

INTERIM REPORT
JANUARY–SEPTEMBER 2012



Interim Report January – September 2012

NET ASSET VALUE

- The net asset value per 30 September amounted to SEK 151 per share, compared to SEK 142 per share at the beginning of the year. The increase corresponds to 11 percent, adjusted for dividends, compared to the comparable index (SIXRX) which increased by 12.3 percent. The net asset value on 5 November amounted to SEK 153 per share.¹⁾

INDUSTRIAL OPERATIONS

Third quarter

- Orders received in the industrial operations dropped to SEK 1,466 (1,618) m, which is a decrease in comparable units of 7 percent adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 1,571 (1,655) m, which is a decrease in comparable units of 4 percent adjusted for exchange effects.
- The operating result amounted to SEK 160 (218) m, which corresponds to an operating margin of 10.2 (13.2) percent in continuing operations. Higher than normal investments in marketing and product development charged the result by SEK 33 m.

January to September

- Orders received in the industrial operations dropped to SEK 5,176 (5,224) m, which is a decrease of 2 percent in comparable units adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 5,091 (4,985) m, which means null growth in comparable units adjusted for exchange effects.
- The operating result was SEK 482 (610) m, a decrease of 21 percent which corresponds to an operating margin of 9.5 (12.2) percent in continuing operations. Higher than normal investments in marketing and product development charged the result by SEK 104 m.

GROUP

- Group profit after net financial items amounted to SEK 1,072 (1,702) m.
- Group profit after tax was SEK 962 (1,556) m, or SEK 6.03 (11.14) per share.²⁾
- Net debt amounted to SEK 1,390 m at the end of September, compared to SEK 1,140 m at the beginning of the year, which is the equivalent of 5.5 percent of the market value of the company's entire assets.
- 13.4 percent of the shares in Diamorph AB (publ) were acquired.

INVESTMENT PORTFOLIO

- During the first nine months the investment portfolio's value increased by 17.4 percent adjusted for dividends while the comparable index (SIXRX) increased by 12.3 percent.

EVENTS AFTER THE REPORT PERIOD

- Latour Industries acquired Kabona AB, a leading company in the field of energy efficiency in buildings. Two other smaller acquisitions were also made; Norlub Scandinavia AB for the Specma Group and Westlings Industri AB for LSAB in Latour Industries. In the investment portfolio, holding in Tomra has increased to 17.5 per cent and in HMS to 22.7 per cent.

¹⁾ The calculation of the net asset value on 5 November 2012 was based on the value of the investment portfolio at 1 p.m. on 5 November and the same values as on 30 September were used for the wholly owned industrial operations.

²⁾ Lower earnings per share since the number of shares increased as a result of the fusion with Sökl in July 2011. Capital gains of SEK 3.35 were included in the previous year.

LATOUR AT A GLANCE

Investment AB Latour is a mixed investment company consisting primarily of wholly owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principle owners. The investment portfolio consists of nine substantial holdings that on 30 September 2012 had a market value of about SEK 16 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco. The wholly owned industrial operations are organized in four business areas: Hultafors Group, Latour Industries, Specma Group and Swegon. Net sales in 2011 in the wholly owned industrial operations amounted to just under SEK 7 billion.

COMMENTS FROM THE CEO

Taking the initiative in a slow economy

"The macroeconomic situation is beginning to have a greater effect on developments in our business. Several major industrial customers have reported a lower production levels and naturally that affects our operations. Hardest hit is Specma Groups OEM and System divisions, where demand is noticeably lower than last year. This situation is challenging Latour Industries as well. Swegon, where there has been a solid increase in orders received earlier this year, is experiencing a decline in demand in the third quarter. All in all orders received fell by 7 percent organically, adjusted for exchange effects. Prospects for growth in the coming quarters are minimal, primarily due to the fact that most of the sales in the industrial operations are generated in the European market.

Despite this market situation we choose to continue to take the initiative in the slow economy we are in. We have chosen not to cut off any of the strategic initiatives launched in 2011 and which have a substantial impact on expenses. Several products will be launched in the industrial operations in 2012 and 2013, we are penetrating new markets and investing in existing markets to raise sales. Although these costs are felt much more in a downturn I am convinced that these are the investments that in the long run will be decisive for our ability to grow and win market shares, particularly in areas outside the Nordic region where our share of the market is still relatively small.

At the same time the situation on the market means we carefully review our costs in our industrial operations. In addition to continuous savings we are restructuring.

The result and nine month period should be seen in light of the SEK 18 m in the third quarter and the SEK 88 m in the nine month period in higher market and product development costs that charge the result compared with the same period last year. Another SEK 16 m in restructuring costs so far this year have also charged the result. Further structural costs will charge the fourth quarter.

