

INTERIM REPORT
JANUARY - SEPTEMBER

2016



Interim report January - September 2016

NET ASSET VALUE AND THE LATOUR SHARE

- The net asset value rose to SEK 349 per share, compared with SEK 317 per share at the beginning of the year. This is an increase of 12.5 per cent, adjusted for dividends. By comparison, the Stockholm Stock Exchange's Total Return Index (SIXRX) increased by 6.0 per cent. The net asset value was SEK 338 per share at 2 November.¹
- The total return on the Latour share was 15.1 per cent in the period compared with 6.0 per cent for the SIXRX.

INDUSTRIAL OPERATIONS

The third quarter

- The industrial operations' order intake rose 9 per cent to SEK 1,940 m (1,782), which represents a 1 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 13 per cent to SEK 1,990 m (1,759), which represents a 5 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 17 per cent to SEK 271 m (231), which equates to an operating margin of 13.6 (13.1) per cent for continuing operations.
- The Nord-Lock Group acquired the Expander Group with annual sales in excess of SEK 70 m and 45 employees. At the close of the quarter, Swegon acquired Ruskin Air Management Ltd with annual sales of approximately SEK 290 m and 220 employees.

January – September

- The industrial operations' order intake rose 13 per cent to SEK 6,107 m (5,424), which represents an 8 per cent increase for comparable entities adjusted for foreign exchange effects.
- The industrial operations' net sales rose 13 per cent to SEK 5,922 m (5,244), which represents an 8 per cent increase for comparable entities adjusted for foreign exchange effects.
- The operating profit increased by 22 per cent to SEK 780 m (640), which equates to an operating margin of 13.2 (12.2) per cent for continuing operations.

GROUP

- Consolidated net sales totalled SEK 6,030 m (5,244) and profit after financial items was SEK 3,015 m (2,505). The profit includes capital gains of SEK 890 m (670), which is equivalent to SEK 5.58 per share.
- The Group's profit after tax was SEK 3,018 m (2,372), which is equivalent to SEK 18.92 (14.87) per share.
- Net debt at the end of September was SEK 1,894 m (3,581) and is equivalent to 3.5 per cent of the market value of total assets.

INVESTMENT PORTFOLIO

- In the period, the value of the investment portfolio increased by 11.0 per cent adjusted for dividends and changes in the portfolio. The benchmark index (SIXRX) increased by 6.0 per cent.

EVENTS AFTER THE REPORTING PERIOD

- There were no material events subsequent to the end of the reporting period.

¹ The calculation of the net asset value on 2 November 2016 was based on the value of the investment portfolio at 1 p.m. on 2 November and the same values as on 30 September 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 30 September 2016 had a market value of about SEK 41.5 billion. The wholly-owned industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. In 2015, they generated a turnover of SEK 7.2 billion.

Comments from the CEO

"Our wholly-owned industrial operations continued to expand in the third quarter. Both order intake and net sales reported growth of 9 and 13 per cent respectively over the previous year. Organic growth has been very good for a sustained period. In this quarter, however, order intake only achieved organic growth of just over 1 per cent and invoiced sales delivered organic growth of 5 per cent. This can be attributed to weak sales development in July and August.

The construction industry remains strong in many parts of Europe and I believe that this trend may continue for some time and will benefit the late-cycle areas of our business, which means Swegon first and foremost. Although growth improved in September, signs indicate that we cannot count on growth continuing at the same steady rate as it has for a number of quarters now. Comparative figures are becoming progressively tougher. The Hultafors Group, which reported 19 per cent organic growth last quarter, grew organically by a more modest 3 per cent in the third quarter. Nord-Lock and Latour Industries show no organic growth, while Swegon had another good quarter and grew by almost 10 per cent. We are still seeing a fragmented picture across the markets of Europe. The region with the strongest growth is still the Nordic countries, driven primarily by Sweden. Germany and Poland are also enjoying positive growth and there is clear evidence of stability in other regions of Europe. There is considerable caution in the UK in the wake of the Brexit vote, even though the impact for us is generally manageable. The long-term effects of Brexit are still as uncertain for us as they are for many others. The UK is not an unimportant market for us, especially after the acquisition of Ruskin.

It is still difficult to assess how markets in the rest of the world will develop. The industrial sector in North America has been experiencing slow growth for quite a while now. The question is how long construction-related businesses can support the economic climate. We feel that the general market situation in South-East Asia, including China, is still unsettled, and the shipbuilding crisis in Korea has generated great uncertainty there. However, one should note that only 13 per cent of the industrial operations' sales are outside of Europe, but that a full 71 per cent is outside of Sweden.

The order intake in the quarter increased in total by 9 per cent and organically by just over 1 per cent. Net sales rose 13 per cent to SEK 1,990 m (1,759), with organic growth accounting for 5 per cent of this. The operating profit increased by 17 per cent to SEK 271 m (231) which corresponds to a strong operating margin at 13.6 (13.1) per cent. This has been our best third quarter ever in absolute terms.

Thanks to our growth, fine earnings performance and stable financial situation, we are well-positioned to consistently think and act ahead, as we have in the past, no matter how the markets change. Despite relatively weak market growth, we are confident that our firm footing will allow us to continue to report strong earnings.

The industrial operations were complemented with two acquisitions in the third quarter. At the beginning of July, the Nord-Lock Group acquired the Expander Group, which specialises in the manufacture and marketing of the Expander® System, expandable pivot pin systems for heavy machinery. On 30 September, Swegon acquired Ruskin Air Management Ltd., a leading UK manufacturer of air distribution and fire damper products. The company complements Swegon well and gives it a very strong sales platform in the UK.

Most of our listed holdings have submitted their reports for the third quarter. These companies are reporting strong growth, with some exceptions.

