

INTERIM REPORT  
JANUARY–SEPTEMBER  
2011



# Interim Report January – September 2011

## NET ASSET VALUE

- The net asset value amounted to SEK 126 per share on 30 September, compared to SEK 157 per share at the beginning of the year.

## INDUSTRIAL OPERATIONS

### Third quarter

- Orders received in the industrial operations increased to SEK 1,618 (1,296) m, which is an organic increase of 8 percent adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 1,655 (1,243) m, an organic increase of 16 percent adjusted for exchange effects.
- Operating result in the industrial operations increased to SEK 218 (159) m, an increase of 37 percent which corresponds to an operating margin of 13.2 (12.8) percent in continuing operations.
- The merger between Latour and Säkl was completed at the beginning of July.
- At the beginning of July Latour sold the property in Gothenburg, where it has its headquarters, for SEK 110 m.
- At the beginning of August the Latour Industries business area acquired Superbolt Inc. and Swiss P&S Vorspannsysteme AG.
- In August the Latour Industries business area divested Stenbergsgruppen.

### January to September

- Orders received in the industrial operations increased to SEK 5,224 (3,973) m, which is an organic increase of 18 percent adjusted for exchange effects.
- Net sales in the industrial operations amounted to SEK 4,985 (3,745) m, an organic increase of 19 percent adjusted for exchange effects.
- Operating result in the industrial operations increased to SEK 610 (418) m, an increase of 46 percent which corresponds to an operating margin of 12.2 (11.2) percent in continuing operations.

## GROUP

- Group result after net financial items amounted to SEK 1,702 (785) m.
- Group result after tax amounted to SEK 1,556 (655) m, or SEK 11.14 (5.08) per share.
- The net loan debt level amounted to SEK 395 m at the end of September. The debt level is less than 2 percent of the market value of total assets.

## INVESTMENT PORTFOLIO

- The investment portfolio value decreased by -22.3 percent while the comparable index (SIXRX) decreased by -20.3 percent in the first nine months.
- At the beginning of September Latour's holdings in Niscayah were sold for SEK 739 m, entailing capital gains of SEK 468 m.

## EVENTS AFTER THE REPORT PERIOD

- No significant events have taken place.

**LATOUR AT A GLANCE** Investment AB Latour is a mixed investment company consisting primarily of wholly owned industrial operations and an investment portfolio of listed holdings in which Latour is the principal owner or one of the principle owners. The investment portfolio consists of eight substantial holdings that per 30 September 2011 had a market value of over SEK 11 billion. The holdings in the investment portfolio with the greatest value are Assa Abloy, Securitas and Sweco, and collectively they make up 77 percent of the entire value of the portfolio. The wholly owned industrial and trading operations are organized in four business areas: Hultafors Group, Latour Industries, Specma Group and Swegon. Net sales in 2010 in the industrial operations amounted to about SEK 6 billion. Latour also has a few partner-owned companies.

## Comments from the CEO

"The third quarter was yet another quarter with good growth and profitability. The financial unrest has still not had any major effect on our industrial operations. On a rolling twelve month basis the industrial operations have exceeded the communicated goals, i.e. a growth of over 10 percent, an operating margin of over 10 percent and over 20 percent return on operating capital.

A weaker financial development in the coming two or three quarters cannot be ruled out. All operations are prepared to respond to a weaker demand. Since we still have a relatively small market share on many markets we will continue to invest in internationalisation and winning market shares regardless of short-term financial developments. We will also continue to invest in product development.

All the companies in the investment portfolio that have published reports so far have exceeded or met expectations. The value of the investment portfolio decreased by 18 percent to SEK 126 per share in the quarter. Because of the good results reported in the industrial operations compared to equivalent companies the net asset value decreased somewhat less, by 17 percent."

*Jan Svensson  
President and CEO*

## Industrial operations

### Result and market

The total level of orders received in continuing operations increased by 25 percent to SEK 1,618 (1,296) m in the quarter and to SEK 5,224 (3,973) m in the first nine months. Organic growth in orders received in the quarter amounted to 8 percent adjusted for exchange effects. In the first nine months the increase was a total of 31 percent, of which 18 percent is organic, adjusted for exchange effects.

During the quarter invoicing increased by 33 percent to SEK 1,655 (1,243) m. The increase corresponds to 16 percent organic growth, adjusted for exchange effects. In the first nine months invoicing increased by 33 percent to SEK 4,985 (3,745) m. The increase corresponds to 19 percent organic growth, adjusted for exchange effects.

Operating result for the four business areas increased by 37 percent to SEK 218 (159) m during the quarter and for the first nine months by 46 percent to SEK 610 (418) m. During the quarter the operating margin increased to 13.2 (12.8) percent and for the first nine months by 12.2 (11.2) percent. Divestitures in both years are excluded in these numbers.