Developments in our listed holdings have generally been positive considering the slow economy. The value of the investment portfolio has developed better than the market on the whole.

The acquisition of 13.4 percent in Diamorph is an exciting addition to our unlisted partner-owned companies. Diamorph is a profitable, high-tech company with the world as its market, and therefore it fits in very well with our strategy."

*Jan Svensson
President and CEO*

Industrial operations

Orders received, invoicing and results

The total orders received in continuing operations fell to SEK 1,466 (1,618) m in the third quarter and to SEK 5,176 (5,224) m in the first nine months.

Invoicing decreased by 5 percent to SEK 1,571 (1,655) m in the third quarter and increased by 2 percent to SEK 5,091 (4,985) m in the first nine months. The increase corresponds to unchanged organic growth, adjusted for exchange effects.

Operating result for the four business areas dropped by 27 percent to SEK 160 (218) m during the third quarter. During the year the operating result dropped by 21 percent to SEK 482 (610) m. This decrease was primarily due to our investment in strategic initiatives in marketing and product development. The cost increase for comparable units for these investments amounted to SEK 88 m in the first nine months. As a consequence, the operating result contracted by 10.2 (13.2) percent in the quarter and by 9.5 (12.2) percent during the year. Divestitures in both years are excluded in these numbers.

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

Acquisitions and divestitures

During the third quarter 13.4 percent of the shares in Diamorph AB (publ) were acquired. The acquisition took place in connection with Diamorph acquiring the British company TENMAT. Diamorph delivers advanced material solutions for particularly demanding industrial applications. TENMAT is a British supplier of specialized high-performing material with a leading position in several niches. After the acquisition the Diamorph Group has 300 employees and net sales of around SEK 400 m.

Three acquisitions were made after the end of the quarter. Specma Group acquired Norlub Scandinavia AB which delivers lubricating systems and conducting components mainly for construction machinery, trucks and tractors. The company has net sales of around SEK 20 m and 9 employees. Through LSAB Latour Industries acquired saw blade manufacturer Westlings Industri AB, which has some SEK 45 m in net sales and 30 employees. Latour Industries also acquired Kabona AB, a leading company in energy efficiency in buildings. Kabona has 80 employees and net sales of more than SEK 100 m annually. The company delivers systems that optimize energy consumption and the indoor climate in buildings. Its business is built on Kabona's own software ecopilot®.

Earlier this year the Latour Industries business area made a small acquisition for REAC of SCS in Åmål, Sweden. This acquisition will be the basis for REAC's investments in systems and electronics development aimed at strengthening and developing REAC's position on the market for lifts and actuators for advanced wheelchairs. At the end of March the Hultafors Group business area acquired Snickers Workwear's franchises in the Netherlands, Snickers Original BV. Through the acquisition the Hultafors Group will intensify its work on the Dutch market. The acquired company has 17 employees.

The acquisition opportunities we analyze either supplement existing business areas or could become new ones in Latour. We evaluate both small and large possibilities. Our ambition is to own stable industrials with their own products and good potential to expand internationally.

