195	695	697
Other in the Nordic Region	199	200	780	850
Other in the world	275	108	714	534
	<b>673</b>	<b>503</b>	<b>2,153</b>	<b>2,081</b>

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

## Business area results

SEK m	Net sales				Operating result				Operating margin %			
	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon	2010 Q4	2009 Q4	2010 12 mon	2009 12 mon
Hultafors Group	319	300	1,134	1,052	35	46	143	115	10.9	15.5	12.6	10.9
Latour Industries	353	298	1,297	1,196	35	11	172	63	10.0	3.5	13.3	5.3
Specma Group	416	272	1,415	1,045	20	-11	51	-64	4.7	-4.0	3.6	-6.1
Swegon	673	503	2,153	2,081	72	56	208	226	10.8	11.2	9.7	10.8
Elimination	-1	-4	-8	-13	-	-	-	-	-	-	-	-
	<b>1,760</b>	<b>1,369</b>	<b>5,991</b>	<b>5,361</b>	<b>162</b>	<b>102</b>	<b>574</b>	<b>340</b>	<b>9.2</b>	<b>7.5</b>	<b>9.6</b>	<b>6.3</b>
Capital gains from divested companies	-	-	-	-	-1	-63	2	-61				
Other companies and items	-	18	-	79	-	24	44	17				
	<b>1,760</b>	<b>1,387</b>	<b>5,991</b>	<b>5,440</b>	<b>161</b>	<b>63</b>	<b>620</b>	<b>296</b>				

SEK m	Operating capital <sup>1)</sup>		Return on operating capital %		Growth in net sales %		
	2010 roll 12	2009 roll 12	2010 roll 12	2009 roll 12	2010	From acquisitions	From exchange effects
Hultafors Group	756	817	18.9	14.0	7.8	0.0	-6.8
Latour Industries	616	590	28.0	10.7	8.4	2.2	-3.6
Specma Group	656	614	7.7	-10.4	35.4	4.3	-2.8
Swegon	759	673	27.4	33.5	3.5	5.5	-5.0
<b>Total</b>	<b>2,787</b>	<b>2,695</b>	<b>20.6</b>	<b>12.6</b>	<b>11.7</b>	<b>3.5</b>	<b>-4.6</b>

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

### The Latour share's net asset value

In order to facilitate the evaluation of Latour's asset value, Latour provides an estimated interval of the value (Enterprise Value) for each business area based in EBIT-multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are shown in the tables by valuating each business area in an interval. Deductions for the company's net debt have been made as in earlier calculations. The evaluation of comparable companies has been made based on the market price after the balance sheet date

and rolling 12 months' EBIT. A more detailed description can be found on pages 8-9 in Latour's Annual Report for 2009.