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

### Acquisitions and divestitures

In the third quarter the Latour Industries business area acquired the American company Superbolt Inc. and the Swiss company Swiss P&S Vorspannsysteme AG through Nord-Lock International AB. Since 1984 Superbolt and P&S Vorspannsysteme have offered high quality products for critical bolting applications. The companies, with a total of 120 employees, are situated in Pittsburgh, USA and St. Gallenkappel, Switzerland. The products are used in heavy industries such

as offshore, energy and mining. The acquired companies have been owned and operated as two separate units but they offer the same products to the market. The acquisitions brought together two of the most innovative and trusted bolt securing technologies, and thereby created a wide range of products for demanding applications. The acquisitions increased Latour's net debt by about SEK 300 m.

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

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

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

The acquisition opportunities we analyze can either be a complement to existing business areas or potential new business areas in Latour. We evaluate both small and large acquisition opportunities. Our ambition is to own stable industrial companies with their own products and with good prerequisites for international expansion.

## Merger between Latour and Säkl

On 17 March 2011 the boards of Latour and Säkl announced their decision to merge the companies. The merger was based on the obvious logic of the companies' common history, similar operations and a common management perspective. The merger simplifies the ownership structure in the companies as well as making it more transparent to the market. The merged company will be a larger and stronger player in the market with better investment opportunities and increased financial stability. The merger also creates an investment alternative which is attractive to the capital market.

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

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

# Industrial operations summary

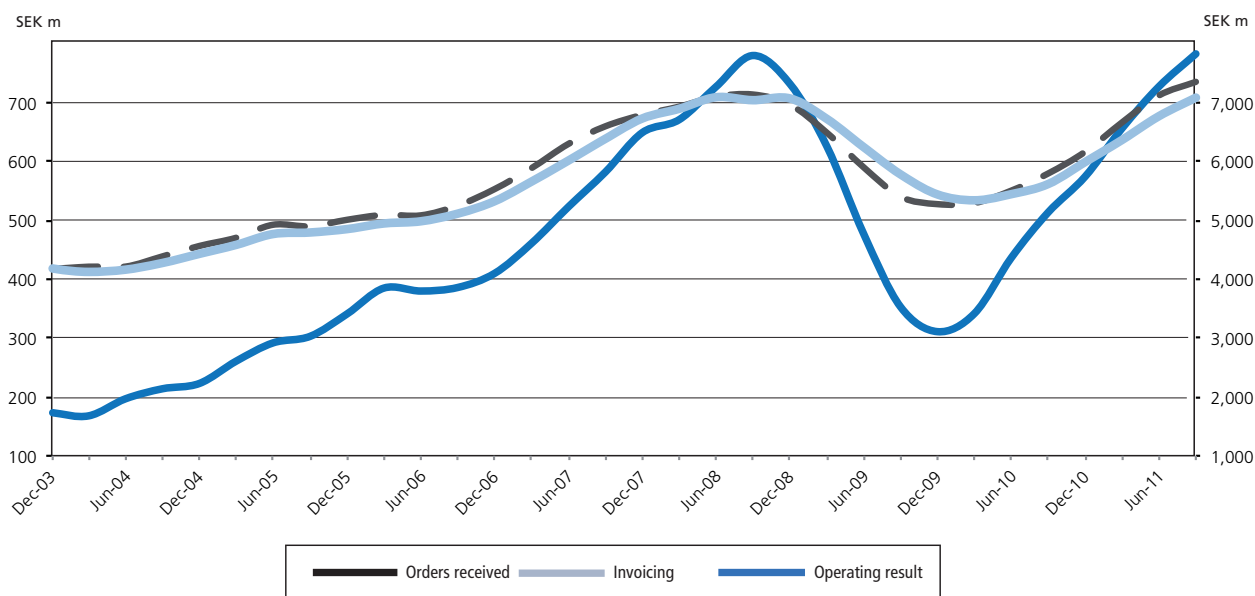
## Business area results

SEK m	Net sales				Operating result				Operating margin %			
	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon
Hultafors Group	285	282	848	814	48	44	122	108	17.0	15.5	14.3	13.3
Latour Industries	380	243	1,142	706	60	60	203	153	15.9	24.8	17.8	21.7
Specma Group	324	241	1,015	757	20	9	60	21	6.1	3.9	5.9	2.8
Swegon	668	482	1,991	1,480	90	46	226	136	13.5	9.6	11.3	9.2
Eliminations	-1	-4	-11	-12	-	-	-	-	-	-	-	-
	<b>1,655</b>	<b>1,244</b>	<b>4,985</b>	<b>3,745</b>	<b>218</b>	<b>159</b>	<b>610</b>	<b>418</b>	<b>13.2</b>	<b>12.8</b>	<b>12.2</b>	<b>11.2</b>
Capital gains from divested companies	-	-	-	-	65	-	63	3				
Other companies and items	59	157	340	486	33	14	12	38				
	<b>1,714</b>	<b>1,400</b>	<b>5,325</b>	<b>4,231</b>	<b>316</b>	<b>173</b>	<b>684</b>	<b>459</b>				