The value of the investment portfolio increased by 11.0 per cent in the nine-month period, adjusted for dividends, while the benchmark index (SIXRX) increased by 6.0 per cent. The net asset value in Latour increased in the same period by 12.5 per cent to SEK 349 per share, adjusted for dividends.

To sum up, I feel that developments are very positive but that we'll be seeing rather more challenging market conditions in the future."

*Jan Svensson
President and Chief Executive Officer*

Industrial operations

Order intake, invoiced sales and earnings

The order intake increased in the third quarter by 9 per cent to SEK 1,940 m (1,782), which is equivalent to 1 per cent organic growth. Invoiced sales increased to SEK 1,990 m (1,759), which is equivalent to 5 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 17 per cent to SEK 271 m (231) in the quarter. The operating margin was 13.6 (13.1) per cent.

The cumulative amount of the order intake increased by 13 per cent to SEK 6,107 m (5,424), which is equivalent to 8 per cent organic growth. Invoiced sales increased to SEK 5,922 m (5,244), which is equivalent to 8 per cent organic growth. The operating profit in the wholly-owned industrial operations increased by 22 per cent to SEK 780 m (640). The operating margin was 13.2 (12.2) per cent.

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

Acquisitions/disposals

The industrial operations were complemented with two acquisitions in the third quarter. The Nord-Lock Group acquired the Expander Group at the beginning of July. The company specialises in the design and manufacture of the Expander® System, an expandable pivot pin system for heavy machinery. The Expander Group has grown successfully over the years, and the product range has been developed to cover thousands of machine models. The main target markets are applications for pivotal joints on heavy machinery and equipment within mining, construction, forestry, process industry and oil/gas/marine. The company's head office is in Åtvidaberg in Sweden and it also has operations in the USA and Germany. During the financial year ending 30 April 2016, the Expander Group reported sales of SEK 72 m. The company has 45 employees.

Swegon acquired Ruskin Air Management Ltd in September. Ruskin is a leading manufacturer of fire and smoke dampers and ventilation products in the United Kingdom and Ireland. The company has more than 50 years of experience in the market, with annual sales of approximately SEK 290 m and 220 employees. It reports a level of profitability well in line with Latour's financial targets. The acquisition gives Swegon a very strong local presence in the UK and brings extensive fire and smoke product expertise to Swegon's portfolio.

The industrial operations were complemented with three acquisitions of wholly-owned subsidiaries earlier in the year. In April, 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. At the end of May/beginning of June, Latour Industries acquired the Aritco Group, a leading Swedish manufacturer of home lifts and platform lifts. The company, which has achieved a double-figure growth rate in recent years, generated sales of SEK 369 m in 2015 and reported an EBITDA margin of 19 per cent. The Aritco Group has 157 employees and its head office and manufacturing facilities are located in Kungsängen, outside of Stockholm. Its products are sold via partners and distributors, primarily in Europe, the Middle East and South-East Asia, and through its own subsidiary in the UK. The acquisition of the Aritco Group increased the Latour Group's net debt by approximately SEK 750 m.

In the first quarter, the Norwegian company All Sealing Solutions was acquired by Latour Industries via its subsidiary Specma Seals. All Sealing Solutions has its head office in Sandnes close to Stavanger and is a leading supplier of gaskets and seals, primarily for the oil and gas industry. In 2015, the company generated sales of approximately NOK 27 m. It has 15 employees.

Several smaller additional investments in jointly-owned companies were also made in the first six months. The Latour Group increased its shareholding in the first quarter 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. In the first quarter, Latour Industries also acquired 24.6 per cent of the shareholding in LumenRadio. LumenRadio develops, manufactures and sells state-of-the-art equipment for wireless radio communication.