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

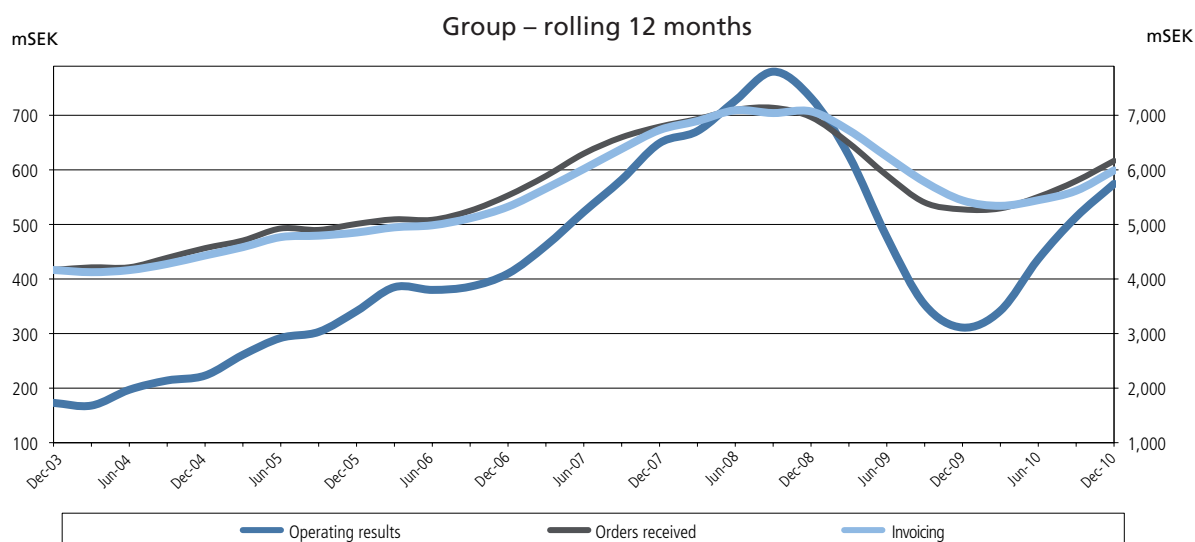
	Net sales <sup>1)</sup>	EBIT <sup>1)</sup> SEK m	EBIT multiple alt EV/sales multiple Interval	Valuation SEK m <sup>2)</sup> Interval	Valuation SEK/share <sup>3)</sup> Interval
Hultafors Group	1,134	143	12 – 15	1,716 – 2,145	13 – 16
Latour Industries					
– Engineering Technology	786	207	11 – 15	2,281 – 3,111	18 – 24
– Machinery Trading/ Machinery Accessories	818	1	0.5 – 0.7	409 – 572	3 – 4
Specma Group					
– Autotube	357	21	0.4 – 0.6	143 – 214	1 – 2
– Specma Hydraulic	1,060	29	0.6 – 0.8	636 – 848	5 – 7
Swegon	2,531	231	15 – 19	3,459 – 4,381	26 – 33
	<b>6,686</b>	<b>632</b>		<b>8,644 – 11,271</b>	<b>66 – 86</b>
<b>Listed shares</b> (see tables on the following page)				<b>10,786</b>	<b>82</b>
<b>Other assets</b>					
Oxeon <sup>4)</sup> , 31.6 %				32	0
Short position portfolio				21	0
Other listed holdings				21	0
Other				3	0
				<b>77</b>	<b>1</b>
<b>Group net debt</b>				<b>-285</b>	<b>-2</b>
<b>Calculated value</b>				<b>19,222 – 21,849</b>	<b>147 – 167</b>

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

<sup>2)</sup> EBIT and EV/sales multiple recalculated taking into consideration the share price 2010-12-31 for comparable companies in each business area.

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

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



### Investment portfolio 2010-12-31

During the year the value of the investment portfolio increased by 30.3 percent adjusted for dividends while the comparable index (SIXRX) increased by 26.7 percent. During the fiscal year all holdings in Elanders and Munters were sold. During the year 268,421 shares were bought in HMS, increasing ownership to 16.6 percent.

The holdings in Munters were sold because the public bid from Nordic Capitals was accepted. The sales generated SEK 843 million and capital gains of SEK 213 million. A further SEK 111 million was received in dividends and redemption during the ownership period. The divestiture of Elanders was a result of a strategic choice. The sales created capital losses amounting to SEK 347 million.

Share	Number	Acquisition value SEK m	Listed price <sup>1)</sup> SEK	Market value SEK	Share of votes %	Share of equity %
Assa Abloy A <sup>2)</sup>	6,746,425	786	190	1,278		
Assa Abloy B	19,000,000	414	190	3,601	16.1	7.0
Fagerhult <sup>3),4)</sup>	4,106,800	296	160	657	32.6	32.6
HMS Networks	1,851,000	133	107	199	16.6	16.6
Loomis A <sup>2)</sup>	800,000	10	101	80		
Loomis B	4,618,000	55	101	464	12.2	7.4
Nederman <sup>3)</sup>	3,171,000	271	98	309	27.1	27.1
Niscayah Group A <sup>2)</sup>	4,000,000	87	14	55		
Niscayah Group B	24,000,000	93	14	330	12.3	7.7
Securitas A <sup>2)</sup>	4,000,000	309	79	315		
Securitas B	23,090,000	276	79	1,816	12.2	7.4
Sweco A <sup>3),5)</sup>	1,222,760	8	58	71		
Sweco B <sup>3)</sup>	27,775,000	144	58	1,611	22.8	31.9
<b>Total</b>		<b>2,882</b>		<b>10,786</b>		

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

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

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

<sup>4)</sup> At the end of December 2010 30,000 shares were loaned out.

