

INTERIM REPORT
JANUARY - MARCH

2016



Interim report January - March 2016

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value declined to SEK 305 per share, compared with SEK 317 per share at the beginning of the year. This is a decrease of 3.8 per cent. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) decreased by 3.4 per cent. The net asset value was SEK 316 per share at 28 April.¹
- The total return on the Latour share was 8.0 per cent for the period, thus outperforming the SIXRX benchmark index.

INDUSTRIAL OPERATIONS

- The industrial operations' order intake rose 9 per cent to SEK 1,951 m (1,786), which represents a 7 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 6 per cent to SEK 1,788 m (1,686), which represents a 3 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 10 per cent to SEK 201 m (184), which equates to an operating margin of 11.3 (10.9) per cent for continuing operations.
- Specma Seals acquired the Norwegian company All Sealing Solutions with net sales of NOK 27 m in 2015 and 15 employees.

GROUP

- The Group's net sales amounted to SEK 1,818 m (1,686) and the profit after financial items was SEK 1,466 m (867). The profit includes capital gains of SEK 890 m, which is equivalent to SEK 5.58 per share.
- The Group's profit after tax was SEK 1,602 m (833), which is equivalent to SEK 10.05 (5.22) per share.
- Net debt at the end of December was SEK 582 m (3,394) and is equivalent to 1.2 per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- During the period, the value of the investment portfolio decreased by 5.1 per cent adjusted for dividends. The benchmark index (SIXRX) decreased by 3.4 per cent.
- The shareholding in Loomis was reduced during the first quarter. All class B shares were sold for a consideration (gross) of SEK 1,247 m, resulting in a capital gain of SEK 890 m. Latour remains the principal owner with 2,528,520 class A shares, corresponding to 23.8 per cent of the voting rights and 3.4 per cent of the capital in Loomis.
- Shareholding in Tomra increased to 25.8 per cent of the capital after the acquisition of 1,570,000 shares.

EVENTS AFTER THE REPORTING PERIOD

- Swegon acquired the German company bluMartin, which generates sales of approximately EUR 2 m and has 16 employees.

¹ The calculation of the net asset value at 28 April 2016 was based on the value of the investment portfolio at 1 p.m. on 28 April and the same values at 31 March were used for the unlisted portfolio.

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 principal owners. The investment portfolio consists of ten substantial holdings that on 31 March 2016 had a market value of about SEK 36 billion. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon, and in 2015 generated a turnover of approximately SEK 7.2 billion.

Comments from the CEO

"2016 has got off to a positive start. The order intake increased organically by almost 7 per cent in the quarter. Invoiced sales increased by just over 3 per cent, which means our order book has grown even more.

Compared with the general business trend, we feel we have a strong and stable platform and, except for capital goods, growth in Europe has been relatively healthy. There are a few exceptions, such as Norway, where the downturn in the oil & gas industry and the weak Norwegian Krone also have an effect on markets other than the oil and gas industry. The industry continues to face challenges in North America, even after the developments in the oil and gas industry, while construction-related sectors are recovering. Finally, although the general market situation in South-East Asia can only be described as relatively uncertain, our operations there are performing well.

All of the business areas are reporting organic growth with the Hultafors Group showing the strongest performance, having increased its order intake by 12 per cent and its net sales by 11 per cent adjusted for foreign exchange effects and acquisitions. The industrial operations are continuing to achieve improvements in earnings. We are now established at a higher level of profitability thanks to the improvements our companies have made to operations in recent years and the launch of a number of new products. We will continue along the chosen path with the same energy and commitment. The operating profit in the first quarter (which is usually our weakest) increased by 10 per cent to SEK 201 m (184), which equates to an operating margin of 11.3 (10.9) per cent.

Major investment is essential to be able to continue offering our customers new top-quality products, not only in product development, but also in sales and marketing. Despite relatively weak market growth, we are confident that our firm footing will allow us to continue to report strong earnings.

Our new part-owned operation in Germany, Neuffer Fenster + Türen GmbH, has begun the year with a 19 per cent increase in orders, bringing the value of the intake to SEK 28 m. Neuffer sells windows via online sales sites in Germany, Sweden and France. The table on page 5 of the interim report shows that we report Neuffer separately to the wholly-owned industrial operations.

The industrial operations were complemented with an acquisition in the first quarter. All Sealing Solutions in Norway was acquired by Specma Seals in Latour Industries. The company generated sales of NOK 27 m in 2015 and has about 15 employees. The company is a leading supplier of gaskets and seals for the oil and gas industry in Norway. The fact that we have decided to enter an industry which is currently experiencing challenging market conditions is confirmation that we remain committed to our long-term approach. After the end of the quarter, Swegon acquired bluMartin, which is a niche player in the residential ventilation sector in the German market. The company generates sales of EUR 2 m and has 16 employees.

Some of our listed holdings have submitted their reports for the first quarter. These companies are reporting strong growth on the whole, with some exceptions. In the first quarter, we decreased our shareholding in Loomis with the disposal of all class B shares. We now hold 23.8 per cent of the voting rights and 3.4 per cent of the capital.

The value of the investment portfolio decreased by 5.1 per cent in the first quarter, while the benchmark index (SIXRX) decreased by 3.4 per cent. The net asset value in Latour decreased by 3.8 per cent to SEK 305 per share in the same period. These developments should be seen in the light of the general trend in the stock market in the first quarter, which was affected by the uncertain outlook in China.

I would like to conclude by saying that I think the year has started well."

Jan Svensson
President and Chief Executive Officer

Industrial operations

Order intake, invoiced sales and earnings

The total order intake increased to SEK 1,951 m (1,786) during the first quarter, which is equivalent to 7 per cent organic growth. Invoiced sales increased to SEK 1,788 m (1,686), which is equivalent to 3 per cent organic growth when adjusted for foreign exchange effects. The operating profit in the wholly-owned industrial operations increased by 9.8 per cent to SEK 201 m (184) in the quarter. The - operating margin was 11.3 (10.9) per cent.

The above figures do not include the jointly-owned subsidiary Neuffer Fenster + Türen GmbH. See page 5 for a separate report. The divested business area, Specma Group, has also been removed from the comparative figures.