SEK m	Operating capital <sup>1)</sup>		Return on operating capital %		Growth in net sales%		
	2011 roll 12	2010 roll 12	2011 roll 12	2010 roll 12	2011	From acquisitions	From exchange effects
Hultafors Group	797	759	19.6	20.4	4.2	0.0	-4.7
Latour Industries	736	537	33.9	30.4	61.7	45.9	-3.5
Specma Group	546	521	12.4	2.8	34.2	0.2	-2.6
Swegon	1,128	630	26.4	30.5	34.5	23.2	-3.6
<b>Total</b>	<b>3,208</b>	<b>2,447</b>	<b>24.1</b>	<b>21.4</b>	<b>33.1</b>	<b>17.9</b>	<b>-3.6</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 average for the past 12 months.

## Group rolling 12 months



## Development per business area

### Hultafors Group



(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Net sales	285	282	848	814	1,134	1,168
EBITDA	54	50	139	127	168	180
EBITA	50	46	127	114	152	164
EBIT	48	44	122	108	143	156
EBITA %	17.6	16.2	15.0	14.0	13.4	14.1
EBIT %	17.0	15.5	14.3	13.3	12.6	13.4
Growth %	1.2	11.4	4.2	8.2	7.8	
Of which exchange effects	-1.5	-6.2	-4.7	-6.4	-6.8	
Of which acquisitions	–	–	–	–	–	
Average number of employees	637	609	623	585	568	

#### Highlights third quarter

- Very good operating result and operating margin.
- Sales diminished somewhat in the latter part of the quarter.
- Further investments in product development and marketing in 2011 will, for a short while, increase costs in relation to net sales.
- It remains a challenge to handle the increasing cost of raw materials and salaries in production.

#### Allocation of net sales

(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Workwear	149	148	432	423	618	627
Tools	104	105	315	294	392	413
Ladders	32	29	101	97	124	128
	<b>285</b>	<b>282</b>	<b>848</b>	<b>814</b>	<b>1,134</b>	<b>1,168</b>

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

### Latour Industries



(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Net sales	380	243	1,142	706	982	1,418
EBITDA	71	66	232	171	224	285
EBITA	61	61	204	155	202	252
EBIT	60	60	203	153	200	249
EBITA %	16.1	25.0	17.9	21.9	20.5	17.7
EBIT %	15.9	24.8	17.8	21.7	20.3	17.6
Growth %	56.5	38.0	61.7	25.0	8.4	
Of which exchange effects	-1.7	-3.5	-3.5	-3.7	-3.6	
Of which acquisitions	48.8	4.6	45.7	1.4	-4.9	
Average number of employees	862	392	914	428	461	

#### Highlights third quarter

- Invoicing increased by 58 percent in the third quarter, adjusted for exchange effects. Acquisitions generated 49 percent of this.
- In August Latour Industries divested shares in Stenberggruppen. Stenbergs is not included in the numbers reported for both years.
- Latour Industries acquired the American company Superbolt Inc. and the Swiss company Swiss P&S Vorspannsysteme AG through Nord-Lock International AB. The companies manufacture and sell high quality products for critical bolt securing applications.
- Major investments in new markets and product development in several operations.

#### Allocation of net sales

(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Nord-Lock	141	107	370	288	390	472
Specma Tools	18	16	50	46	64	68
Specma Seals	30	21	79	59	80	101
BrickPack	14	14	48	43	60	64
AVT	27	9	76	35	50	90
LSAB Group	77	44	262	148	201	315
Carstens	24	23	80	78	110	112
REAC	28	8	94	8	29	114
Pressmaster	23	0	83	0	0	83
	<b>380</b>	<b>243</b>	<b>1,142</b>	<b>706</b>	<b>982</b>	<b>1,418</b>

Pro forma adjustment 279<sup>1)</sup>

**Rolling 12 month pro forma 1,697**

<sup>1)</sup> Pro forma for acquisitions.

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

## Specma Group



(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Net sales	324	241	1,015	757	1,065	1,323
EBITDA	24	14	74	36	49	85
EBITA	20	9	61	22	30	67
EBIT	20	9	60	21	29	65
EBITA %	6.2	3.8	6.0	2.9	2.8	5.1
EBIT %	6.1	3.9	5.9	2.8	2.7	4.9
Growth %	35.0	38.6	34.3	40.5	28.2	
Of which exchange effects	-1.0	-2.5	-2.6	-2.8	-4.0	
Of which acquisitions	0.2	3.3	0.2	3.6	5.5	
Average number of employees	795	618	747	588	600	

### Highlights third quarter

- Significant increase in results from a low level.
- Continued high capacity utilization in the System Division.
- Weakened development in the OEM Division with lower prognosis from customers in heavy vehicles and contractor machines.
- Problems in supplying materials is tying up a lot of capital and lowering productivity.
- More orders that contain construction in the Nordic region and delivery and production in China.