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

### Results and financial position

#### Group

Group profit after financial items was SEK 872 (664) million. Group profit after tax amounted to SEK 702 (552) million, which corresponds to SEK 5.37 (4.21) per share.

Group cash in hand and liquid investments amounted to SEK 573 (564) million. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 759 (1,176) million. Group net borrowings, including pension liabilities, totalled SEK 285 million. The equity ratio was 83 (81) percent calculated on reported equity in relation to total assets. Including surplus value in associated companies the equity ratio was 85 (82) percent.

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

#### Investments

During the period an investment of SEK 341 (171) million was made in tangible assets, of which SEK 171 (121) million was machinery, SEK 22 (12) million vehicles and SEK 148 (38) million buildings. Fixed assets in newly acquired companies made up SEK 215 (10) million of the investments for the year.

#### Parent company

Parent company profit after financial items amounted to SEK

354 (380) million. The parent company equity ratio amounted to 100 (98) percent.

The number of outstanding shares amounted to, after deduction for repurchased shares, 131,000,000 on 31 December 2010. Latour already owns 460,000 repurchased B shares. Call options have been issued to senior officers for 230,000 of the repurchased shares. 115,000 of these call options were issued in the second quarter 2010 after a decision taken at the Annual General Meeting on 11 May 2010. In June 2010 4,050,877 A shares were converted to B shares. In December 2010 another 561,893 shares were converted. The current allocation of issued shares is 12,084,160 A shares and 119,375,840 B shares.

### Events after the balance sheet date

The Latour Industries business area acquired Sigma-3 S.r.l. The company is registered in Turin and is an independent retailer of Nord-Lock's products in Italy.

### Dividends

The Board of Directors proposed a dividend of SEK 3.75 (2.75) per share, corresponding to dividends of SEK 491 million.

### Risks and uncertainties

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

housing, offices, industrial properties and infrastructure projects. No significant risks besides those described in note 34 in Latour's Annual Report 2009 have cropped up.

### Review and accounting principles

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

As of 2010 Latour applies the revised IFRS 3, Business Combinations and amendment IAS 27, Consolidated and Separate Financial Statements. Implementation entails, among other things, that transaction costs involved in acquisitions must be expensed. Another change is that provisional payments must be valued at fair value on the date of acquisition and any effects of a revaluation must be reported via the income statement.

As presented in the Annual Report 2009 Latour's industrial and trading operations are as of January 1 2010 divided in four operating segments: Hultafors Group, Latour Industries, Specma Group and Swegon.

In all other aspects the same accounting principles and calculation methods as those in the latest annual accounts have been used.

The company auditors have not reviewed this report.

### Nominating committee

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

Gustaf Douglas (chairman, principal owner)

Björn Karlsson (Bertil Svensson's family and foundation)

Per Erik Mohlin (SEB funds)

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

Gothenburg 23 February 2011

Jan Svensson  
President and Chief Executive Officer

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*Interim Report January-March 2011 will be published 2011-05-06*