Acquisitions/disposals

All Sealing Solutions in Norway was acquired by Specma Seals in Latour Industries in the first quarter to complement the industrial operations. The company's head office is in Sandnes, outside of Stavanger. It has a staff of about 15 and, in 2015, it generated sales of NOK 27 m. All Sealing Solutions is a leading supplier of gaskets and seals for the oil and gas industry in Norway and offers an excellent complementary fit to Specma Seals, both industrially and geographically.

After the end of the quarter, Swegon acquired bluMartin, which is a niche player in the residential ventilation sector in the German market. The company generates sales of EUR 2 m and has 16 employees. The acquisition of bluMartin is in line with Swegon's strategy to bolster its presence in the German market and in the residential ventilation market.

In the quarter, we also increased our shareholding in the jointly-owned company Terratech (parent company of Steelwrist) from 18.0 per cent to 21.6 per cent. The shareholding was increased by a new issue of shares in connection with Terratech's acquisition of SVAB, which manufactures and markets products for steering controls and control electronics systems, such as tiltrotators. The aim with Terratech is to build an industrial group in the field of quick couplers, tiltrotators, electronics and equipment for excavators and other tool carriers.

In addition, Latour Industries AB acquired 24.6 per cent of the shares of LumenRadio via a new issue of shares and purchase of existing shares. LumenRadio develops, manufactures and sells state-of-the-art equipment for wireless radio communication. The products are based on a number of patents where the idea is basically to enable reliable communication without interference in a world where frequency space is becoming increasingly limited. The company has 10 employees and generated sales of SEK 20 m in 2015.

Neuffer Fenster + Türen GmbH, which was acquired in the fourth quarter of 2015, was consolidated into the Group on 1 January 2016.

The sale of Specma Group, announced in the fourth quarter of 2015, was finalised on 4 January 2016 and produced a capital gain of SEK 183 m.

Industrial operations summary

Business area results

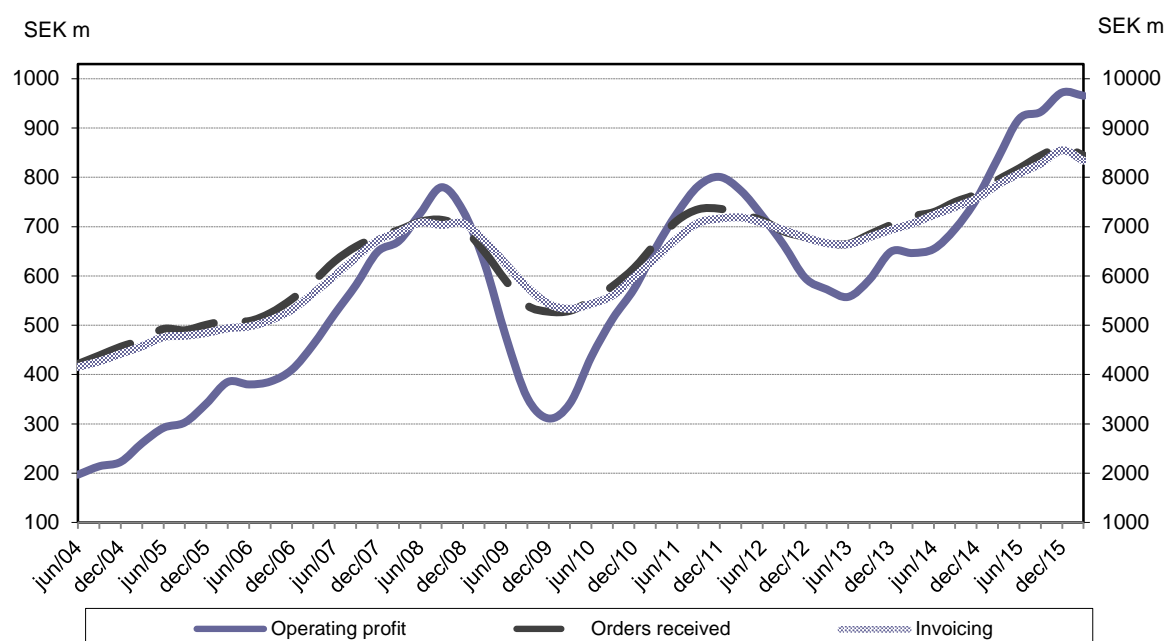
SEK m	Net sales				Operating profit				Operating margin %			
	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Hultafors Group	383	350	1,549	1,582	52	42	218	228	13.7	11.9	14.1	14.4
Latour Industries	354	290	1,289	1,353	36	37	176	175	10.3	12.7	13.6	12.9
Nord-Lock Group	224	208	797	813	68	66	236	238	30.1	31.6	29.7	29.3
Swegon	833	842	3,559	3,550	45	39	270	276	5.4	4.6	7.6	7.8
Eliminations	-6	-4	-8	-10	-	-	-	-	-	-	-	-
	1,788	1,686	7,186	7,288	201	184	900	917	11.3	10.9	12.5	12.6
Neuffer	30	-	-	30	-1	-	-	-1	-4.4	-	-	-
	1,818	1,686	7,186	7,318	200	184	900	916	11.0	10.9	12.5	12.5
Gain/loss from sale/purchase of businesses	-	-	-	-	8	-2	-2	191				
Other companies and items ¹	-	344	1,369	1,024	-1	23	77	53				
	1,818	2,030	8,555	8,342	207	205	975	1,160				

¹ Net sales refer to the operations (Specma Group) divested 2015/2016 .

SEK m	Operating capital ³		Return on operating capital %		Growth in net sales %		
	2016 Trailing 12	2015 Trailing 12	2016 Trailing 12	2015 Trailing 12	2016	Of which acquisitions	Of which currency
Hultafors Group	1,205	937	19.0	19.8	9.5	-	-1.9
Latour Industries	1,335	920	13.1	10.6	22.0	20.4	-1.5
Nord-Lock Group	749	586	31.8	40.2	7.7	8.3	-0.8
Swegon	2,356	2,022	11.7	14.8	-1.1	-	-2.5
Total	5,644	4,464	16.3	18.3	6.0	4.5	-2.0

³ Calculated as total assets less cash and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.