Industrial operations summary

Business area results

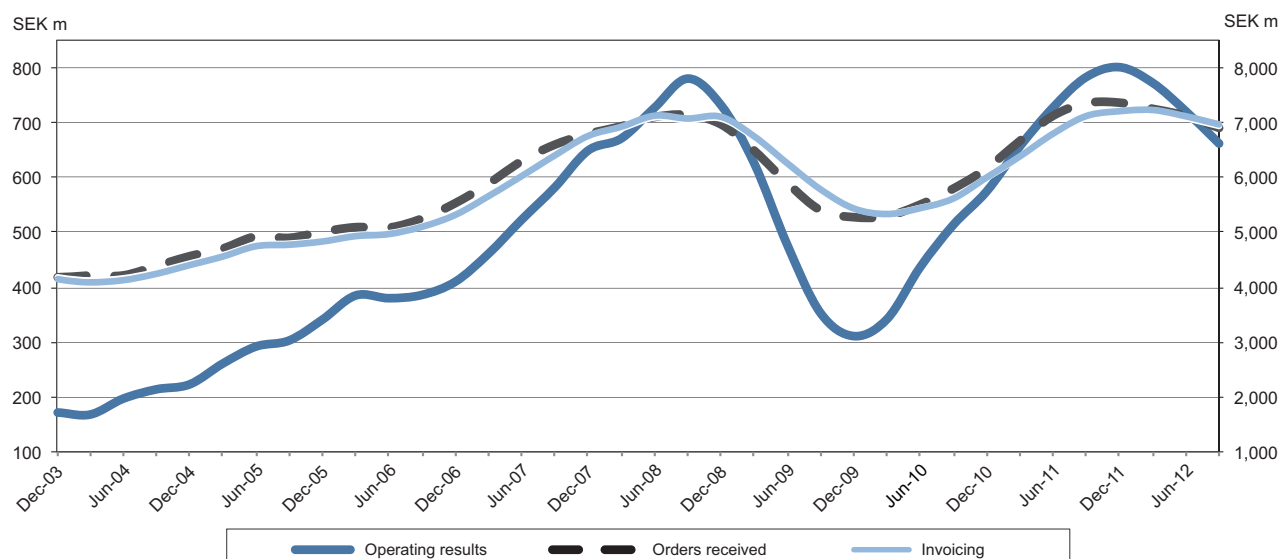
SEK m	Net sales				Operating result ²⁾				Operating margin %			
	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon
Hultafors Group	285	285	881	848	31	48	88	122	10.9	17.0	10.0	14.3
Latour Industries	376	380	1,207	1,142	46	60	136	203	12.2	15.9	11.3	17.8
Specma Group	251	324	930	1,015	-1	20	18	60	-0.4	6.1	1.9	5.9
Swegon	659	668	2,074	1,991	84	90	240	226	12.8	13.5	11.6	11.3
Eliminations	-	-2	-1	-11	-	-	-	-	-	-	-	-
	1,571	1,655	5,091	4,985	160	218	482	610	10.2	13.2	9.5	12.2
Capital gains from divested companies	-	-	-	-	-	65	-	63				
Other companies and items	-	59	-	340	8	20	10	12				
	1,571	1,714	5,091	5,325	168	303	492	684				

SEK m	Operating capital ¹⁾		Return on operating capital %		Growth in net sales %		
	2012 roll 12	2011 roll 12	2012 roll 12	2011 roll 12	2012	From acquisitions	From exchange effects
Hultafors Group	848	797	13.8	19.6	3.8	2.2	-0.8
Latour Industries	1,081	741	16.8	33.7	5.8	9.3	0.2
Specma Group	603	546	6.1	12.4	-8.4	-	-0.3
Swegon	1,111	1,128	29.4	26.4	4.2	-	-1.4
Total	3,643	3,212	18.2	24.0	2.1	2.5	-0.7

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

²⁾ Structural costs charge the operating result by SEK 16 m in the third quarter 2012.

Group rolling 12 months



Development per business area

Hultafors Group



(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Net sales	285	285	881	848	1,182	1,215
EBITDA	36	54	103	139	171	135
EBITA	33	50	93	127	158	124
EBIT	31	48	88	122	151	117
EBITA %	11.6	17.6	10.6	15.0	13.3	10.2
EBIT %	10.9	17.0	10.0	14.3	12.8	9.7
Growth %	0.0	1.2	3.8	4.2	4.2	
Of which exchange effects	-1.8	-1.5	-0.8	-4.7	-3.6	
Of which acquisitions	1.8	–	2.2	–		
Average number of employees	646	637	646	623	622	637

Highlights

- Organic growth was negligible in the third quarter due to continued weak developments in several markets.
- The result has been affected negatively by recent cost hikes for sourcing in Asia, which primarily affects Workwear.
- Restructuring measures during the third quarter were aimed at concentrating our business around each brand and coordinating scattered operations in Sweden. Restructuring charged the quarter by SEK 4 m, but will increase results from 2013. The EBITA margin, adjusted for restructuring costs, was 13.0 percent.
- Investments in product development and new markets continues. Among other things a new system for carrying tools was launched and received very positively. Several new products will be launched in coming quarters. New marketing companies in France and Austria continue to charge the result.
- The Hultafors Group acquired Snickers Original BV in the Netherlands with 17 employees earlier this year.

Allocation of net sales

(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Workwear	151	149	475	432	632	675
Tools	100	104	301	315	416	403
Ladders	34	32	105	101	134	138
	285	285	881	848	1,182	1,215
Pro forma adjustment						6
Rolling 12 month pro forma						1,221

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 choice for the end user.