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

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

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

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



## Consolidated income statement

SEK m	3 mon Oct-Dec 2010	3 mon Oct-Dec 2009	12 mon Jan-Dec 2010	12 mon Jan-Dec 2009
<b>Net sales</b>	<b>1,760</b>	<b>1,387</b>	<b>5,991</b>	<b>5,440</b>
Costs of goods sold	-1,172	-881	-3,920	-3,677
<b>Gross profit</b>	<b>588</b>	<b>506</b>	<b>2,071</b>	<b>1,763</b>
Sales costs	-311	-350	-1,071	-1,088
Administrative costs	-101	-106	-363	-343
Research and development costs	-35	-20	-106	-80
Other operating income	26	7	101	60
Other operating costs	-6	26	-12	-16
<b>Operating result</b>	<b>161</b>	<b>63</b>	<b>620</b>	<b>296</b>
Result from participation in associated companies	42	96	228	242
Result from portfolio management	-110	-32	78	189
<b>Profit before financial items</b>	<b>93</b>	<b>127</b>	<b>926</b>	<b>727</b>
Financial income	14	2	27	6
Financial costs	-20	-11	-81	-69
<b>Profit after financial items</b>	<b>87</b>	<b>118</b>	<b>872</b>	<b>664</b>
Taxes	-50	-25	-170	-112
<b>Result for the period</b>	<b>37</b>	<b>93</b>	<b>702</b>	<b>552</b>
<b>Attributable to:</b>				
Parent company shareholders	38	95	703	552
Holding of a non-controlling interest	-1	-2	-1	0
<b>Earnings per share regarding profit attributable to parent company shareholders</b>				
Before dilution	SEK 0.29	SEK 0.73	SEK 5.37	SEK 4.21
After dilution	SEK 0.29	SEK 0.72	SEK 5.36	SEK 4.21
Average number of outstanding shares before dilution	131,000,000	131,000,000	131,000,000	131,000,000
Average number of outstanding shares after dilution	131,230,000	131,115,000	131,172,973	131,067,110
Number of outstanding shares	131,000,000	131,000,000	131,000,000	131,000,000

## Statement of comprehensive income

SEK m	3 mon Oct-Dec 2010	3 mon Oct-Dec 2009	12 mon Jan-Dec 2010	12 mon Jan-Dec 2009
<b>Result for the period</b>	<b>37</b>	<b>93</b>	<b>702</b>	<b>552</b>
<b>Other comprehensive income, net after tax</b>				
Change in translation reserve for the period	-18	12	-108	-20
Change in fair value reserve for the period	978	716	2,179	2,005
Change in hedging reserve for the period	5	-2	23	20
Changes in equity in associated companies	-6	11	-111	2
Other	-1	-5	-2	-7
<b>Other comprehensive result, net after tax</b>	<b>958</b>	<b>732</b>	<b>1,981</b>	<b>2,000</b>
<b>Comprehensive result for the period</b>	<b>995</b>	<b>825</b>	<b>2,683</b>	<b>2,552</b>
<b>Attributable to:</b>				
Parent company shareholders of a non-controlling interest	996	827	2,684	2,552
Holding of a non-controlling interest	-1	-2	-1	0

## Consolidated cash flow statement

SEK m	3 mon Oct-Dec 2010	3 mon Oct-Dec 2009	12 mon Jan-Dec 2010	12 mon Jan-Dec 2009
Cash flow from current operations before changes in operating capital	180	180	578	420
Changes in operating capital	45	135	-93	284
<b>Cash flow from current operations</b>	<b>225</b>	<b>315</b>	<b>485</b>	<b>704</b>
Acquisitions of subsidiaries	-320	-16	-437	-28
Sales of subsidiaries	7	0	7	0
Other investments	-27	-22	-92	-119
Portfolio management	890	153	1,208	561
<b>Cash flow after investments</b>	<b>775</b>	<b>430</b>	<b>1,171</b>	<b>1,118</b>
Financial payments	-832	-194	-1,134	-822
<b>Cash flow for the period</b>	<b>-57</b>	<b>236</b>	<b>37</b>	<b>296</b>

## Consolidated balance sheet

SEK m	2010-12-31	2009-12-31
<b>ASSETS</b>		
Goodwill	1,388	962
Other intangible assets	51	58
Tangible assets	847	691
Financial assets	9,421	8,227
Inventories etc.	1,030	901
Current receivables	1,398	940
Cash and bank	573	564
<b>Total assets</b>	<b>14,708</b>	<b>12,343</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves attributable to parent company shareholders	12,280	9,955
Minority interest	0	1
<i>Total equity</i>	<i>12,280</i>	<i>9,956</i>
Interest-bearing long-term liabilities	378	200
Non-interest-bearing long-term liabilities	90	114
Interest-bearing current liabilities	540	1,120
Non-interest-bearing current liabilities	1,420	953
<b>Total equity and liabilities</b>	<b>14,708</b>	<b>12,343</b>

A significant change in pledged securities and contingent liabilities has occurred since the end of 2009. Investment AB Latour guarantees a possible new issue in the listed company Nederman. Nederman's lender may call for a new issue under certain circumstances no later than the second quarter 2012. Latour's share of the guarantee amounts to SEK 146 million.