Group trailing 12 months



Development by business area

Hultafors Group

HULTAFORS GROUP

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Net sales	383	350	1,549	1,582
EBITDA, adjusted*	56	45	233	244
EBITA, adjusted*	53	42	221	232
EBIT, adjusted*	52	42	218	228
EBIT, reported	52	42	218	228
EBITA %, adjusted*	13.8	12.1	14.3	14.6
EBIT %, adjusted*	13.7	11.9	14.1	14.5
Growth %	9.5	15.1	18.6	
Of which exchange effects	-1.9	5.8	3.4	
Of which acquisitions	-	5.7	4.7	
Average number of employees	675	642	658	

* Excluding restructuring costs.

Highlights

- Net sales rose 9.5 per cent during the quarter. Organic growth was 11.4 per cent when adjusted for foreign exchange effects.
- Organic growth in all product areas and increased demand compared with the previous year in most of the markets.
- Increased market investments.
- The launch of the new generation of Workwear dungarees has been successful.

Breakdown of net sales

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Workwear	195	177	800	818
Tools	118	117	503	504
Ladders	37	37	147	148
Safety Shoes	32	19	98	112
	383	350	1,549	1,582

Pro forma adjustment ¹	-
Trailing 12 month pro forma	1,582

¹ Pro forma for completed acquisitions.

Hultafors Group offers products in the categories of clothing for professionals, safety footwear, hand tools, ladders and scaffolding. The products are marketed through the brands that have strong positions in their respective markets: Snickers Workwear, Dunderdon, Solid Gear, Toe Guard, Hultafors and Wibe Ladders. Hultafors Group is also a distributor for the German manufacturing company Fein in the Swedish market.

Latour Industries



(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Net sales	354	290	1,289	1,353
EBITDA, adjusted*	43	42	199	200
EBITA, adjusted*	37	37	178	178
EBIT, adjusted*	36	37	176	175
EBIT, reported	36	37	176	175
EBITA %, adjusted*	10.5	12.9	13.8	13.2
EBIT %, adjusted*	10.3	12.7	13.6	12.9
Growth %	22.0	19.4	24.7	
Of which exchange effects	-1.5	0.9	0.6	
Of which acquisitions	20.4	12.8	13.9	
Average number of employees	984	700	938	

* Excluding restructuring costs.

Highlights

- Net sales rose 22.0 per cent during the quarter. Organic growth was 2.6 per cent.
- Profitability remains unchanged as a result of major investments in sales and product development in several companies.
- Acquisition of a 24.6 per cent ownership stake in LumenRadio AB. For more details, see page 4.

Breakdown of net sales

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Kabona	34	36	146	144
Elvaco	20	21	91	90
Bastec	10	11	51	50
Produal	46	-	91	136
Elimination	-1	-	-2	-3
	109	68	377	417
LSAB Group	116	112	439	443
REAC	86	65	304	326
Specma Seals	30	31	114	113
AVT	12	15	55	52
	354	290	1,289	1,353

Pro forma adjustment ¹	67
Trailing 12 month pro forma	1,420

¹ Pro forma for completed acquisitions.

Latour Industries consists of a number of operating areas, each with its own business concept and business model. Our ambition is to develop independent entities within the business area which can eventually become new business areas within Latour.

Nord-Lock Group



(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Net sales	224	208	797	813
EBITDA, adjusted*	73	70	258	260
EBITA, adjusted*	69	67	241	243
EBIT, adjusted*	68	66	236	238
EBIT, reported	68	66	236	238
EBITA %, adjusted*	30.7	32.0	30.2	29.9
EBIT %, adjusted*	30.1	31.6	29.7	29.3
Growth %	7.7	23.5	10.3	
Of which exchange effects	-0.8	15.9	10.7	
Of which acquisitions	8.3	-	2.0	
Average number of employees	400	362	372	

* Excluding restructuring costs.

Highlights

- Strong growth in order intake which increased by 15 per cent during the quarter.
- Net sales rose during the quarter to SEK 224 m (208). This growth is entirely attributable to acquisition.
- The operating margin remained strong, although it fell slightly as a result of the acquisition and market activities.

Breakdown of net sales

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Europe	113	107	419	425
North America	61	54	206	213
Asia Pacific	44	38	142	148
Emerging markets	6	9	30	27
	224	208	797	813
Pro forma adjustment ¹				38
Trailing 12 month pro forma				851

¹ Pro forma for completed acquisitions.

Nord-Lock Group is a world leader in secure bolting solutions. The Group offers a wide range of innovative technologies including Nord-Lock wedge-locking solutions, Superbolt multi-jackbolt tensioning and Boltight hydraulic tensioning. A global sales organization and international partners offer the customers bolting expertise and the optimum solution for any bolting challenge.

Swegon



(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Net sales	833	842	3,559	3,550
EBITDA, adjusted*	64	60	350	354
EBITA, adjusted*	47	41	278	283
EBIT, adjusted*	45	39	270	276
EBIT, reported	45	39	270	276
EBITA %, adjusted*	5.6	4.9	7.8	8.0
EBIT %, adjusted*	5.4	4.6	7.6	7.8
Growth %	-1.1	20.3	10.9	
Of which exchange effects	-2.5	5.8	2.6	
Of which acquisitions	-	18.2	9.2	
Average number of employees	1,891	1,819	1,840	

* Excluding restructuring costs.

Highlights

- A healthy order intake which grew organically by 6.3 per cent.
- Net sales rose 1.4 per cent when adjusted for foreign exchange effects.
- Good growth is being seen in many markets, especially in Sweden, the domestic market.
- Several successful product launches have been showcased at trade fairs in Stockholm and Milan. These include a trend-setting wireless climate control system "Nya WISE".
- The German company bluMartin was acquired after the end of the reporting period. See page 4.

Breakdown of net sales

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Sweden	226	213	848	861
Rest of Nordic region	163	191	751	723
Rest of world	444	438	1,960	1,966
	833	842	3,559	3,550

(SEK m)	2016 Q1	2015 Q1	2015 Full Year	Trailing 12 mths
Cooling	240	243	1,071	1,068
Home Solutions	54	53	205	206
Light Commercial	51	55	208	204
Commercial Ventilation	444	449	1,911	1,906
North America	57	51	217	223
Eliminations	-13	-9	-53	-57
	833	842	3,559	3,550

*The business units' net sales for 2015 and trailing 12 months have been adjusted to comply with Swegon's structure in 2016.