### Allocation of net sales

(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
OEM	174	127	558	399	564	714
System	90	57	250	171	238	319
After sales	60	57	207	187	263	290
	324	241	1,015	757	1,065	1,323

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, Component Division is focused on after sales customers and Automotive works with customers in the automotive industry.

## Swegon



(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Net sales	668	482	1,991	1,480	2,153	2,664
EBITDA	106	59	276	175	262	363
EBITA	91	47	228	138	211	301
EBIT	90	46	226	136	208	298
EBITA %	13.6	9.8	11.5	9.3	9.8	11.3
EBIT %	13.5	9.6	11.3	9.2	9.7	11.2
Growth %	38.6	-0.2	34.5	-6.2	3.5	
Of which exchange effects	-1.1	-4.1	-3.6	-4.1	-5.0	
Of which acquisitions	23.0	–	23.2	–	5.5	
Average number of employees	1,308	975	1,288	965	1,054	

### Highlights third quarter

- Net sales increased by 17 percent, adjusted for exchange effects and acquisitions, compared to the same quarter the previous year.
- Sales of Swegon's system for demand controlled ventilation, WISE, continue to grow on all markets.
- New European standards and regulations heightened the demand for energy efficient solutions.
- Greatly improved margin despite delayed sales synergies from the Blue Box acquisition.
- Despite the problems in the global economy there are no signs of a slowdown.

### Allocation of net sales

(SEK m)	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	2010 Full year	Rolling 12 mon
Sweden	196	150	609	481	659	787
Other, Nordic Region	193	185	572	581	780	771
Other, worldwide	279	147	810	418	714	1,106
	668	482	1,991	1,480	2,153	2,664

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

# The Latour share's net asset value

In order to facilitate the evaluation of Latour's asset value, Latour provides an estimated interval of the value (Enterprise Value) for each business area based in EBIT-multiples. These multiples have been calculated by comparing valuations of listed companies in comparable industries. Since there are variations in the listed companies' valuations these are shown in the tables by valuating each business area in an interval. 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. A more detailed description can be found on pages 8-9 in Latour's Annual Report for 2010.

In some cases the valuation multiples for comparable companies span over a great interval. For this reason the multiples may be adjusted in order to avoid unreasonable values. Other valuation multiples (for instance EV/ sales) have also been used as support for the chosen multiple intervals. The indicative value stated below is not a complete market valuation of Latour's holdings.

In the third quarter the net asset value decreased to SEK 126 per share, compared to SEK 151.50 on 30 June 2011 and SEK 157 at the beginning of the year. This year's dividend of SEK 3,75 was distributed in May 2011.

	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	1,168	157	10 – 13	1,564 – 2,033	10 – 13
Latour Industries	1,697	270	8 – 11	2,162 – 2,973	13 – 18
Specma Group	1,323	68	0.6 – 0.7	794 – 926	5 – 6
Swegon	2,664	298	10 – 14	2,982 – 4,175	19 – 26
	<b>6,852</b>	<b>793</b>		<b>7,502 –10,107</b>	<b>47 – 63</b>
<b>Listed shares</b> (see table below)				<b>11,161</b>	<b>70</b>
<b>Unlisted partner-owned companies</b>					
Academic Work <sup>4)</sup> , 20.0 %				317	2
Oxeon <sup>5)</sup> , 31.57 %				32	0
<b>Other assets</b>					
Short position portfolio				75	1
Short position portfolio Sökl				73	1
Other listed holdings				14	0
Other				17	0
Group liabilities				-395	-3
<b>Calculated value</b>				<b>20,099</b>	<b>126</b>
				<b>(18,796 – 21,401)</b>	<b>(118 – 134)</b>

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

<sup>2)</sup> EBIT and EV/sales multiple recalculated taking into consideration the share price 2011-09-30 for comparable companies in each business area.

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

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

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

# Investment portfolio 2011-09-30

At the beginning of July Latour merged with Säkl AB. The investment portfolio presented below contains the combined investment portfolios of Latour and Säkl.

In the first nine months the value of the investment portfolio decreased by -22.3 percent while comparable index (SIXRX) decreased by -20.3 percent. During the third quarter (in addition

to the extra shares from the merger with Säkl) 399,522 shares in HMS Networks, 1,000,000, shares in Nobia and 271,829 in Nederman were acquired. When Stanley Black & Decker went through with their public bid for Niscaya at the beginning of September the entire holding in Niscaya was divested for the sum of SEK 739 m.