Industrial operations summary

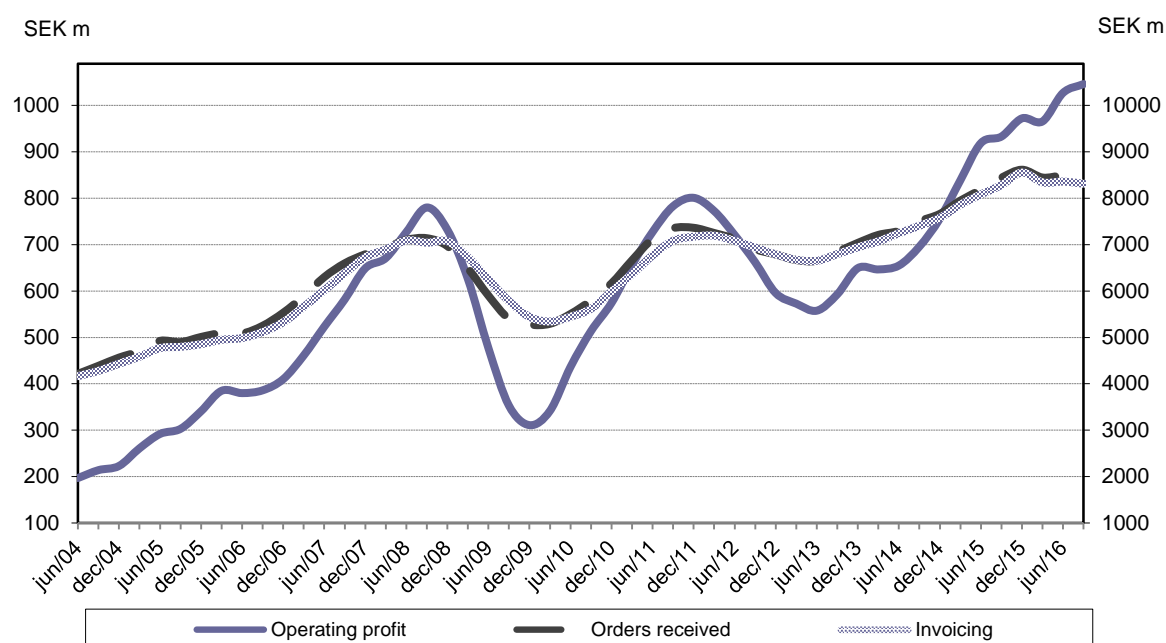
Business area results

SEK m	Net sales				Operating profit				Operating margin %			
	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths
Hultafors Group	395	390	1,200	1,102	56	54	169	144	14.3	13.8	14.1	13.0
Latour Industries	420	311	1,194	912	45	44	132	122	10.7	14.1	11.1	13.4
Nord-Lock Group	229	198	687	603	69	59	209	182	30.1	30.0	30.4	30.2
Swegon	947	861	2,850	2,632	101	74	270	192	10.6	8.6	9.5	7.3
Eliminations	-1	-1	-9	-5	-	-	-	-	-	-	-	-
	1,990	1,759	5,922	5,244	271	231	780	640	13.6	13.1	13.2	12.2
Neuffer	43	-	108	-	-1	-	-3	-	-3	-	-3	-
	2,033	1,759	6,030	5,244	270	231	777	640	13.3	13.1	12.9	12.2
Gain/loss from sale/purchase of businesses	-	-	-	-	-4	6	3	1				
Other companies and items	-	-	-	-	6	3	10	3				
	2,033	1,759	6,030	5,244	272	240	790	644				

SEK m	Operating capital ¹		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	1,221	1,123	20.0	17.5	8.9	-	-1.8
Latour Industries	1,688	1,116	11.0	13.6	30.9	28.5	-1.4
Nord-Lock Group	836	651	31.5	34.9	13.9	11.3	-1.2
Swegon	2,402	2,368	14.5	12.1	8.3	0.4	-1.8
Total	6,147	5,258	16.9	16.4	12.9	6.5	-1.7

¹ 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 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Net sales	395	390	1,200	1,102	1,549	1,647
EBITDA, adjusted*	60	58	180	155	233	259
EBITA, adjusted*	57	54	171	146	221	246
EBIT, adjusted*	56	54	169	144	218	244
EBIT, reported	56	54	169	144	218	244
EBITA %, adjusted*	14.4	14.0	14.2	13.2	14.3	15.0
EBIT %, adjusted*	14.3	13.8	14.1	13.0	14.1	14.8
Growth %	1.3	24.0	8.9	17.2	18.6	
Of which exchange effects %	-1.6	2.4	-1.8	3.6	3.0	
Of which acquisitions %	-	5.1	-	5.4	4.7	
Average number of employees	681	658	681	651	658	

* Excluding restructuring costs.

Highlights

- The pace of growth levelled out in the third quarter. Organic growth was 2.9 per cent when adjusted for foreign exchange effects.
- All product areas reported organic growth except for Workwear where sales were lower than the third quarter of 2015.
- Operating profit remains at a good level.
- Sales of the Solid Gear and Toe Guard safety footwear through our European sales companies remain on a positive growth trajectory.

Breakdown of net sales

(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Workwear	186	197	588	552	800	836
Tools	133	131	382	372	503	513
Ladders	39	36	119	112	147	154
Safety Shoes	37	25	112	67	98	144
	395	390	1,200	1,102	1,549	1,647
Pro forma adjustment ¹						-
Trailing 12 month pro forma						1,647

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 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Net sales	420	311	1,194	912	1,289	1,571
EBITDA, adjusted*	54	50	156	139	199	217
EBITA, adjusted*	47	45	137	125	178	190
EBIT, adjusted*	45	44	132	122	176	186
EBIT, reported	45	44	132	122	176	186
EBITA %, adjusted*	11.1	14.4	11.4	13.7	13.8	12.1
EBIT %, adjusted*	10.7	14.1	11.1	13.4	13.6	11.8
Growth %	34.9	36.1	30.9	21.9	24.7	
Of which exchange effects %	-1.0	0.2	-1.4	0.6	0.5	
Of which acquisitions %	35.5	19.6	28.5	12.5	13.9	
Average number of employees	1,081	918	1,057	921	938	

* Excluding restructuring costs.

Highlights

- Net sales rose 35 per cent with the majority of the growth attributable to acquisitions.
- The operating profit increased to SEK 45 m (44).
- Investments in sales and product development are having a short-term negative impact on the operating margin.

Breakdown of net sales

(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Kabona	34	31	108	102	146	152
Elvaco	18	18	60	60	91	91
Bastec	10	11	32	36	51	47
Produal	42	43	134	43	91	181
Elimination	-1	-1	-3	-1	-2	-4
Sum Bemsig	104	102	331	241	376	466
LSAB Group	96	93	339	325	439	453
Aritco Group	95	-	124	-	-	124
REAC	84	79	262	219	304	348
Specma Seals	31	26	101	86	114	129
AVT	10	11	37	42	55	51
	420	311	1,194	912	1,289	1,571
Pro forma adjustment ¹						248
Trailing 12 month pro forma						1,819

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 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Net sales	229	198	687	603	797	881
EBITDA, adjusted*	75	65	226	198	258	285
EBITA, adjusted*	70	61	213	185	241	268
EBIT, adjusted*	69	59	209	182	236	263
EBIT, reported	69	59	209	182	236	263
EBITA %, adjusted*	30.7	30.7	31.0	30.7	30.2	30.5
EBIT %, adjusted*	30.1	30.0	30.4	30.2	29.7	29.9
Growth %	15.6	2.5	13.9	9.0	10.3	
Of which exchange effects %	-0.3	9.3	-1.2	12.2	10.7	
Of which acquisitions %	16.0	2.2	11.3	0.8	2.0	
Average number of employees	449	370	419	368	372	

* Excluding restructuring costs.

Highlights

- Net sales rose in the quarter to SEK 229 m (198). The growth is entirely attributable to acquisitions.
- Earnings performance remained strong with an operating profit that rose to SEK 69 m (59).
- Strong growth in order intake, which increased by 26 per cent in the quarter, organic growth was 8 per cent.
- For more information on the acquisition of the Expander Group, please see page 4.