Swegon provides components and innovative system solutions that create a good indoor climate and contribute to significant energy savings in all types of buildings. Swegon's products constitute a turnkey solution for the perfect indoor climate.

The Latour share's net asset value

In order to facilitate the evaluation of Latour's net asset value, Latour provides an estimated range 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 valuing each business area in a range. Deductions are then made for the Group's net debt. The evaluation of comparable companies is based on the share price on 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 16-17 of Latour's Annual Report for 2015.

In some cases, the valuation multiples for comparable companies span over a very big range. For this reason the multiples may be adjusted in order to avoid unreasonable values. The indicative value stated below is not a complete market valuation of Latour's holdings.

The net asset value declined to SEK 305 per share during the period from SEK 317 at the beginning of the year. The net asset value thus decreased by 3.8 per cent, while the SIXRX benchmark index decreased by 3.4 per cent.

SEK m	Net sales ¹	EBIT ¹	EBIT multiple	Valuation ² Range	Valuation ² Average	Valuation ² SEK/share ³ Range
Hultafors Group	1,582	229	11 – 15	2,519 – 3,435	2,977	16 – 22
Latour Industries	1,420	184	11 – 15	2,024 – 2,760	2,392	13 – 17
Nord-Lock	851	240	12 – 16	2,880 – 3,840	3,360	18 – 24
Swegon	3,550	276	13 – 17	3,588 – 4,692	4,140	22 – 29
	7,403	929		11,011 – 14,727	12,869	68 – 92
Listed shares (see table on page 9 for breakdown)					36,011	226
Unlisted part-owned companies						
Diamorph ⁴ , 21.2 %					125	1
Neuffer ⁵ , 66.1 %					197	1
Oxeon ⁵ , 31.1 %					25	0
Terratech ⁵ , 21,6 %					45	0
Other assets						
Short trading portfolio					79	1
Dilution effect of option programme					-104	-1
Consolidated net debt					-582	-4
Estimated value					48,665	305
					(46 807 – 50 523)	(293 – 317)

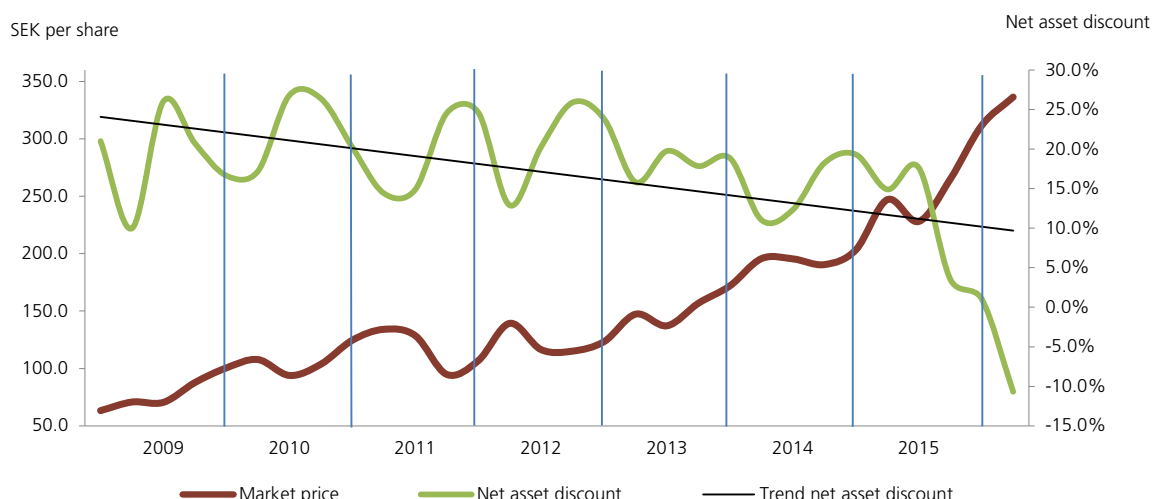
¹ Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 31 March 2016 for comparable companies in each business area.

³ Calculated on the basis of the number of outstanding shares.

⁴ Valued according to the latest transaction.

⁵ Valued according to Latour's latest acquisition price.



Investment portfolio 31 March 2016

In the quarter, the aggregate value of the investment portfolio decreased by 5.1 per cent, adjusted for dividends, while the benchmark index (SIXRX) decreased by 3.4 per cent.

All class B shares in Loomis were sold in the first quarter and 1,570,000 shares in Tomra were acquired.

Aktie	Number	Cost SEK m	Listed share price ¹ SEK	Market value SEK m	Share of votes ⁵ %	Share of equity %
Assa Abloy ^{2 3}	105,495,729	1,697	160	16,900	29.5	9.5
Fagerhult ³	18,620,400	571	166	3,082	48.9	48.3
HMS Networks ³	3,027,322	250	223	674	26.8	26.7
Loomis ^{2 3}	2,528,520	38	230	580	23.8	3.4
Nederman ³	3,512,829	306	221	776	30.1	30.0
Nobia	4,649,894	94	85	395	2.8	2.7
Securitas ^{2 3}	39,732,600	1,081	135	5,344	29.6	10.9
Sweco ^{2 3}	32,622,480	445	133	4,352	21.0	27.1
Tomra ^{3 4}	38,130,000	1,917	86 NOK	3,223	25.8	25.8
Troax ³	6,020,000	397	114	685	30.1	30.1
Total		6,797		36,011		

¹ The last price paid is used as the listed share price.