## Latour's portfolio

Share	Number	Acquisition value SEK m	Listed price <sup>1)</sup> SEK	Market value SEK m	Share of votes %	Share of equity %
Assa Abloy A <sup>2)3)</sup>	13,865,243	1,038	142.50	1,976		
Assa Abloy B <sup>3)</sup>	21,300,000	659	142.50	3,035	29.7	9.6
Fagerhult <sup>3) 4)</sup>	6,206,800	571	139	863	49.2	49.2
HMS Networks <sup>3)</sup>	2,360,522	181	89	210	21.2	21.2
Loomis A <sup>2)3)</sup>	2,528,520	38	80.50	204		
Loomis B <sup>3)</sup>	5,009,808	69	80.50	403	29.2	10.3
Nederman <sup>3)</sup>	3,442,829	299	92	317	29.4	29.4
Nobia	22,000,000	438	23.80	524	13.2	13.2
Securitas A <sup>2)3)</sup>	12,642,600	568	50.50	638		
Securitas B <sup>3)</sup>	27,090,000	514	50.50	1,368	29.6	10.9
Sweco A <sup>3) 5)</sup>	1,222,760	8	56	68		
Sweco B <sup>3)</sup>	27,775,000	144	56	1,555	22.7	31.7
<b>Total</b>		<b>4,527</b>		<b>11,161</b>		

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

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

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

<sup>4)</sup> At the end of September 2011 30,000 shares were loaned out.

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



## Results and financial position

### *Group*

Group profit after financial items was SEK 1,702 (785) m. Group profit after tax amounted to SEK 1,556 (665) m, which corresponds to SEK 11.14 (5.08) per share.

Group cash in hand and liquid investments amounted to SEK 994 (613) m. Interest-bearing liabilities, excluding pension liabilities, totalled SEK 1,279 (1,255) m. Group net borrowings, including pension liabilities, totalled SEK 395 m. The equity ratio was 83 (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.

At the beginning of July Latour divested the property in Gothenburg where it has its headquarters for SEK 110 m. The divestiture resulted in capital gains of SEK 74. The part of the property that is still used for the Group operations is rented at market prices.

### *Investments*

During the period SEK 116 (66) m was invested in tangible assets, of which SEK 85 (50) m was machinery, SEK 22 (16) m vehicles and SEK 9 (0) m buildings. Fixed assets in newly acquired companies made up SEK 7 (3) m of the investments for the period.

### *Parent company*

Parent company profit after financial items amounted to SEK 2,591 (132) m. The result for the period included profits of SEK 1,888 m taken over in the merger. The parent company equity ratio amounted to 96 (98) percent.

Not including repurchased shares, the number of outstanding shares amounted to 159,500,000. The new issue in connection to the merger with Säkl during the quarter increased the number of B shares by 28,500,000. Latour already owns 460,000 repurchased B shares. Call options have been issued to senior officers for 417,000 of the repurchased shares. 187,000 of these call options were issued in the second quarter after a decision taken at the Annual General Meeting on 12 May 2011.

## Events after the balance sheet date

No significant events have taken place.

## Risks and uncertainties

The Group's and the parent company's main risk lies in changes in the value of financial instruments such as a general baisse on the stock market or in a certain holding. Uncertainties concerning exchange and interest developments are included in this. Latour has a good diversification of risk through a wide variety of shareholdings divided among 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 operations have grown changes in them have a greater impact on Latour. The Group as a whole is considered to have good risk diversification in its holdings in several different industries, but there is a certain dominance of industries with exposure to the construction industry. However, this industry can also be divided into a number of dimensions, such as new construction or repairs and maintenance, locally or globally, and it is also spread over housing, offices, industrial properties and infrastructure projects. No significant risks besides those described in note 33 in Latour's Annual Report 2010 have cropped up.

## Review and accounting principles

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

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

### *Group reporting*

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

### Nominating committee

The nominating committee for the Annual General Meeting on 10 May 2012 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](http://www.latour.se) under About Latour, Organisation.

Gothenburg 8 November 2011

Jan Svensson  
*President and CEO*

### Review report

#### Introduction

We have reviewed this report for the nine month period 1 January 2011 to 30 September 2011 for Investment AB Latour (publ) CRN 556026-3237. 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.

#### The direction and scope of the 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 to 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 Standards on Auditing in Sweden, RS, 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.

#### 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 8 November 2011

Öhrlings PricewaterhouseCoopers AB

Helén Olsson Svärdröm  
*Authorised public accountant  
Auditor in charge*

Bo Karlsson  
*Authorised public  
accountant*

### For further information please contact:

Jan Svensson, President and CEO, tel. +46 705 77 16 40.  
Anders Mörck, CFO, tel. +46 706 46 52 11, or +46 31 89 17 90.

### Telephone conference

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

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

*Annual General Meeting will be held 10 May 2011 at Radisson Blu Scandinavia Hotel in Gothenburg, Sweden.*

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 8 November 2011 at 8:30 a.m.