Latour Industries



(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Net sales	376	380	1,207	1,142	1,573	1,639
EBITDA	57	71	169	232	287	225
EBITA	47	61	140	204	251	187
EBIT	46	60	136	203	248	181
EBITA %	12.6	16.1	11.6	17.9	15.9	11.4
EBIT %	12.2	15.9	11.3	17.8	15.7	11.1
Growth %	-1.1	56.5	5.8	61.7	60.2	4.4
Of which exchange effects	-0.2	-1.7	0.2	-3.5	-2.6	
Of which acquisitions	3.4	48.8	9.3	45.9	49.2	
Average number of employees	932	862	927	914	916	

Highlights

- Invoicing decreased by 4.7 percent in the third quarter, adjusted for acquisitions and exchange effects.
- Continued major investments in organic growth and product development. These investments surpassed last year's level for comparable units by SEK 34 m in the first nine months. Nord-Lock is introducing a completely new bolt securing system, NLX, and the market organization in Asia will be significantly enlarged. These investments explain a change in margins by 2.8 points.
- In addition to the slow economy and investments in strategic initiatives, the strong Swedish krona has had a negative effect on the result.
- Restructuring costs charge the result for the third quarter by SEK 7 m and explain a change in margins by 1.9 percent during the quarter.
- Westlings Industri AB and Kabona AB were acquired after the end of the period, please see page 3.

Allocation of net sales

(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Nord-Lock	163	141	497	370	529	655
Specma Tools	12	18	45	50	69	63
Specma Seals	26	30	68	80	112	102
BrickPack	13	14	41	48	65	59
AVT Group	19	26	68	75	114	107
LSAB-gruppen	76	77	271	262	356	365
Carstens	15	23	57	80	104	80
REAC	29	28	84	94	118	108
Pressmaster	23	23	76	83	105	99
	376	380	1,207	1,142	1,573	1,639

Latour Industries consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent units in the business area which can eventually become new business areas in Latour. The common denominator is that most customers are active in manufacturing.

Specma Group



(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Net sales	251	324	930	1,015	1,381	1,295
EBITDA	3	24	31	74	98	55
EBITA	-1	20	18	61	80	37
EBIT	-1	20	18	60	79	37
EBITA %	-0.4	6.2	1.9	6.0	5.8	2.9
EBIT %	-0.4	6.1	1.9	5.9	5.7	2.9
Growth %	-22.4	35.0	-8.4	34.3	29.7	-2.1
Of which exchange effects	-1.3	-1.0	-0.3	-2.6	-2.0	-0.3
Of which acquisitions	0.0	0.3	0.0	0.3	0.2	0.2
Average number of employees	728	795	753	747	692	723

Highlights

- Very weak development in System Division, particularly in marine applications.
- The significant drop connected to store adjustments at OEM customers had a negative effect on demand in the quarter.
- Volumes were stable in after sales.
- A cost adjustment program is being implemented and further restructuring is planned. Structural costs affect the operating result by SEK 4 m during the quarter.
- Norlub Scandinavia AB was acquired after the end of the period, please see page 3.

Allocation of net sales

(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
OEM	136	174	512	558	748	705
System	55	90	204	250	355	303
Component	60	60	214	207	278	287
	251	324	930	1,015	1,381	1,295

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

Swegon



(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Net sales	659	668	2,074	1,991	2,707	2,790
EBITDA	101	107	291	276	377	392
EBITA	85	91	242	228	315	329
EBIT	84	90	240	226	312	327
EBITA %	12.9	13.6	11.7	11.4	11.6	11.8
EBIT %	12.8	13.5	11.6	11.3	11.5	11.7
Growth %	-1.4	38.6	4.2	34.5	25.7	
Of which exchange effects	-3.6	-1.1	-1.4	-3.6	-3.2	
Of which acquisitions	0.0	23.0	0.0	23.2	15.9	
Average number of employees	1,366	1,308	1,352	1,288	1,288	

Highlights

- Net sales increased by 2 percent adjusted for exchange effects compared to the corresponding quarter the previous year.
- Fewer orders received in the third quarter indicate an approaching downturn in the market.
- The operating margin continues to be good, especially considering the strategic initiatives for organic growth and product development investments, that together increased expenses by SEK 50 m compared to last year.
- Tellus™, a completely new concept for energy efficient ventilation, cooling and warm water, was introduced.
- The challenge for the future is to keep on winning market shares in areas outside the Nordic region where sales continue to rise and have reached an all time high.

Allocation of net sales

(SEK m)	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	2011 Full year	Rolling 12 mon
Sweden	180	196	582	609	806	779
Other Nordic Region	188	193	626	572	796	850
Other, worldwide	291	279	866	810	1,105	1,161
	659	668	2,074	1,991	2,707	2,790

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

The Latour share's net asset value

In order to facilitate the evaluation of Latour's asset value, Latour provides an estimated interval of the value (Enterprise Value) for each business area based on 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 reflected in the tables by valuating each business area in an interval. As previously, we have made deductions for the company's net debt. The evaluation of comparable companies is based on the market price after the balance sheet date. Any price changes after the balance sheet date have not been taken

into consideration. A more detailed description can be found on pages 18–19 in Latour's Annual Report for 2011.