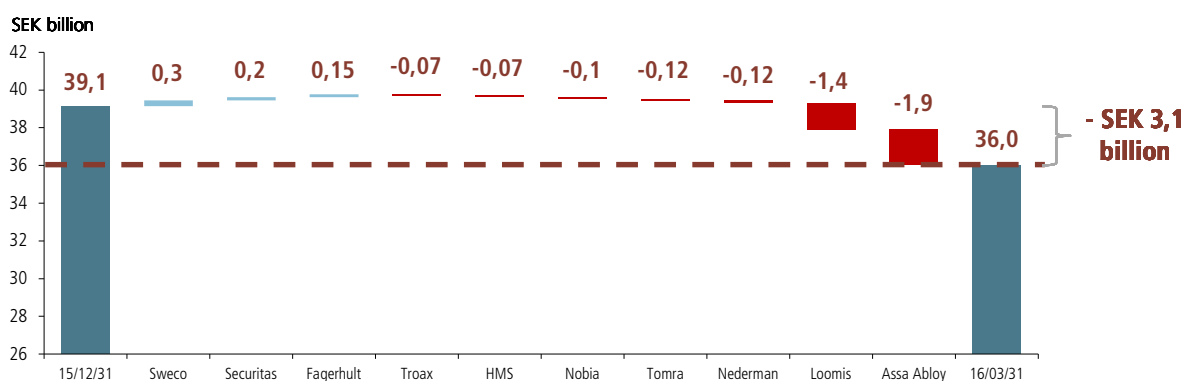
² The shareholdings in Assa Abloy, Loomis, Securitas and Sweco consist of class A and class B shares. Due to the limited trading in class A shares in Sweco, and the fact that the other three companies' class A shares are unlisted, the shares are reported together and have been given the same listed share price.

³ Shown as associated companies in the balance sheet.

⁴ At the end of the report period, the listed share price was NOK 86.25 which has been translated to SEK at the exchange rate on the balance sheet date.

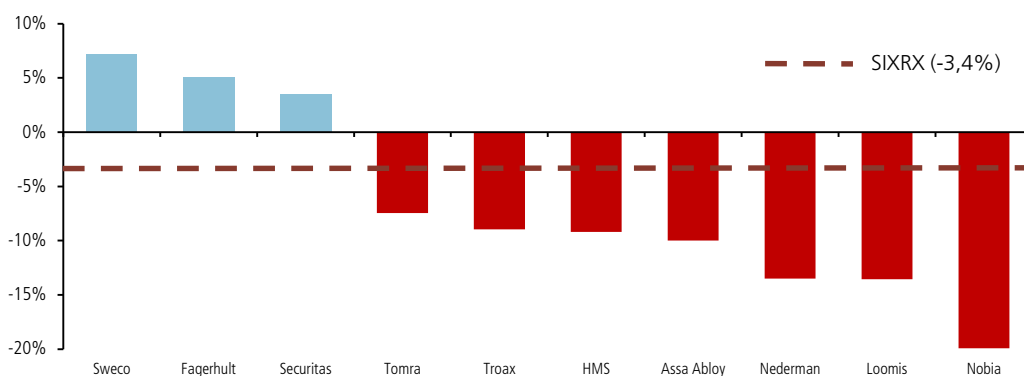
⁵ Share of votes calculated after deduction of treasury shares.

Movements in investment portfolio values



Movements in investment portfolio values (SEK billion). These figures include acquired/sold cost but not dividend payments for the period.

Total return for the portfolio companies



The total return, including share price development and dividends, for each portfolio company.

Results and financial position

Group

The Group's profit after financial items was SEK 1,466 m (867). Profit after tax was SEK 1,602 m (833), which is equivalent to SEK 10.05 (5.22) per share.

The Group's cash in hand and liquid investments reached SEK 1,743 m (378). Interest-bearing debt, excluding pension liabilities, totalled SEK 2,318 m (3,797). The Group's net debt, including pension liabilities, was SEK 582 m (3,394). The equity ratio was 91 (87) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

There have been no transactions with related parties that have had a material effect on the results or financial position of the Group.

Investments

During the period, SEK 19 m (19) was invested in property, plant and equipment, of which SEK 13 m (12) was machinery and equipment, SEK 5 m (7) vehicles and 1 m (0) buildings. Out of total investments for the year, SEK 1 m (0) refers to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 1,429 m (318). The parent company's equity ratio was 99 (87) per cent.

Not including repurchased shares, the number of outstanding shares at 31 March 2016 amounted to 159,557,500. At the end of the period, Latour held 402,500 repurchased class B shares. The total number of outstanding call options is 662,500.

The allocation of issued shares is 11,918,648 class A shares and 148,041,352 class B shares.

Events after the reporting period

On 21 April 2016, Swegon acquired the German company bluMartin which generates annual sales of approximately EUR 2 m and has 16 employees. Otherwise, there were no material events subsequent to the end of the reporting period.

Risks and uncertainties

The main risk to which the Group and the parent company are exposed is the risk attributable to adverse changes in the values of financial instruments, including a general decline in the stock market or in the value of an individual holding. This includes uncertainties relating to changes in exchange rates and interest rates. Latour has a well-diversified holding of shares, spread across ten listed holdings and four wholly-owned business areas. This means that the development and performance of an individual holding will not have a drastic impact on the portfolio as a whole. As the wholly-owned industrial operations have increased in size, Latour as a whole is influenced to a greater degree by changes attributable to these operations. On the whole, Latour is deemed to have a good risk diversification in its portfolio, which covers several industries, with a certain emphasis on sectors linked to the construction industry. Construction can also be divided into several dimensions, such as new builds or government-subsidised repair, conversion or extension work, locally or globally, and housing, office and industrial premises or infrastructure projects. No other material risks in addition to those described in Note 35 of Latour's Annual Report 2015 are deemed to have arisen.

Audit and accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Reporting in respect of the Group and in accordance with the Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board in respect of the parent company.

New accounting standard requirements that came into effect on 1 January 2016 have not had any impact on the Group's or parent company's accounting as at 31 March 2016.

In other respects, the accounting policies adopted by the Group and parent company are consistent with those used in the preparation of the most recent annual report.

This report has not been audited by the company's auditors.

Gothenburg, 29 April 2016

Jan Svensson

President and CEO

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Conference call

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörrck commencing at 11 a.m. today.

The number to call is +46 (0)8 566 426 90. The conference will be broadcast on the Internet.

To follow the presentation, please visit our website, www.latour.se.

The General Annual Meeting will be held on 3 May at Radisson Blu Scandinavia Hotel in Gothenburg.

The interim report for the period January – June 2016 will be published on 23 August 2016

The interim report for the period January – September 2016 will be published on 3 November 2016

The information contained in this report constitutes information which the company is required to disclose under the Swedish Securities Market Act. The information was submitted for publication on 29 April 2016, at 8.30 a.m.