## Change in consolidated equity

SEK m	Share capital	Shares bought back	Other reserves	Profit brought forward	Without a non-controlling interest	Total
Opening balance 2009-01-01	110	-29	1,842	5,970	1	7,894
Comprehensive result for the period			2,005	547		2,552
Issued call options				1		1
Dividends				-491		-491
<b>Closing balance 2009-12-31</b>	<b>110</b>	<b>-29</b>	<b>3,847</b>	<b>6,027</b>	<b>1</b>	<b>9,956</b>
Opening balance 2010-01-01	110	-29	3,847	6,027	1	9,956
Comprehensive result for the period			2,094	590	-1	2,683
Issued call options				1		1
Dividends				-360		-360
<b>Closing balance 2010-12-31</b>	<b>110</b>	<b>-29</b>	<b>5,941</b>	<b>6,258</b>	<b>0</b>	<b>12,280</b>

## Group key ratios

	2010-12-31	2009-12-31
Return on equity	6%	6%
Return on capital employed	7%	6%
Equity ratio	83%	81%
Adjusted equity ratio	85%	82%
Adjusted equity (SEK m)	13,783	11,051
Surplus value in associated companies <sup>1)</sup> (SEK m)	1,503	1,095
Net debt/equity ratio	2%	7%
Net borrowings/EBITDA	0.4	1.5
Market value	SEK 124	SEK 99
Bought back shares	460,000	460,000
Average number of repurchased shares	460,000	460,000
Average number of employees	3,057	2,956
Outstanding convertible bonds	0	0
Issued subscription options	0	0
Issued call options on repurchased shares	230,000	115,000

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

## Income statement – Parent company

SEK m	3 mon Oct-Dec 2010	3 mon Oct-Dec 2009	12 mon Jan-Dec 2010	12 mon Jan-Dec 2009
Result from participation in Group companies	–	–	100	–
Result from participation in associated companies	6	90	111	131
Result from portfolio management	213	–32	145	257
<b>Profit before financial items</b>	<b>219</b>	<b>58</b>	<b>356</b>	<b>388</b>
Interest income and similar profit items	0	0	0	0
Interest costs and similar loss items	3	–3	–2	–8
<b>Profit after financial items</b>	<b>222</b>	<b>55</b>	<b>354</b>	<b>380</b>
Taxes	–	–	–	–
<b>Result for the period</b>	<b>222</b>	<b>55</b>	<b>354</b>	<b>380</b>

## Statement of the comprehensive income – Parent company

SEK m	3 mon Oct-Dec 2010	3 mon Oct-Dec 2009	12 mon Jan-Dec 2010	12 mon Jan-Dec 2009
Result for the period	222	55	354	380
Change in the fair value reserve for the period	658	716	2,179	2,005
Total other comprehensive income	658	716	2,179	2,005
<b>Result for the period</b>	<b>880</b>	<b>771</b>	<b>2 533</b>	<b>2 385</b>

## Balance sheet – Parent company

SEK m	2010-12-31	2009-12-31
<b>ASSETS</b>		
Financial assets	9,872	7,861
Current assets	0	1
Cash and bank	6	6
<b>Total assets</b>	<b>9,878</b>	<b>7,868</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	9,869	7,695
Interest-bearing long-term liabilities	1	167
Non-interest-bearing long-term liabilities	5	5
Non-interest-bearing current liabilities	3	1
<b>Total equity and liabilities</b>	<b>9,878</b>	<b>7,868</b>