Breakdown of net sales

(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Europe	115	112	345	323	420	441
North America	61	49	184	151	205	237
Asia Pacific	43	31	131	106	142	167
Emerging markets	10	7	28	22	29	36
	229	198	687	603	797	881
Pro forma adjustment ¹						63
Trailing 12 month pro forma						944

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, Superbolt multi-jackbolt tensioning, Boltight hydraulic tensioning and Expander System pivot technology. With a global sales organization and international partners the customers benefit from bolting expertise and the optimum solution for any bolting challenge.

Swegon



(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Net sales	947	861	2,850	2,632	3,559	3,777
EBITDA, adjusted*	119	92	327	253	350	424
EBITA, adjusted*	102	75	275	198	278	355
EBIT, adjusted*	101	74	270	192	270	347
EBIT, reported	101	74	270	192	270	347
EBITA %, adjusted*	10.8	8.7	9.6	7.5	7.8	9.4
EBIT %, adjusted*	10.6	8.6	9.5	7.3	7.6	9.2
Growth %	9.9	2.7	8.3	12.5	10.9	
Of which exchange effects %	-0.4	1.4	-1.8	3.3	2.4	
Of which acquisitions %	0.7	4.2	0.4	12.5	9.2	
Average number of employees	1,912	1,820	1,908	1,818	1,840	

* Excluding restructuring costs.

Highlights

- Organic growth remained strong at 10 per cent in the quarter and 10 per cent cumulative for 2016.
- The operating profit rose to SEK 101 m (74), which is equivalent to a higher operating margin of 10.6 (8.6) per cent.
- Several markets are continuing to report strong performance and growth is particularly strong in the Nordic countries.
- For more information on the acquisition of Ruskin Air Management Ltd in the UK, please see page 4.

Breakdown of net sales

(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Sweden	215	176	722	612	848	958
Rest of Nordic region	200	170	564	561	751	754
Rest of world	532	515	1,564	1,459	1,960	2,065
	947	861	2,850	2,632	3,559	3,777
Pro forma adjustment ¹						303
Trailing 12 month pro forma						4,080

¹ Pro forma for completed acquisitions.

(SEK m)	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	2015 Full Year	Trailing 12 mths
Cooling	300	276	893	796	1,071	1,168
Home Solutions	74	38	199	149	205	255
Light Commercial	53	53	165	163	208	210
Commercial Ventilation	455	455	1,449	1,409	1,911	1,951
North America	65	55	181	154	217	244
Eliminations	-	-16	-37	-39	-53	-51
	947	861	2,850	2,632	3,559	3,777

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 increased to SEK 349 per share during the period from SEK 317 at the beginning of the year. The net asset value consequently increased by 12.5 per cent, adjusted for dividends, which can be compared to SIXRX which rose 6.0 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	1,647	244	11 – 15	2,684 – 3,660	3,172	17 – 23
Latour Industries	1,819	211	11 – 15	2,321 – 3,165	2,743	15 – 20
Nord-Lock Group	944	272	12 – 16	3,264 – 4,352	3,808	20 – 27
Swegon	4,081	380	13 – 17	4,940 – 6,460	5,700	31 – 41
	8,491	1,107		13,209 – 17,637	15,423	83 – 111
Listed shares (see table on page 9 for breakdown)					41,546	260
Unlisted part-owned companies						
Diamorph ⁴ , 22 %					189	1
Neuffer ⁵ , 66.1 %					197	1
Oxeon ⁵ , 31.1 %					25	0
Terratech ⁵ , 21.6 %					45	0
Other assets						
Short trading portfolio					206	1
Dilution effect of option programme					-64	-
Consolidated net debt					-1,894	-12
Estimated value					55,673	349
					(53 458 – 57 886)	(335 – 363)

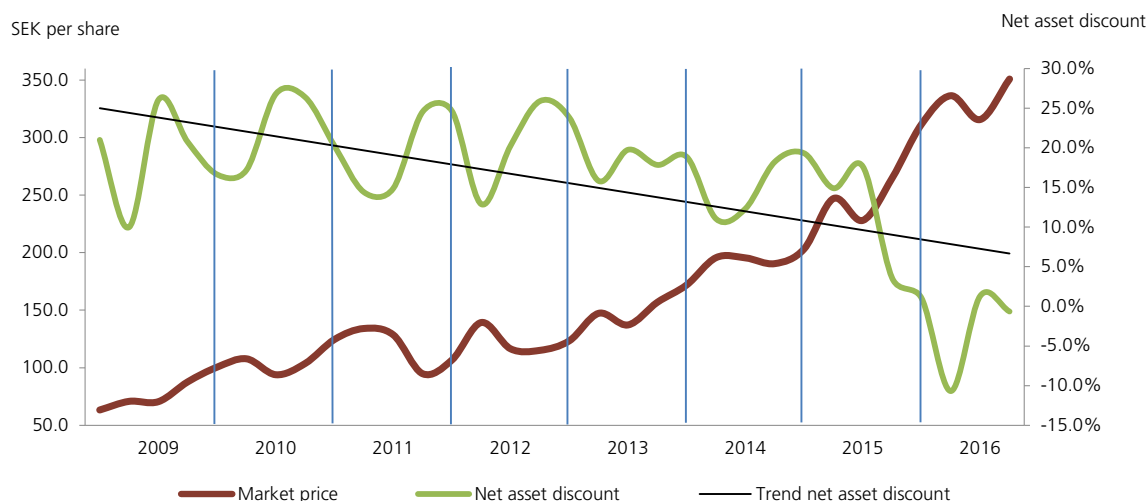
¹ Trailing 12 months for current company structure. EBIT is reported before restructuring costs.