Consolidated income statement

SEK m	2016 Q1	2015 Q1	12 mths Apr-Mar 2015/2016	Full Year 2015
Net sales	1,818	1,686	7,318	7,186
Cost of goods sold	-1,055	-993	-4,275	-4,213
Gross profit	763	693	3,043	2,973
Sales costs	-365	-343	-1,447	-1,425
Administrative costs	-157	-138	-553	-534
Research and development costs	-56	-46	-204	-194
Other operating income	28	18	101	91
Other operating expenses	-6	-2	-11	-7
Operating profit	207	182	929	904
Income from interests in associates	1,276	664	2,564	1,952
Income from portfolio management	-2	5	1,486	1,493
Management costs	-3	-4	-14	-15
Profit before financial items	1,478	847	4,965	4,334
Finance income	17	61	67	111
Finance expense incl redemption of pension liability	-29	-41	-134	-146
Profit after financial items	1,466	867	4,898	4,299
Taxes	-47	-52	-225	-230
Net income of disposal group classified as held for sale and discontinued operations (note 3)	183	18	213	48
Profit for the period	1,602	833	4,886	4,117
	-	-	-	-
Attributable to:				
Parent company shareholders	1,603	833	4,887	4,117
Non-controlling interests	-1	-	-1	-
Earnings per share regarding profit attributable to parent company shareholders				
Basic share, SEK	10.05	5.22	30.62	25.81
Diluted share, SEK	10.00	5.20	30.50	25.70
Average number of basic shares outstanding	159,557,500	159,493,000	159,546,750	159,530,816
Average number of diluted shares outstanding	160,220,000	160,223,000	160,178,428	160,179,053
Number of outstanding shares	159,557,500	159,493,000	159,557,500	159,557,500

Consolidated statement of comprehensive income

SEK m	2016 Q1	2015 Q1	12 mths Apr-Mar 2015/2016	Full Year 2015
Profit for the period	1,602	833	4,886	4,117
Other comprehensive income:				
Items that will not be recycled to the income statement				
Restatement of net pension obligations	-	-	-2	-2
	0	0	-2	-2
Items that may subsequently be recycled to the income statement				
Change in translation reserve for the period	16	3	-64	-77
Change in fair value reserve for the period	-98	155	-989	-736
Change in hedging reserve for the period	-31	53	-50	34
Change in associated companies' equity	441	362	260	181
	328	573	-843	-598
Other comprehensive income, net after tax	328	573	-845	-600
Comprehensive income for the period	1,930	1,406	4,041	3,517
Attributable to:				
Parent company shareholders	1,931	1,406	4,042	3,517
Non-controlling interests	-1	-	-1	-

Consolidated cash flow statement

SEK m	2016 Q1	2015 Q1	12 mths Apr-Mar 2015/2016	Full Year 2015
Operating cash flows before movements in working capital	151	163	847	859
Movements in working capital	-98	-94	-128	-124
Operating cash flows	53	69	719	735
Acquisitions of subsidiaries	44	-	-703	-747
Sale of subsidiaries	-	-	7	7
Other investments	-36	-27	-196	-187
Portfolio management	1,047	55	3,220	2,228
Cash flow after investments	1,108	97	3,047	2,036
Financial payments	-888	-117	-2,321	-1,550
Cash flow from disposal group classified as held for sale	685	-3	729	41
Cash flow for the period	905	-23	1,455	527

Consolidated balance sheet

SEK m	2016/03/31	2015/03/31	2015/12/31
ASSETS			
Goodwill	4,046	3,339	3,702
Other intangible assets	114	71	114
Property, plant and equipment	698	662	703
Financial assets	12,882	12,908	12,511
Inventories etc.	1,194	972	1,053
Current receivables	1,467	1,492	1,463
Cash and bank	1,743	378	858
Assets of disposal group classified as held for sale *	-	738	871
Total assets	22,144	20,560	21,275
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	18,011	14,929	16,080
Non-controlling interests	105	0	0
<i>Total equity</i>	<i>18,116</i>	<i>14,929</i>	<i>16,080</i>
Interest-bearing long-term liabilities	903	814	707
Non-interest-bearing long-term liabilities	265	220	256
Interest-bearing current liabilities	1,446	2,956	2,455
Non-interest-bearing current liabilities	1,414	1,336	1,372
Liabilities of disposal group classified as held for sale *	-	305	405
Equity and liabilities	22,144	20,560	21,275

* For best comparability, Specma Group's net assets and liabilities are reported separately, also for period 2015/03/31.

Consolidated changes in equity

SEK m	Share capital	Repurchased treasury shares	Other reserves	Profit brought forward	Non-controlling interests	Total
Opening balance 1 Jan 2015	133	-38	1,196	12,232	0	13,523
Total comprehensive income for the period			-779	4,296		3,517
Issued call options				4		4
Sold repurchased own shares		17		13		30
Repurchased treasury shares		-37				-37
Dividends				-957		-957
Closing balance 31 Dec 2015	133	-58	417	15,588	0	16,080
Opening balance 1 Jan 2016	133	-58	417	15,588	0	11,658
Total comprehensive income for the period			-113	2,044	-1	1,930
Non-controlling interests on acquisitions					106	106
Closing balance 31 Mar 2016	133	-58	304	17,632	105	18,116

Key ratios, Group*

	2016/03/31	2015/03/31	2015/12/31
Return on equity (%)	37	23	28
Return on total capital (%)	31	19	22
Equity ratio (%)	82	73	76
Adjusted equity ratio ¹ (%)	91	87	89
Adjusted equity ¹ (SEK m)	41,554	39,271	43,161
Surplus value in associated companies ² (SEK m)	23,438	24,342	27,081
Net debt/equity ratio (%)	6	9	5
Net debt/EBITDA	1.8	3.4	2.7
Listed share price (SEK)	337	247	312
Repurchased shares	402,500	467,000	402,500
Average number of repurchased shares	402,500	467,000	429,184
Average number of employees	3,976	4,245	4,570
Outstanding convertible bonds	-	-	-
Issued warrants	-	-	-
Issued call options on repurchased shares	662,500	730,000	662,500

* The key ratios include the disposal group classified as held for sale.

¹ Incl. fair value gain in associated companies.

² The difference between the carrying amount and market value.