## Change in equity – Parent company

SEK m	2010-12-31	2009-12-31
Equity at the beginning of the year	7,695	5,800
Comprehensive result for the period	2,533	2,385
Issued call options	1	1
Dividends	–360	–491
<b>Equity at year-end</b>	<b>9,869</b>	<b>7,695</b>

## Segment reporting:

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

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

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

	Industry and trading					Portfolio Management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	1,051	1,192	1,043	2,079	75		5,440
Internal sales	1	4	2	2	–		9
RESULT							
Operating result	115	63	–64	226	–44		296
Result from participation in associated companies						242	242
Result from portfolio management						189	189
Financial income							6
Financial costs							–69
Taxes							–112
Result for the period							552
OTHER INFORMATION							
Investments in:							
tangible assets	19	22	34	82	14	–	171
intangible assets	9	59	–	–	–	–	68
Depreciation	27	30	40	54	26	–	177

## Five year overview

	2010	2009	2008	2007	2006
Net sales, SEK m	5,991	5,440	7,071	6,730	5,313
Operating result, SEK m	620	296	671	652	710
Result from participation in associated companies, SEK m	228	242	142	210	171
Result from portfolio management, SEK m	78	189	843	240	384
Result after financial items, SEK m	872	664	1,590	1,102	1,265
Earnings per share, SEK <sup>1)</sup>	5.37	4.21	11.14	6.71	8.54
Return on equity, %	6	6	16	8	11
Return on capital employed, %	7	6	14	8	10
Operating margin, %	9.6	6.3	10.3	9.6	7.7
Equity ratio, %	83	81	73	75	78
Adjusted equity ratio, %	85	82	75	78	80
Net debt/equity ratio, %	2	7	15	15	13
Market value, SEK <sup>1)</sup>	124	99	62	104	68

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

## Note 1: Company acquisitions

Specification of acquisitions				
Transfer date		Country	Business area	Number of employees
5 January 2010	Samwon Tech (Europe) Ltd.	Great Britain	Specma Group	12
1 April 2010	Komponenthuset A/S	Denmark	Specma Group	4
14 September 2010	REAC AB	Sweden	Latour Industries Int AB	50
19 October 2010	Kontikab AB	Sweden	Latour Industries Int AB	20
5 October 2010	Blue Box	Italy	Swegon	250
12 December 2010	LSAB	Sweden	Latour Industries Int AB	15
22 December 2010	Pressmaster Holding AB	Sweden	Latour Industries Int AB	76
<b>Assets and liabilities in acquisitions</b>				<b>SEK m</b>
Intangible assets				497
Tangible assets				223
Financial assets				10
Inventories				99
Accounts receivable				232
Other receivables				50
Cash				60
Long-term liabilities				-386
Deferred tax liability				-9
Current liabilities				-295
<b>Net identifiable assets and liabilities</b>				<b>481</b>
Additional purchase price				19
<b>Cash settlement purchase price</b>				<b>500</b>
Acquisitions of items not included in the cash flow				-3
Acquired cash				-60
<b>Effect on Group liquid assets</b>				<b>437</b>

During the period Latour acquired 100 percent of shares in Samwon Tech (Europe) Limited, Komponenthuset A/S, Reac AB, Kontikab AB, Blue Box Group and LSAB. Latour also acquired remaining shares in Pressmaster Holding AB in which there was a previous holding of 49 percent. Samwon Tech contributed an income of SEK 39.9 million and an operating result of SEK 1.1 million during the period. Komponenthuset A/S contributed an income of SEK 5.3 million and an operating result of SEK -1.2 million, Reac contributed with income of SEK 28.5 million and an operating result of SEK 2.0 million, Blue Box Group contributed with income of SEK 125.5 million and an operating result of SEK 8.6 million and Kontikab contributed with and income of 4.6 million and an operating result of SEK -1.4 million during the period. Pressmaster and LSAB will be a part of Latour's result from 1 January 2011. Transaction costs for these acquisitions attributable to this period amount to SEK 4.0 million.

A reservation of GBP 1.7 million for an estimated additional purchase price for Samwon Tech has been made. The final result may vary from GBP 0 to 3.3 million. The final sum will be based on profit development between 2010 and 2013.



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