² EBIT and EV/sales recalculated taking into consideration the listed share price on 30 September 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 30 September 2016

In the nine-month period, the aggregate value of the investment portfolio increased by 11.0 per cent, adjusted for dividends, while the benchmark index (SIXRX) increased by 6.0 per cent.

All class B shares in Loomis were sold earlier in the year 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	174	18,388	29.5	9.5
Fagerhult ³	18,620,400	571	230	4,273	49.1	48.3
HMS Networks ³	3,027,322	250	277	837	25.9	25.9
Loomis ^{2 3}	2,528,520	38	265	670	23.8	3.4
Nederman ³	3,512,829	306	207	727	30.1	30.0
Nobia	4,649,894	94	82	379	2.8	2.7
Securitas ^{2 3}	39,732,600	1,081	144	5,714	29.6	10.9
Sweco ^{2 3}	32,622,480	445	177	5,768	21.0	26.7
Tomra ^{3 4}	38,130,000	1,917	93 NOK	3,766	25.8	25.8
Troax ³	6,020,000	397	170	1,023	30.1	30.1
Total		6,797		41,546		

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

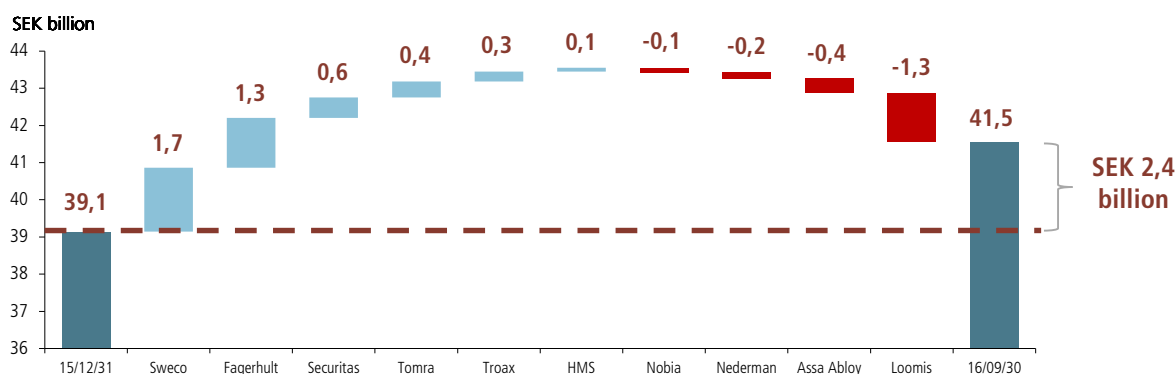
² Due to the limited trading in class A shares in Sweco, and the fact that the class A shares in Assa Abloy, Loomis and Securitas are unlisted, they have been given the same listed share price as the companies' class B shares. Holdings consisting of both class A and B shares are reported in the table as unit.

³ Shown as associated companies in the balance sheet.

⁴ At the end of the report period, the listed share price was NOK 92.75 which has been translated to SEK at the exchange rate on the balance sheet date.

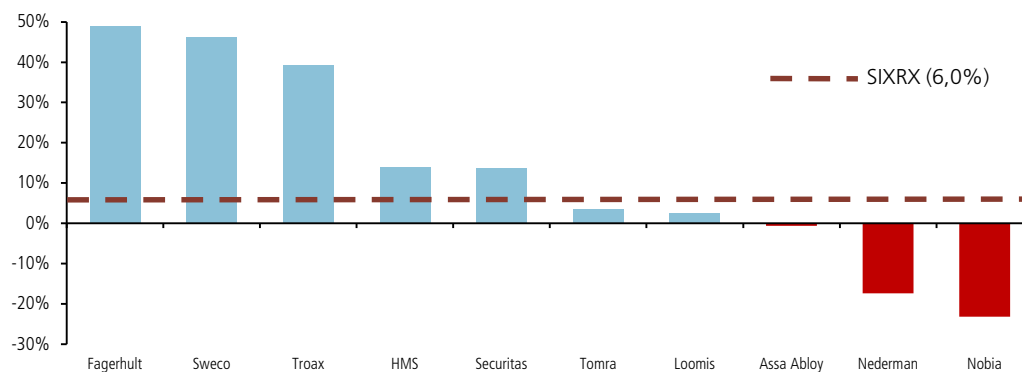
⁵ Share of votes calculated after deduction of treasury shares.

Movements in investment portfolio values



Movements in investment portfolio values (SEK billion). These figures include acquired and divested shares but not dividends.

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 3,015 m (2,505). Profit after tax was SEK 3,018 m (2,372), which is equivalent to SEK 18.92 (14.87) per share.

The Group's cash in hand and liquid investments reached SEK 1,103 m (435). Interest-bearing debt, excluding pension liabilities, totalled SEK 2,996 m (3,873). The Group's net debt, including pension liabilities, was SEK 1,894 m (3,581). The equity ratio was 90 (86) 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 204 m (107) was invested in property, plant and equipment, of which SEK 117 m (81) was machinery and equipment, SEK 12 m (19) vehicles and 75 m (7) buildings. Out of total investments for the year, SEK 111 m (35) relates to fixed assets in new acquisitions.

Parent company

The parent company's profit after financial items was SEK 1,989 m (1,516). The parent company's equity ratio was 100 (99) per cent.

Not including repurchased shares, the number of outstanding shares at 30 September 2016 amounted to 159,636,500. At the end of the period, Latour held 323,500 repurchased class B shares. The total number of outstanding call options is 612,500.

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

Events after the reporting period

There were no material events subsequent to the end of the reporting period. It is noted, however, that Latour through its subsidiary Latour-Gruppen AB increased its ownership in Diamorph from previous 21.3 per cent to 26.2 per cent.

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

considered to have a good risk diversification in its portfolio, which covers several industries, although there is a certain dominance of industries exposed 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 material risks are deemed to have arisen other than those described in Note 35 of Latour's Annual Report 2015.