Parent company income statement

SEK m	2016 Q1	2015 Q1	12 mths Apr-Mar 2015/2016	Full Year 2015
Income from interests i Group companies	-	-	365	365
Income from interest in associates companies	1,431	320	1,928	817
Income from portfolio management	-	-	1,898	1,898
Management costs	-2	-2	-9	-9
Profit before financial items	1,429	318	4,182	3,071
Interest income and similar items	-	9	22	31
Interest expense and similar items	-	-9	-6	-15
Profit after financial items	1,429	318	4,198	3,087
Taxes	-	-	-	-
Profit for the period	1,429	318	4,198	3,087

Parent company statement of comprehensive income

SEK m	2016 Q1	2015 Q1	12 mths Apr-Mar 2015/2016	Full Year 2015
Profit for the period	1,429	318	4,198	3,087
Change in fair value reserve for the period	-	148	-1,239	-1,091
Total other comprehensive income	0	148	-1,239	-1,091
Comprehensive income for the period	1,429	466	2,959	1,996

Parent company balance sheet

SEK m	2016/03/31	2015/03/31	2015/12/31
ASSETS			
Financial assets	7,712	10,088	9,510
Current receivables from Group companies	3,223	9	-
Other current liabilities	3	2	2
Cash and bank	5	6	5
Total assets	10,943	10,105	9,517
EQUITY AND LIABILITIES			
Equity	10,836	8,837	9,407
Interese-bearing long-term lilabilities	100	101	101
Non-interest-bearing long-term liabilities	5	5	5
Interese-bearing current liabilities	-	1,160	-
Non-interest-bearing current liabilities	2	2	4
Equity and liabilities	10,943	10,105	9,517

Parent company statement of changes in equity

SEK m	2016/03/31	2015/03/31	2015/12/31
Amount at beginning of year	9,407	8,371	8,371
Total comprehensive income for the period	1,429	466	1,996
Issued call options	-	-	4
Sold repurchased own shares	-	-	30
Repurchased treasury shares	-	-	-37
Dividends	-	-	-957
Amount at end of year	10,836	8,837	9,407

Segment reporting:

Development by business area 1 Jan 2016 – 31 Mar 2016

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	383	349	224	833	29		1,818
Internal sales		5					5
RESULT							
Operating profit	52	36	68	45	189		390
Income from portfolio management						1,271	1,271
Finance income							17
Finance expense							-29
Taxes							-47
Profit for the period							1,602
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	1	6	2	6	5		20
intangible assets		47		1	284		332
Depreciation/amortisation	3	7	6	19	4		39

Segment reporting:

Development by business area 1 Jan 2015 – 31 Mar 2015

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	350	287	208	841			1,686
Internal sales		3		1			4
RESULTS							
Operating result	42	37	66	39	-2		182
Income from portfolio management						665	665
Finance income							61
Finance expense							-41
Taxes							-52
Profit for the disposal group classified as held for sale							18
Profit for the period							833
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	1	1	1	6	7		16
intangible assets				2			2
Depreciation/amortisation	4	5	5	21	4		39

Change in consolidated interest-bearing net debt

SEK m	2015/12/31	Change in cash	Change in loans	Other changes	2016/03/31
Interest-bearing receivables	204			-181	23
Cash	934	733		76	1,743
Pensions provisions	-32			1	-31
Long-term liabilities	-853		-196	178	-871
Utilised bank overdraft facilities	-43		1		-42
Interest-bearing current liabilities	-2,415		1,008	3	-1,404
Interest-bearing net debt	-2,205	733	813	77	-582

Five year overview*

SEK m	Apr-Mar 2015/2016	2015	2014	2013	2012
Net sales, SEK m	8,347	8,555	7,581	6,944	6,788
Operating profit, SEK m	1,160	975	746	621	635
Income from interest in associated companies, SEK m	2,564	1,952	1,347	1,060	914
Income from portfolio management, SEK m	1,486	1,493	36	43	35
Profit after finance items, SEK m	5,196	4,405	2,064	1,710	1,497
Earnings per share, SEK	31	26	12	9	8
Return on equity, %	30	28	15	13	13
Return on total capital, %	25	22	13	12	12
Adjusted equity ratio, %	91	89	86	88	86
Net debt/equity ratio, %	6	5	10	7	8
Listed share price, SEK	337	312	203	172	124

* Reported key ratios include the disposal group classified as held for sale

Note 1: Business combinations

Specification of acquisitions

Transfer date		Country	Business area	Number of employees
1 January 2016	Neuffer Fenster + Türen GmbH	Germany	Neuffer	24
15 January 2016	All Sealing Solutions AS	Norwegian	Latour Industries	15

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	3
Property, plant and equipment	1
Financial assets	4
Inventories	7
Account receivable	8
Other receivable	2
Cash	73
Long-term liabilities	-
Current liabilities	-49
Net identifiable assets and liabilities	49
Non-controlling interests	-105
Group goodwill	330
Total purchase price	274
	-179
Additional purchase price	-71
Cash settlement purchase price	24
Acquisition of non-cash items	5
Acquired cash	-73
Effect of Group cash	-44

During the period, Latour acquired 66.1 per cent of the shares of Neuffer Fenster + Türen GmbH and the entire shareholding of All Sealing Solutions AS.

During the period, Neuffer contributed SEK 30 m in income and SEK -1 m in operating profit. All Sealing Solutions AS contributed SEK 4 m in income and SEK -1 m in operating profit.

All acquisitions have been made with the aim of strengthening and developing the Latour Group's existing operations.

Transaction costs for acquisitions made during the period amount to SEK 3 m.

Estimated additional purchase prices amounting to SEK 30 m for the acquisition of Neuffer Fenster + Türen GmbH and SEK 28 m for the acquisition of All Sealing Solutions AS have been booked.

Note 2: Information regarding financial assets and liabilities

The table below shows how fair value is determined for the financial instruments valued at fair value in the report on financial positions. Fair value is determined according to three different levels. Compared with the 2015 annual accounts, no transfers were made in 2016 between the different levels of fair value hierarchy and no changes have occurred in the applied valuation techniques and/or principles.