In some cases the valuation multiples for comparable companies span over a great interval. For this reason the multiples may be adjusted in order to avoid unreasonable values. The valuation multiple EV/sales has been used on certain units. The indicative value stated below is not a complete market valuation of Latour's holdings.

The net asset value increased to SEK 151 per share during the first nine months from SEK 142 at the beginning of the year. The net asset value increased by 11 percent, which can be compared to SIXRX that increased by 12.3 percent.

	Net sales ¹⁾		EBIT multiple alt interval	Interval	Average	Värdering intervall	
Hultafors Group	1,222	123	10	–	13	1,234	
– 1,604	1,419	8	–	10			
Latour Industries	1,640	190	11 – 15	2,086 – 2,846	2,466	13 – 18	
Specma Group	1,296	41	0.5 – 0.6	648 – 778	713	4 – 5	
Swegon	2,790	327	12 – 15	3,918 – 4,897	4,408	25 – 31	
	6,948	681		7,886 – 10,125	9,005	50 – 64	
Listed shares (see table on page 8)						15,970	100
Unlisted partner-owned companies							
Academic Work ⁴⁾ , 20.06 %					368	2	
Diamorph ⁵⁾ , 13.38 %					50	0	
Oxeon ⁶⁾ , 31.57 %					32	0	
Other assets							
Short position portfolio					28	0	
Other listed holdings					14	0	
Other					3	0	
Consolidated net debt						–1,390	–8
Calculated value						24,080	151
						(22,961 – 25,199)	(144 – 158)

¹⁾ Rolling 12 months for current company structure. EBIT is reported before restructuring costs.

²⁾ EBIT and EV/sales recalculated taking into consideration the share price on 2012-09-28 for comparable companies in each business area.

³⁾ Calculated on the number of outstanding shares.

⁴⁾ Valued according to a statement made by an independent valuer.

⁵⁾ Valued according to the latest transaction.

⁶⁾ Valued according to the latest transaction.

Investment portfolio 2012-09-30

The combined value of the investment portfolio increased by 17.4 percent during the nine month period while comparable index (SIXRX) increased by 12.3 percent.

During the third quarter 500,000 shares were acquired in Tomra and 10,300 shares in HMS. Earlier in the year

1,000,000 shares were acquired in Tomra and 35,650 shares in HMS. After the end of the third quarter a further 1,470,000 shares in Tomra and 50,850 shares in HMS were acquired.

Share	Number	Acquisition value SEK m	Listed price ¹⁾ SEK	Market value SEK m	Share of votes %	Share of equity %
Assa Abloy A ²⁾³⁾	13,865,243	1,038	213	2,955		
Assa Abloy B ³⁾	21,300,000	659	213	4,539	29.4	9.5
Fagerhult ^{3) 4)}	6,206,800	571	166	1,027	49.2	49.2
HMS Networks ³⁾	2,519,472	197	108	271	22.3	22.3
Loomis A ²⁾³⁾	2,528,520	38	93	236		
Loomis B ³⁾	5,009,808	69	93	467	29.2	10.3
Nederman ³⁾	3,512,829	306	135	472	30.0	30.0
Nobia	23,000,000	466	25	570	13.8	13.8
Securitas A ²⁾³⁾	12,642,600	567	49	623		
Securitas B ³⁾	27,090,000	514	49	1,336	29.6	10.9
Sweco A ^{3) 5)}	1,222,760	8	69	84		
Sweco B ³⁾	27,775,000	144	69	1,916	22.8	31.7
Tomra ⁶⁾	24,500,000	1,114	53 (NOK)	1,473	16.6	16.6
Total		5,691		15,969		

¹⁾ 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⁾ Shown as associated companies in the balance sheet.

⁴⁾ At the end of September 2012 30,000 shares 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.

⁶⁾ The listing price at the end of September was NOK 52.50, which has been recalculated to SEK by using the exchange rate at the end of the accounting period.

Result and financial position

Group

Group profit after financial items was SEK 1,072 (1,702) m. Group profit after tax amounted to SEK 962 (1,556) m, which corresponds to SEK 6.03 (11.14) per share.

Group cash in hand and liquid investments amounted to SEK 223 (994) m. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 1,512 (1,279) m. Group net borrowing, including pension liabilities, totalled SEK 1,390 (395) m. The equity ratio was 86 (83) percent calculated on reported equity in relation to total assets including surplus value in associated companies.

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

Investments

During the period SEK 86 (116) m was invested in tangible assets, of which SEK 63 (85) m was machinery, SEK 15 (22) m vehicles and SEK 8 (9) m buildings. Fixed assets in newly acquired companies made up SEK 1 (7) m of investments for the period.

Parent company

Parent company profit after financial items amounted to SEK 769 (2,591) m. The parent company equity ratio amounted to 90 (96) percent.