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 of 30 September 2016.

In other respects, the accounting policies adopted by the Group and parent company are consistent with those used in the preparation of the latest Annual Report.

The Latour Group uses a number of economic indicators that are not defined in the set of accounting rules used by the Group, so-called alternative performance measures. Definitions of the economic indicators can be found on page 19 of this report and in Latour's latest Annual Report. For an explanation of how the financial performance measures have been calculated for the current and prior periods, please see the table in this report and Latour's latest Annual Report. The Annual Reports for 1986 to 2015 are available for viewing on Latour's website www.latour.se.

Nomination Committee

The Nomination Committee for the Annual General Meeting on 2 May 2017 comprises the following members: Gustaf Douglas (chair, principal owner)
Fredrik Palmstierna (the Palmstierna family, incl. companies)
Björn Karlsson (Bertil Svensson's family and trust)
Johan Strandberg (SEB funds)

The Nomination Committee can be contacted through Latour's website www.latour.se under Corporate Governance, Board, Nomination Committee.

Gothenburg, 3 November 2016
Jan Svensson
President and CEO

Auditor's report on review of interim condensed financial statements (interim report) prepared and presented in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have conducted a review of the interim report for Investment AB Latour (publ) corporate registration number 556026-3237 as at 30 September 2016 and the nine-month period ended 30 September 2016. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim financial information 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 International Standard on Review Engagements ISRE 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making enquiries, 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 and generally accepted auditing practice. The review procedures that are undertaken 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, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 3 November 2016

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant

For further information please contact:

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Anders Mörck, Chief Financial Officer, tel. +46 (0)706-46 52 11 or +46 (0)31-89 17 90.

Conference call

Investment AB Latour invites you to listen to a conference call with Jan Svensson and Anders Mörck 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 2016 Year-End Report will be published on 16 February 2017

The interim report for the period January – March 2017 will be published on 28 April 2017

The Annual General Meeting will be held on 2 May at Radisson Blu Scandinavia in Gothenburg.

The information contained in this report constitutes information which Investment AB Latour (publ) is required to disclose under the EU Market Abuse Regulation and the Swedish Securities Market Act. The information was provided by the above contact persons for publication on 3 November 2016 at 08.30 CET

Consolidated income statement

SEK m	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	12 mths Oct-Sep 2015/2016	Full Year 2015
Net sales	2,033	1,759	6,030	5,244	7,972	7,186
Cost of goods sold	-1,182	-1,024	-3,499	-3,072	-4,640	-4,213
Gross profit	851	735	2,531	2,172	3,332	2,973
Sales costs	-385	-344	-1,155	-1,041	-1,539	-1,425
Administrative costs	-155	-130	-481	-400	-615	-534
Research and development costs	-50	-44	-162	-141	-215	-194
Other operating income	16	20	68	59	100	91
Other operating expenses	-5	3	-11	-5	-13	-7
Operating profit	272	240	790	644	1,050	904
Income from interests in associates	568	434	2,215	1,493	2,674	1,952
Income from portfolio management	15	33	32	406	1,119	1,493
Management costs	-4	-4	-12	-12	-15	-15
Profit before financial items	851	703	3,025	2,531	4,828	4,334
Finance income	17	22	49	83	77	111
Finance expense	-2	-51	-59	-109	-96	-146
Profit after financial items	866	674	3,015	2,505	4,809	4,299
Taxes	-72	-49	-180	-176	-234	-230
Net income of disposal group classified as held for sale and discontinued operations (note 3)	-	12	183	43	188	48
Profit for the period	794	637	3,018	2,372	4,763	4,117
	-	-	-	-	-	-
Attributable to:						
Parent company shareholders	794	637	3,019	2,372	4,763	4,117
Non-controlling interests	-	-	-1	-	-1	-
Earnings per share regarding profit attributable to parent company shareholders						
Basic share, SEK	4.97	3.99	18.92	14.87	29.85	25.81
Diluted share, SEK	4.96	3.98	18.85	14.81	29.73	25.70
Average number of basic shares outstanding	159,635,815	159,557,500	159,592,620	159,521,824	159,583,792	159,530,816
Average number of diluted shares outstanding	160,145,598	160,101,375	160,181,215	160,165,255	160,190,964	160,179,053
Number of outstanding shares	159,636,500	159,557,500	159,636,500	159,557,500	159,636,500	159,557,500

Consolidated statement of comprehensive income

SEK m	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	12 mths Oct-Sep 2015/2016	Full Year 2015
Profit for the period	794	637	3,018	2,372	4,763	4,117
Other comprehensive income:						
Items that will not be recycled to the income statement						
Restatement of net pension obligations	-	-	-	-	-2	-2
	0	0	0	0	-2	-2
Items that may subsequently be recycled to the income statement						
Change in translation reserve for the period	73	33	149	10	62	-77
Change in fair value reserve for the period	40	260	-114	311	-1,161	-736
Change in hedging reserve for the period	-41	-14	-79	25	-70	34
Change in associated companies' equity	252	-388	570	330	421	181
	324	-109	526	676	-748	-598
Other comprehensive income, net after tax	324	-109	526	676	-750	-600
Comprehensive income for the period	1,118	528	3,544	3,048	4,013	3,517
Attributable to:						
Parent company shareholders	1,118	528	3,545	3,048	4,014	3,517
Non-controlling interests	-	-	-1	-	-1	-

Consolidated cash flow statement

SEK m	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	12 mths Oct-Sep 2015/2016	Full Year 2015
Operating cash flows before movements in working capital	264	230	703	586	976	859
Movements in working capital	-111	-44	-323	-220	-227	-124
Operating cash flows	153	186	380	366	749	735
Acquisitions of subsidiaries	-377	-80	-1,081	-555	-1,273	-747
Sale of subsidiaries	-	7	-	7	-	7
Other investments	-25	-41	-112	-76	-223	-187
Portfolio management	5	-23	1,657	1,149	2,736	2,228
Cash flow after investments	-244	49	844	891	1,989	2,036
Financial payments	448	-4	-1,315	-853	-2,012	-1,550
Cash flow from disposal group classified as held for sale	-	-	685	13	713	41
Cash flow for the period	204	45	214	51	690	527