Financial instruments – Fair value

THE GROUP 31 Mar 2016

	Available-for-sales financial assets	Financial assets values at fair value via profit and loss	Derivatives used for hedging purposes	Loans and accounts receivable, cash	Other liabilities	Total carrying amount
FINANCIAL ASSETS						
Listed shares, management	395 ¹					395
Other long-term securities holdings	5 ²					5
Other long-term receivables				23 ³		23
Listed shares, trading		79 ¹				79
Unrealised gains, currency derivatives			41 ²			41
Other current receivables				1 254 ³		1,254
Cash				1 743 ³		1,743
Total	400	79	41	3,020	0	3,540
FINANCIAL LIABILITIES						
Long-term loans					872 ³	872
Bank overdraft facilities					42 ³	42
Current loans					1 404 ³	1,404
Other liabilities					800 ³	800
Unrealised gains, currency derivatives			25 ²			25
Total	0	0	25	0	3,118	3,143

¹ Level 1 – valued at fair value based on quoted prices on an active market for identical assets.

² Level 2 – valued at fair value based on other observable inputs for assets and liabilities than quoted price included in level 1.

³ Level 3 – valued at fair value based on inputs for assets and liabilities unobservable to the market.

Listed financial assets are valued at their quoted market price on the balance sheet date. Fair value on unlisted financial assets is determined by using valuation techniques such as a recent transaction, the price of a similar instrument or discounted cash flows.

Hedging instruments consist of forward exchange contracts and interest rate swaps and are included in level 2. Valuation at fair value of the forward exchange contracts is based on levels established by the bank on an active market.

The fair value of accounts receivable and other receivables, current receivables, cash and other liquid funds, accounts payable and other liabilities as well as long-term liabilities are estimated to have the same value as their carrying amount. Market interest is not believed to materially deviate from the discount rate for interest-bearing long-term liabilities and therefore the carrying amount is considered in essence equal to the fair value.

The Group's valuation process is carried out by the Group finance and treasury department where a team works with valuation of the financial assets and liabilities held by the Group.

Note 3: Non-current assets held for sale and discontinued operations

The assets and liabilities relating to Specma AB with subsidiaries have been recognised as held for sale until the divestment on 4 January 2016.

Statement of income from discontinued operations and recognised income resulting from remeasurement of assets or disposal groups are presented below:

SEK m	2016 Q1	2015 Q1	Trailing 12 mths	2015 Full Year
Income	-	344	1,025	1,369
Capital gain	183	-	183	-
Costs	-	-321	-977	-1,298
Net financial items	-	-1	-7	-8
Tax	-	-4	-11	-15
Profit of disposal group after tax	183	18	213	48

Information by quarter

SEK m	2016	2015					2014				
	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT											
Net sales	1,818	8,555	2,284	2,080	2,161	2,030	7,581	2,018	1,877	1,940	1,746
Cost of goods sold	-1,055	-5,295	-1,417	-1,277	-1,339	-1,260	-4,757	-1,257	-1,131	-1,263	-1,106
Gross profit	763	3,260	865	803	822	770	2,824	761	746	677	640
Costs etc. for the operation	-373	-2,285	-596	-544	-580	-565	-2,078	-550	-484	-515	-529
Operating profit	390	975	269	259	242	205	746	211	262	162	111
Total portfolio management	1,271	3,430	1,543	463	759	665	1,368	422	304	335	307
Profit before financial items	1,661	4,405	1,812	722	1,001	870	2,114	633	566	497	418
Net financial items	-12	-43	-11	-33	-18	19	-50	-26	-6	-6	-12
Profit after financial items	1,649	4,362	1,081	689	983	889	2,064	607	560	491	406
Taxes	-47	-245	-56	-52	-81	-56	-190	-55	-67	-38	-30
Profit for the period	1,602	4,117	1,745	637	902	833	1,874	552	493	453	376
KEY RATIOS											
Earnings per share, SEK	10.05	25.81	10.94	3.99	5.65	5.22	11.75	3.46	3.09	2.84	2.36
Cash flow for the period	905	527	476	45	29	-23	-86	19	121	-47	-179
Adjusted equity ratio, %	91	89	89	86	86	87	85	85	85	86	87
Adjusted equity	41,546	43,161	43,161	36,936	37,171	39,271	33,015	33,015	30,256	28,587	28,181
Net asset value	48,665	50,572	50,572	43,833	44,150	46,379	39,859	39,859	37,117	35,582	35,022
Net asset value per share, SEK	305	317	317	275	277	291	250	250	233	223	220
Listed share price, SSEK	337	312	312	265	228	247	203	203	191	196	196
NET SALES											
Hultafors Group	383	1,549	446	390	362	350	1,306	365	315	322	304
Latour Industries	354	1,289	377	311	311	290	1,055	286	229	281	243
Nord-Lock Group	224	797	193	198	197	208	722	169	193	192	169
Swegon	833	3,559	927	861	928	842	3,209	870	838	801	700
	1,794	7,194	1,943	1,760	1,798	1,690	6,292	1,690	1,575	1,596	1,416
Other companies and eliminations	24	1,361	341	319	363	340	1,289	328	302	344	330
	1,818	8,555	2,284	3,138	3,286	3,080	7,581	2,018	1,877	1,940	1,746
OPERATING PROFIT											
Hultafors Group	52	218	75	54	48	42	177	53	50	41	33
Latour Industries	36	176	53	44	41	37	68	29	11	20	8
Nord-Lock Group	68	236	54	59	57	66	211	45	68	57	42
Swegon	45	270	78	74	80	39	298	98	90	74	37
	201	900	260	231	226	184	754	225	219	192	120
Gain/loss from sale/purchase of b	191	-2	-3	6	-3	-2	-13	0	-4	-8	-1
Other companies and items	-2	77	12	22	19	23	5	-13	47	-22	-8
	390	975	269	259	242	205	746	211	262	162	111
OPERATING MARGIN (%)											
Hultafors Group	13.7	14.1	16.8	13.8	13.2	11.9	13.6	14.5	15.8	12.8	11.1
Latour Industries	10.3	13.6	14.1	14.1	13.3	12.7	6.4	10.2	4.9	7.2	2.9
Nord-Lock Group	30.1	29.7	27.9	30.0	28.9	31.6	29.3	26.7	35.1	29.6	24.7
Swegon	5.4	7.6	8.4	8.7	8.6	4.6	9.3	11.2	10.7	9.2	5.3
	11.3	12.5	13.4	13.1	12.6	10.9	12.0	13.3	13.9	12.0	8.5

* Include Specma Group.



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