Not including repurchased shares, the number of outstanding shares on 30 September 2012 amounted to 159,263,000. During the period 237,000 B shares were bought back and after that Latour has a holding of 697,000 B shares. Call options have been issued to senior officers for 633,000 of the repurchased shares and 186,000 of them were issued in the third quarter according to the Annual General Meeting 2012 mandate.

The allocation of issued shares is 11,952,522 A shares and 148,007,478 B shares.

Events after the report period

Norlub Scandinavia AB was acquired for the Specma Group in the fourth quarter. Business area Latour Industries acquired Westlings Industri AB and Kabona AB, please see page 3.

Risks and uncertainties

The Group's and the parent company's main risk lies in changes in the value of financial instruments such as

a general baisse on the stock market or in a particular holding. Uncertainties concerning exchange and interest developments are included in this. Latour has a good diversification of risk through a wide variety of shareholdings divided among nine listed holdings and four wholly owned business areas. This means that the development of an individual holding will not have a dramatic effect on the Group in general. Because the wholly owned industrial operations have grown changes in them have a greater impact on Latour. The Group as a whole is considered to have good risk diversification in its holdings in several different industries, but there is a certain dominance of industries with exposure to the construction industry. However, this industry can also be divided into a number of dimensions, such as new construction or repairs and maintenance, locally or globally, and it is also spread over housing, offices, industrial properties and infrastructure projects. No significant risks besides those described in note 34 in Latour's Annual Report 2011 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.

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

The company auditors have not formally reviewed this report.

Nominating Committee

The nominating committee for the Annual General Meeting on 14 May 2013 consists of the following members:

Gustaf Douglas (chair, principle owner)

Björn Karlsson (Bertil Svensson's family and foundation)

Per Erik Mohlin (SEB funds)

The nominating committee can be reached via Latour's website www.latour.se under About Latour, Organization.

Gothenburg 6 November 2012

Jan Svensson
President and Chief Executive Officer

Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2012 to 30 September 2012 for Investment AB Latour (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Gothenburg, 6 November 2012

PricewaterhouseCoopers

Helén Olsson Svärdröm
Auktoriserad revisor
Huvudansvarig revisor

Bo Karlsson
Auktoriserad revisor

For further information please contact:

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Telephone conference

Investment AB Latour will hold a telephone conference with Jan Svensson and Anders Mörck today at 11 a.m. The number for joining is: +46 (8) 505 598 53. The conference will be broadcasted over the Internet. In order to follow the presentation please visit our website www.latour.se.

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

Interim Report January – March will be published 2013-05-02

The General Annual Meeting will be held on 14 May 2013 at Radisson Blu Scandinavia Hotel in Gothenburg

The information in this interim report is disclosed pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was made public on 6 November 2012 at 8:30 a.m.

Consolidated income statement

SEK m	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	Rolling 12 mon	Full year 2011
Net sales	1,571	1,714	5,091	5,325	6,937	7,171
Cost of goods sold	-986	-1,103	-3,225	-3,460	-4,404	-4,639
Gross profit	585	611	1,866	1,865	2,533	2,532
Sales costs	-301	-288	-986	-885	-1,345	-1,244
Administrative costs	-97	-103	-313	-320	-401	-408
Research and development costs	-34	-26	-114	-89	-165	-140
Other operating income	18	106	45	147	68	170
Other operating costs	-3	3	-6	-34	1	-27
Operating result	168	303	492	684	691	883
Result from participation in associated companies	214	677	627	1,132	944	1,449
Result from portfolio management	7	-50	41	-49	64	-26
Administration costs	-4	-4	-11	-13	-13	-15
Profit before financial items	385	926	1,149	1,754	1,686	2,291
Financial income	1	29	17	45	26	54
Financial costs	-36	-32	-94	-97	-112	-115
Profit after financial items	350	923	1,072	1,702	1,600	2,230
Taxes	-38	-61	-110	-146	-146	-182
Result for the period	312	862	962	1,556	1,454	2,048

Attributable to:

Parent company shareholders	312	862	962	1,556	1,454	2,048
Non-controlling interests	-	-	-	-	-	-

Earnings per share regarding profit attributable to parent company shareholders

Before dilution	SEK 1.96	SEK 5.47	SEK 6.03	SEK 11.14	SEK 9.12	SEK 14.13
After dilution	SEK 1.95	SEK 5.45	SEK 6.02	SEK 11.09	SEK 9.09	SEK 14.10
Average number of outstanding shares before dilution	159,355,865	157,641,304	159,474,051	139,732,798	159,480,574	144,898,630
Average number of outstanding shares after dilution	159,902,065	158,058,304	159,931,912	140,272,410	159,928,246	145,224,005
Number of outstanding shares	159,263,000	159,500,000	159,263,000	159,500,000	159,263,000	159,500,000