## Consolidated income statement

SEK m	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	Rolling 12 mon	Full year 2010
<b>Net sales</b>	<b>1,714</b>	<b>1,400</b>	<b>5,325</b>	<b>4,231</b>	<b>7,085</b>	<b>5,991</b>
Costs of goods sold	-1,103	-899	-3,460	-2,748	-4,632	-3,920
<b>Gross profit</b>	<b>611</b>	<b>501</b>	<b>1,865</b>	<b>1,483</b>	<b>2,453</b>	<b>2,071</b>
Sales costs	-288	-234	-885	-760	-1,196	-1,071
Administrative costs	-103	-83	-320	-262	-421	-363
Research and development costs	-26	-22	-89	-71	-124	-106
Other operating income	106	6	147	75	173	101
Other operating costs	3	-3	-34	-6	-40	-12
<b>Operating result</b>	<b>303</b>	<b>165</b>	<b>684</b>	<b>459</b>	<b>845</b>	<b>620</b>
Result from participation in associated companies	677	55	1,132	186	1,174	228
Result from portfolio management	-50	8	-49	198	-155	92
Administration costs	-4	-3	-13	-10	-17	-14
<b>Profit before financial items</b>	<b>926</b>	<b>225</b>	<b>1,754</b>	<b>833</b>	<b>1,847</b>	<b>926</b>
Financial income	29	3	45	13	59	27
Financial costs	-32	-23	-97	-61	-117	-81
<b>Profit after financial items</b>	<b>923</b>	<b>205</b>	<b>1,702</b>	<b>785</b>	<b>1,789</b>	<b>872</b>
Taxes	-61	-39	-146	-120	-196	-170
<b>Result for the period</b>	<b>862</b>	<b>166</b>	<b>1,556</b>	<b>665</b>	<b>1,593</b>	<b>702</b>
<b>Attributable to:</b>						
Parent company shareholders	862	166	1,556	665	1,594	703
Non-controlling interests	0	0	0	0	-1	-1
<b>Earnings per share regarding profit attributable to parent company shareholders</b>						
Before dilution	5.47 SEK	1.27 SEK	11.14 SEK	5.08 SEK	11.60 SEK	5.37 SEK
After dilution	5.45 SEK	1.26 SEK	11.09 SEK	5.07 SEK	11.55 SEK	5.36 SEK
Average number of outstanding shares before dilution	157,641,304	131,000,000	139,732,798	131,000,000	137,437,386	131,000,000
Average number of outstanding shares after dilution	158,058,304	131,230,000	140,272,410	131,153,755	137,993,227	131,172,973
Number of outstanding shares	159,500,000	131,000,000	159,500,000	131,000,000	159,500,000	131,000,000

## Statement of comprehensive income

SEK m	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	Rolling 12 mon	Full year 2010
<b>Result for the period</b>	<b>862</b>	<b>166</b>	<b>1,556</b>	<b>665</b>	<b>1,593</b>	<b>702</b>
<b>Other comprehensive income, net after tax</b>						
Change in translation reserve for the period	12	-39	23	-90	5	-108
Change in fair value reserve for the period	-383	770	-1,149	1,201	-171	2,179
Change in hedging reserve for the period	-10	5	-14	18	-9	23
Changes in equity in associated companies	-36	-33	877	-105	871	-111
Other	-	-	-	-1	-1	-2
<b>Other comprehensive result, net after tax</b>	<b>-417</b>	<b>703</b>	<b>-263</b>	<b>1,023</b>	<b>695</b>	<b>1,981</b>
<b>Comprehensive result for the period</b>	<b>445</b>	<b>869</b>	<b>1,293</b>	<b>1,688</b>	<b>2,288</b>	<b>2,683</b>
<b>Attributable to:</b>						
Parent company shareholders	445	869	1,293	1,688	2,289	2,684
Non-controlling interests	0	0	0	0	-1	-1

## Consolidated cash flow statement

SEK m	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	Rolling 12 mon	Full year 2010
<b>Cash flow from current operations before changes in operating capital</b>						
operating capital	158	177	487	398	667	578
Changes in operating capital	-93	-46	-352	-138	-307	-93
<b>Cash flow from current operations</b>	<b>65</b>	<b>131</b>	<b>135</b>	<b>260</b>	<b>360</b>	<b>485</b>
Acquisition of subsidiaries	-25	-103	-57	-117	-377	-437
Sale of subsidiaries	196	-	319	-	326	7
Other investments	-16	-27	-115	-65	-142	-92
Portfolio management	658	1	940	318	1,830	1,208
<b>Cash flow after investments</b>	<b>878</b>	<b>2</b>	<b>1,222</b>	<b>396</b>	<b>1,997</b>	<b>1,171</b>
Financial payments	-291	128	-808	-302	-1,640	-1,134
<b>Cash flow for the period</b>	<b>587</b>	<b>130</b>	<b>414</b>	<b>94</b>	<b>357</b>	<b>37</b>