Statement of comprehensive income

SEK m	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	Rolling 12 mon	Full year 2011
Result for the period	312	862	962	1,556	1,454	2,048
Other comprehensive income, net after tax						
Change in translation reserve for the period	-43	12	-55	23	-90	-12
Change in fair value reserve for the period	125	-383	338	-1,149	377	-1,110
Change in hedging reserve for the period	9	-10	13	-14	20	-7
Changes in equity in associated companies	65	-36	-24	877	117	1,018
Other comprehensive result, net after tax	156	-417	272	-263	424	-111
Comprehensive result for the period	468	445	1,234	1,293	1,878	1,937
Attributable to:						
Parent company shareholders	468	445	1,234	1,293	1,878	1,937
Non-controlling interests	-	-	-	-	-	-

Consolidated cash flow statement

SEK m	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	Rolling 12 mon	Full year 2011
Cash flow from current operations before changes in operating capital	167	158	463	487	687	711
Changes in operating capital	70	-93	36	-352	87	-301
Cash flow from current operations	237	65	499	135	774	410
Acquisition of subsidiaries	-1	-25	-34	-57	-44	-67
Sale of subsidiaries	0	196	0	319	0	319
Other investments	-27	-16	-82	-115	-106	-139
Portfolio management	39	658	457	940	-524	-41
Cash flow after investments	248	878	840	1,222	100	482
Financial payments	-204	-291	-1,100	-808	-850	-558
Cash flow for the period	44	587	-260	414	-750	-76

Consolidated balance sheet

SEK m	2012-09-30	2011-09-30	2011-12-31
ASSETS			
Goodwill	1,526	1,572	1,542
Other intangible assets	75	83	80
Tangible assets	711	751	764
Financial assets	8,641	6,439	8,019
Inventories etc.	1,075	1,371	1,260
Current receivables	1,553	1,607	1,435
Cash and bank	223	994	498
Total assets	13,804	12,817	13,598
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	10,741	9,846	10,489
Non-controlling interests	0	0	0
<i>Total equity</i>	<i>10,741</i>	<i>9,846</i>	<i>10,489</i>
Interest-bearing long-term liabilities	363	803	577
Non-interest-bearing long-term liabilities	139	87	138
Interest-bearing current liabilities	1,300	639	1,114
Non-interest-bearing current liabilities	1,261	1,442	1,280
Equity and liabilities	13,804	12,817	13,598

Change in consolidated equity

SEK m	Share capital	Repurchased shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 2011-01-01	110	-29	5,941	6,258	0	12,280
Comprehensive result for the period			-1,129	3,066		1,937
Issued call options				3		3
New issue costs				-10		-10
New issue	23			3,611		3,634
Effects of the merger through pooling method			-4,720			-4,720
Merger difference				-2,144		-2,144
Dividends				-491		-491
Closing balance 2011-12-31	133	-29	92	10,293	0	10,489
Opening balance 2012-01-01	133	-29	92	10,293	0	10,489
Comprehensive result for the period			296	938		1,234
Issued call options				2		2
Repurchase of shares		-27				-27
Dividends			-	-957		-957
Closing balance 2012-09-30	133	-56	388	10,276	0	10,741

Group key ratios

	2012-09-30	2011-09-30	2011-12-31
Return on equity	12%	19%	18%
Return on comprehensive capital	12%	17%	17%
Adjusted equity ratio	86%	83%	84%
Adjusted equity (SEK m)	18,604	14,809	16,709
Surplus value in associated companies ¹⁾ (SEK m)	7,863	4,963	6,220
Net debt/equity ratio	8%	3%	7%
Net borrowing/EBITDA	1.7	0.4	1.1
Share price	SEK 114	SEK 95	SEK 107
Repurchased shares	697,000	460,000	460,000
Average number of repurchased shares	485,949	460,000	460,000
Average number of employees	3,685	3,791	3,642
Outstanding convertible bonds	0	0	0
Outstanding subscription options	0	0	0
Issued call options on repurchased shares	633,000	417,000	447,000

¹⁾ Difference between acquisition value and market value.