## Consolidated balance sheet

SEK m	2011-09-30	2010-09-30	2010-12-31
<b>ASSETS</b>			
Goodwill	1,572	1,024	1,388
Other intangible assets	83	47	51
Tangible assets	751	637	847
Financial assets	6,439	9,369	9,421
Inventories etc.	1,371	974	1,030
Currents receivables	1,607	1,271	1,398
Cash and bank	994	613	573
<b>Total assets</b>	<b>12,817</b>	<b>13,935</b>	<b>14,708</b>
<b>EQUITY AND LIABILITIES</b>			
Capital and reserves attributable to parent company shareholders	9,846	11,284	12,280
Non-controlling interests	0	2	0
<i>Total equity</i>	<i>9,846</i>	<i>11,286</i>	<i>12,280</i>
Interest-bearing long-term liabilities	803	195	337
Non-interest-bearing long-term liabilities	87	138	90
Interest-bearing current liabilities	639	1,202	581
Non-interest-bearing current liabilities	1,442	1,114	1,420
<b>Equity and liabilities</b>	<b>12,817</b>	<b>13,935</b>	<b>14,708</b>

## Change in consolidated equity

SEK m	Share capital	Repurchased shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 2010-01-01	110	-29	3,847	6,027	1	9,956
Comprehensive result for the period			2,094	590	-1	2,683
Issued call options				1		1
Dividends				-360		-360
<b>Closing balance 2010-12-31</b>	<b>110</b>	<b>-29</b>	<b>5,941</b>	<b>6,258</b>	<b>0</b>	<b>12,280</b>
Opening balance 2011-01-01	110	-29	5,941	6,258	0	12,280
Comprehensive result for the period			-1,140	2,433		1,293
Issued call options				2		2
New issue costs				-8		-8
New issue	23			3,611		3,634
Effects of the merger through pooling method			-4,720			-4,720
Merger difference				-2,144		-2,144
Dividends				-491		-491
<b>Closing balance 2011-09-30</b>	<b>133</b>	<b>-29</b>	<b>81</b>	<b>9,661</b>	<b>0</b>	<b>9,846</b>

## Group key ratios

	2011-09-30	2010-09-30	2010-12-31
Return on equity	19%	8%	6%
Return on comprehensive capital	17%	9%	7%
Adjusted equity ratio	83%	83%	85%
Adjusted equity (SEK m)	14,809	12,549	13,783
Surplus value in associated companies <sup>1)</sup> (SEK m)	4,963	1,263	1,503
Net debt/equity ratio	3%	6%	2%
Net borrowings/EBITDA	0.4	1.0	0.4
Share price	95 SEK	103 SEK	124 SEK
Repurchased shares	460,000	460,000	460,000
Average number of repurchased shares	460,000	460,000	460,000
Average number of employees	3,791	2,919	3,057
Outstanding convertible bonds	0	0	0
Issued subscription options	0	0	0
Issued call options on repurchased shares	417,000	230,000	230,000

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

## Income statement – parent company

SEK m	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	Rolling 12 mon	Full year 2010
Result from participation in Group companies	–	–	–	100	–	100
Result from participation in associated companies	323	27	2,553	105	2,559	111
Result from portfolio management	2	–318	5	–64	220	151
Administration costs	–2	–1	–7	–4	–9	–6
<b>Profit before financial items</b>	<b>323</b>	<b>–292</b>	<b>2,551</b>	<b>137</b>	<b>2,770</b>	<b>356</b>
Interest income and similar profit items	32	0	51	0	51	0
Interest costs and similar loss items	–3	–2	–11	–5	–8	–2
<b>Profit after financial items</b>	<b>352</b>	<b>–294</b>	<b>2,591</b>	<b>132</b>	<b>2,813</b>	<b>354</b>
Tax	–	–	–	–	–	–
<b>Result for the period</b>	<b>352</b>	<b>–294</b>	<b>2,591</b>	<b>132</b>	<b>2,813</b>	<b>354</b>

## Statement of comprehensive income – parent company

SEK m	2011 Q3	2010 Q3	2011 9 mon	2010 9 mon	Rolling 12 mon	Full year 2010
Result for the period	352	–294	2,591	132	2,813	354
Change in the fair value reserve for the period	–383	1,090	–1,149	1,521	–491	2,179
Total other comprehensive income	–383	1,090	–1,149	1,521	–491	2,179
<b>Comprehensive income for the period</b>	<b>–31</b>	<b>796</b>	<b>1,442</b>	<b>1,653</b>	<b>2,322</b>	<b>2,533</b>

## Balance sheet – parent company

SEK m	2011-09-30	2010-09-30	2010-12-31
<b>ASSETS</b>			
Financial assets	6,797	9,140	9,872
Current receivables from Group companies	1,062	–	–
Other current receivables	28	2	–
Cash and bank	14	6	6
<b>Total assets</b>	<b>7,901</b>	<b>9,148</b>	<b>9,878</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	7,585	8,989	9,869
Interest-bearing long-term liabilities	301	151	1
Non-interest-bearing long-term liabilities	5	5	5
Non-interest-bearing current liabilities	10	3	3
<b>Equity and liabilities</b>	<b>7,901</b>	<b>9,148</b>	<b>9,878</b>