Income statement – parent company

SEK m	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	Rolling 12 mon	Full year 2011
Result from participation in Group companies	–	–	331	–	331	–
Result from participation in associated companies	–	323	367	2,553	367	2,553
Result from portfolio management	–	2	29	5	30	6
Administration costs	–2	–2	–6	–7	–8	–9
Profit before financial items	–2	323	721	2,551	720	2,550
Interest income and similar profit items	23	32	73	51	108	86
Interest costs and similar loss items	–9	–3	–25	–11	–32	–18
Profit after financial items	12	352	769	2,591	796	2,618
Tax	–	–	–	–	–	–
Result for the period	12	352	769	2,591	796	2,618

Statement of comprehensive income – parent company

SEK m	2012 Q3	2011 Q3	2012 9 mon	2011 9 mon	Rolling 12 mon	Full year 2011
Result for the period	12	352	769	2,591	796	2,618
Change in the fair value reserve for the period	122	–383	339	–1,149	380	–1,108
Total other comprehensive income	122	–383	339	–1,149	380	–1,108
Comprehensive result for the period	134	–31	1,108	1,442	1,176	1,510

Balance sheet – parent company

SEK m	2012-09-30	2011-09-30	2011-12-31
ASSETS			
Financial assets	8,645	6,797	7,992
Current receivables from Group companies	22	1 062	22
Other current receivables	3	28	6
Cash and bank	7	14	248
Total assets	8,677	7,901	8,268
EQUITY AND LIABILITIES			
Equity	7,778	7,585	7,652
Interest-bearing long-term liabilities	101	301	1
Non-interest-bearing long-term liabilities	5	5	105
Interest-bearing current liabilities	788	–	500
Non-interest-bearing current liabilities	5	10	10
Equity and liabilities	8,677	7,901	8,268

Changes in equity – parent company

SEK m	2012-09-30	2011-09-30	2011-12-31
Equity at the beginning of the year	7,652	9,869	9,869
Comprehensive result for the period	1,108	1,442	1,510
Issued call options	2	2	3
New issue costs	–	–7	–9
New issue	–	3,634	3,634
Effects of the merger through pooling method	–	–4,720	–4,720
Merger difference	–	–2,144	–2,144
Repurchase of shares	–27	–	–
Dividends	–957	–491	–491
Equity at year-end	7,778	7,585	7,652

Segment reporting:

Development per business area 2012-01-01 – 2012-09-30

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
External sales	881	1,206	930	2,074	–		5,091
Internal sales	–	1	–	–	1		2
RESULT							
Operating result	88	136	18	240	10		492
Result from portfolio management						657	657
Financial income							17
Financial costs							–94
Tax							–110
Result for the period							962
OTHER INFORMATION							
Investments in:							
tangible assets	7	30	9	24	16	–	86
intangible assets	22	16	–	–	–	–	38
Depreciation	15	32	14	51	11	–	123

Development per business area 2011-01-01 – 2011-09-30

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
ASSETS							
External sales	848	1,135	1,012	1,990	340		5,325
Internal sales	–	7	3	1	13		24
RESULT							
Operating result	122	203	60	226	73		684
Result from portfolio management						1,070	1,070
Financial income							45
Financial costs							–97
Tax							–146
Result for the period							586
OTHER INFORMATION							
Investments in:							
tangible assets	4	26	17	38	22	–	107
intangible assets	–	280	–	1	–	–	281
Depreciation	17	29	14	51	16		127

Five year overview

	Oct 2011- Sept 2012	2011	2010	2009	2008
Net sales, SEK m	6,937	7,171	5,991	5,440	7,071
Operating result, SEK m	691	883	620	296	671
Result from participation in associated companies, SEK m	944	1,449	228	242	142
Result from portfolio management, SEK m	64	-41	78	189	843
Result after financial items, SEK m	1,600	2,230	872	664	1,590
Earnings per share, SEK	9.12	14.13	5.37	4.21	11.14
Return on equity, %	14	18	6	6	16
Return on comprehensive capital, %	13	17	7	6	14
Adjusted equity ratio, %	86	84	85	82	75
Net debt/equity ratio, %	8	7	2	7	15
Share price, SEK	114	107	124	99	62

Note 1: Company acquisitions

Specification of acquisitions

Transfer date		Country	Business area	Number of employees
8 February 2012	SCS in Åmål (operation)	Sweden	Latour Industries	4
29 March 2012	Snickers Original BV	The Netherlands	Hultafor Group	17

Assets and liabilities in acquisitions

	Recorded value in Group
Intangible assets	0
Tangible assets	1
Inventories	1
Accounts receivables	10
Other receivables	2
Cash	7
Long-term liabilities	-
Deferred tax liability	-
Current liabilities	-8
Net identifiable assets and liabilities	13
Group goodwill	28
Cash settlement purchase price	41
Acquisitions of items not included in the cash flow	-
Acquired cash	-7
Effect on Group cash	34

During the period Latour acquired 100 percent of shares in Snickers Original BV and operations in SCS in Åmål, Sweden. During the period Snickers Original BV contributed income of SEK 42 m and an operating result of SEK 4 m.



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