## Changes in equity – parent company

SEK m	2011-09-30	2010-09-30	2010-12-31
Equity at the beginning of the year	9,869	7,695	7,695
Comprehensive result for the period	1,442	1,653	2,533
Issued call options	2	1	1
New issue costs	–7	–	–
New issue	3 634	–	–
Effects of the merger through pooling method	4 720	–	–
Merger difference	–2 144	–	–
Dividends	–491	–360	–360
<b>Equity at year-end</b>	<b>7,585</b>	<b>8,989</b>	<b>9,869</b>

## Segment reporting:

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

	Industrial operations					Portfolio management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	848	1,135	1,012	1,990	340		5,325
Internal sales	–	7	3	1	13		24
RESULT							
Operating profit	122	203	60	226	73		684
Result from participation in associated companies						1,132	1,132
Result from portfolio management						–62	–62
Financial income							45
Financial costs							–97
Tax							–146
Result for the period							1,556
OTHER INFORMATION							
Investments in:							
tangible assets	4	26	17	38	22	–	107
intangible assets	–	280	–	1	–	–	281
Depreciation	17	29	14	51	16	–	127

### Development per business area 2010-01-01 – 2010-09-30

	Industrial operations					Portfolio management	Total
SEK m	Hultafors Group	Latour Industries	Specma Group	Swegon	Other		
INCOME							
External sales	814	701	752	1,478	486		4,231
Internal sales	–	5	5	2	–		12
RESULT							
Operating profit	108	153	21	136	41		459
Result from participation in associated companies						186	186
Result from portfolio management						188	188
Financial income							13
Financial costs							–61
Tax							–120
Result for the period							665
OTHER INFORMATION							
Investments in:							
tangible assets	2	5	9	27	23	–	66
intangible assets	–	80	27	–	–	–	107
Depreciation	19	18	15	39	26	–	117

## Five year overview

	Oct 2010–Sep 2011	2010	2009	2008	2007
Net sales, SEK m	7,085	5,991	5,440	7,071	6,730
Operating result, SEK m	845	620	296	671	652
Result from participation in associated companies, SEK m	1,174	226	242	142	210
Result from portfolio management, SEK m	–172	78	189	843	240
Result after financial items, SEK m	1,789	870	664	1,590	1,102
Earnings per share, SEK	12.17	5.37	4.21	11.14	6.71
Return on equity, %	15	6	6	16	8
Return on comprehensive capital, %	14	7	6	14	8
Operating margin, %	11.9	9.6	6.3	10.3	9.6
Equity ratio, %	77	83	81	73	75
Adjusted equity ratio, %	83	85	82	75	78
Net debt/equity ratio, %	3	2	7	15	15
Share price, SEK	95	124	99	62	104

## Note 1: Company acquisitions

### Specification of acquisitions

Transfer date		Country	Business area	Number of employees
2 February 2011	Sigma-3 S.r.l.	Italy	Latour Industries	4
18 April 2011	Denstech AB	Sweden	Latour Industries	18
4 August 2011	Superbolt Inc.	USA	Latour Industries	89
4 August 2011	Swiss P&S Vorspannsysteme AG	Switzerland	Latour Industries	49

### Assets and liabilities in acquisitions

	Recorded value in Group
Intangible assets	39
Tangible assets	10
Financial assets	4
Inventories	45
Accounts receivable	32
Other receivables	24
Cash	16
Long-term liabilities	–43
Deferred tax liability	–29
Current liabilities	0
<b>Net identifiable assets and liabilities</b>	<b>98</b>
Group goodwill	221
<b>Cash settlement purchase price</b>	<b>319</b>
Acquisitions of items not included in the cash flow	–
Acquired cash	–16
<b>Effect on Group cash</b>	<b>303</b>

During the period Latour acquired 100 percent of shares in Sigma-3 S.r.l., Denstech AB, Superbolt Inc. and P&S Vorspannsysteme AG. During the period Sigma-3 S.r.l. contributed income of SEK 14 m and an operating result of SEK 4 m. During the period Denstech AB contributed income of SEK 13 m and an operating result of - SEK 1 m. During the period Superbolt Inc. contributed income of SEK 21 m and an operating result of SEK 4 m. During the period Swiss P&S Vorspannsysteme AG contributed income of SEK 14 m and an operating result of SEK 1 m.

## Note 2: Merger with Säkl AB

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

### Assets and liabilities in merged operations

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

Costs in connection to the new issue and the merger have charged equity by SEK 8 m.





Investment AB Latour (publ)

CRN 556026-3237

J A Wettergrens gata 7, P.O. Box 336, SE-401 25 Gothenburg, Sweden, Telephone +46 31 89 17 90, Fax +46 31 45 60 63  
info@latour.se, www.latour.se