Consolidated balance sheet

SEK m	2016/09/30	2015/09/30	2015/12/31
ASSETS			
Goodwill	5,088	3,787	3,702
Other intangible assets	170	93	114
Property, plant and equipment	823	688	703
Financial assets	13,257	13,020	12,511
Inventories etc.	1,416	1,086	1,053
Current receivables	1,818	1,640	1,463
Cash and bank	1,103	435	858
Assets of disposal group classified as held for sale	-	880	871
Total assets	23,675	21,629	21,275
EQUITY AND LIABILITIES			
Capital and reserves attributable to parent company shareholders	18,535	15,611	16,080
Non-controlling interests	109	0	0
<i>Total equity</i>	<i>18,644</i>	<i>15,611</i>	<i>16,080</i>
Interest-bearing long-term liabilities	805	693	707
Non-interest-bearing long-term liabilities	314	210	256
Interest-bearing current liabilities	2,223	3,212	2,455
Non-interest-bearing current liabilities	1,689	1,484	1,372
Liabilities of disposal group classified as held for sale	-	419	405
Equity and liabilities	23,675	21,629	21,275

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
Exercise of call options		17		13		30
Own shares repurchase		-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	16,080
Total comprehensive income for the period			-44	3,589	-1	3,544
Non-controlling interests on acquisitions					110	110
Exercise of call options		29		-4		25
Issued call options				5		5
Own shares repurchase		-43				-43
Dividends				-1,077		-1,077
Closing balance 30 September 2016	133	-72	373	18,101	109	18,644

Key ratios, Group*

	2016/09/30	2015/09/30	2015/12/31
Return on equity (%)	23	22	28
Return on total capital (%)	18	18	22
Equity ratio (%)	79	72	76
Adjusted equity ratio ¹ (%)	90	86	89
Adjusted equity ¹ (SEK m)	47,319	36,936	43,161
Surplus value in associated companies ² (SEK m)	28,675	21,325	27,081
Net debt/equity ratio (%)	4	10	5
Net debt/EBITDA	2.5	3.7	2.7
Listed share price (SEK)	351	265	312
Repurchased shares	323,500	402,500	402,500
Average number of repurchased shares	367,485	438,176	429,184
Average number of employees	4,092	4,435	4,570
Outstanding convertible bonds	-	-	-
Issued warrants	-	-	-
Issued call options on repurchased shares	612,500	662,500	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 Q3	2015 Q3	2016 9 mths	2015 9 mths	12 mths Oct-Sep 2015/2016	Full Year 2015
Income from interests i Group companies	-	-	-	365	-	365
Income from interest in associates companies	-	-	1,996	838	1,975	817
Income from portfolio management	-	-	1	320	1,579	1,898
Management costs	-2	-2	-7	-7	-9	-9
Profit before financial items	-2	-2	1,990	1,516	3,545	3,071
Interest income and similar items	-	-	-	15	16	31
Interest expense and similar items	-	-4	-1	-15	-1	-15
Profit after financial items	-2	-6	1,989	1,516	3,560	3,087
Taxes	-	-	-	-	-	-
Profit for the period	-2	-6	1,989	1,516	3,560	3,087

Parent company statement of comprehensive income

SEK m	2016 Q3	2015 Q3	2016 9 mths	2015 9 mths	12 mths Oct-Sep 2015/2016	Full Year 2015
Profit for the period	-2	-6	1,989	1,516	3,560	3,087
Change in fair value reserve for the period	-	260	-	357	-1,448	-1,091
Total other comprehensive income	-	260	-	357	-1,448	-1,091
Comprehensive income for the period	-2	254	1,989	1,873	2,112	1,996

Parent company balance sheet

SEK m	2016/09/30	2015/09/30	2015/12/31
ASSETS			
Financial assets	10,307	9,386	9,510
Current receivables from Group companies	-	-	-
Other current liabilities	1	1	2
Cash and bank	5	5	5
Total assets	10,313	9,392	9,517
EQUITY AND LIABILITIES			
Equity	10,306	9,284	9,407
Interest-bearing long-term liabilities	-	101	101
Non-interest-bearing long-term liabilities	5	5	5
Interest-bearing current liabilities	-	-	-
Non-interest-bearing current liabilities	2	2	4
Equity and liabilities	10,313	9,392	9,517

Parent company statement of changes in equity

SEK m	2016/09/30	2015/09/30	2015/12/31
Amount at beginning of year	9,407	8,371	8,371
Total comprehensive income for the period	1,989	1,873	1,996
Exercise of call options	5	4	4
Issued call options	25	30	30
Repurchased treasury shares	-43	-37	-37
Dividends	-1,077	-957	-957
Amount at end of year	10,306	9,284	9,407

Segment reporting:

Development by business area 1 Jan 2016 – 30 Sept 2016

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	1,200	1,185	687	2,850	108		6,030
Internal sales		9					9
RESULT							
Operating profit	169	132	209	270	10		790
Income from portfolio management						2,235	2,235
Finance income							49
Finance expense							-59
Taxes							-180
Profit for the disposal group classified as held for sale							183
Profit for the period							3,018
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	14	92	46	40	12		204
intangible assets		722	86	243	285		1,336
Depreciation/amortisation	11	24	16	57	14		122

Segment reporting:

Development per business area 1 Jan 2015 - 30 Sept 2015

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock	Swegon	Other		
INCOME							
External sales	1,102	907	603	2,631	1		5,244
Internal sales		5		1			6
RESULTS							
Operating result	144	122	182	192	4		644
Income from portfolio management						1,887	1,887
Finance income							83
Finance expense							-109
Taxes							-176
Profit for the disposal group classified as held for sale							43
Profit for the period							2,372
OTHER DISCLOSURES							
Investments in:							
property, plant and equipment	5	27	17	27	21		97
intangible assets		368	102	11			481
Depreciation/amortisation	11	17	15	60	14		117

Change in consolidated interest-bearing net debt

SEK m	2015/12/31	Change in cash	Change in loans	Other changes	2016/09/30
Interest-bearing receivables	204			-173	31
Cash	934	-124		293	1,103
Pensions provisions	-32			0	-32
Long-term liabilities	-853		-98	178	-773
Utilised bank overdraft facilities	-43		-93		-136
Interest-bearing current liabilities	-2,415		325	3	-2,087
Interest-bearing net debt	-2,205	-124	134	301	-1,894

Five year overview*

SEK m	Oct-Sep 2015/2016	2015	2014	2013	2012
Net sales, SEK m	8,314	8,555	7,581	6,944	6,788
Operating profit, SEK m	1,059	975	746	621	635
Income from interest in associated companies, SEK m	2,674	1,952	1,347	1,060	914
Income from portfolio management, SEK m	1,119	1,493	36	43	35
Profit after finance items, SEK m	4,997	4,405	2,064	1,710	1,497
Earnings per share, SEK	30	26	12	9	8
Return on equity, %	27	28	15	13	13
Return on total capital, %	23	22	13	12	12
Adjusted equity ratio, %	90	89	86	88	86
Net debt/equity ratio, %	4	5	10	7	8
Listed share price, SEK	351	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
21 April 2016	bluMartin GmbH	Germany	Swegon	16
31 May 2016	Aritco Group AB	Sweden	Latour Industries	157
5 July 2016	Expander Group	Sweden	Nord-Lock	45
30 September 2016	Ruskin Air Management Ltd	England	Swegon	220

Assets and liabilities in acquisitions

	Consolidated carrying amount
Intangible assets	97
Property, plant and equipment	111
Financial assets	5
Inventories	65
Account receivable	130
Other receivable	13
Cash	221
Long-term liabilities	-40
Current liabilities	-161
Net identifiable assets and liabilities	441
Non-controlling interests	-105
Group goodwill	1,209
Total purchase price	1,545
	-179
Additional purchase price	-89
Cash settlement purchase price	1,277
Acquisition of non-cash items	25
Acquired cash	-221
Effect of Group cash	1,081

During the nine-month period, Latour has acquired 66.1 per cent of the shares of Neuffer Fenster + Türen GmbH, and the entire shareholdings of All Sealing Solutions AS, bluMartin GmbH, the Aritco Group AB, the Expander Group and Ruskin Air Management Ltd.

During the period, Neuffer contributed SEK 108 m in income and SEK -3 m in operating profit. All Sealing Solutions AS contributed SEK 19 m in income and SEK -1 m in operating profit. bluMartin contributed SEK 13 m in income and SEK 2 m in operating profit. The Aritco Group contributed SEK 124 m in income and SEK 20 m in operating profit. The Expander Group contributed SEK 16 m in income and SEK -1 m in operating profit. Ruskin Air Management has not contributed any income or operating profit.

All acquisitions, with the exception of the Aritco Group, have been made with the aim of strengthening and developing the Latour Group's existing operations. Aritco's goodwill is attributable to the earning capacity the company is expected to deliver.

Transaction costs for acquisitions made during the period amount to SEK 9 m.

Estimated additional purchase prices amounting to SEK 42 m for the acquisition of Neuffer Fenster + Türen GmbH, SEK 28 m for the acquisition of All Sealing Solutions AS, SEK 19 m for the acquisition of the Aritco Group and SEK 4 m for the acquisition of bluMartin have been booked.

Note 2: Information regarding financial assets and liabilities

The table below discloses how fair value is determined for the financial instruments valued at fair value in the statement on financial position. Fair value is determined according to three different levels. Compared with the 2015 annual accounts, there were no transfers between the different levels of the fair value hierarchy and there were no changes in the methods and/or principles used during 2016.

Financial instruments – Fair value

THE GROUP 30 September 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	379 ¹					379
Other long-term securities holdings	0 ²					0
Other long-term receivables				32 ³		32
Listed shares, trading		199 ¹				199
Unrealised gains, currency derivatives			17 ²			17
Other current receivables				1 565 ³		1,565
Cash				1 103 ³		1,103
Total	379	199	17	2,700	0	3,295
FINANCIAL LIABILITIES						
Long-term loans					773 ³	773
Bank overdraft facilities					136 ³	136
Current loans					2 087 ³	2,087
Other liabilities					955 ³	955
Unrealised gains, currency derivatives			27 ²			27
Total	0	0	27	0	3,537	3,978

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 measured at the quoted prices on the balance sheet date. Fair value of 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 book value. 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 up until its sale 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 Q3	2015 Q3	2016 9 mths	2015 9 mths	Trailing 12 mths	2015 Full Year
Income	-	320	-	1,027	342	1,369
Capital gain	-	-	183	-	183	-
Costs	-	-301	-	-965	-333	-1,298
Net financial items	-	-4	-	-6	-2	-8
Tax	-	-3	-	-13	-2	-15
Profit of disposal group after tax	0	12	183	43	188	48

Information by quarter

SEK m	2016			2015					2014				
	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1	Full Year	Q4	Q3	Q2	Q1
INCOME STATEMENT *													
Net sales	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030	7,581	2,018	1,877	1,940	1,746
Cost of goods sold	-1,182	-1,262	-1,055	-5,295	-1,417	-1,276	-1,339	-1,260	-4,757	-1,257	-1,131	-1,263	-1,106
Gross profit	851	917	763	3,260	865	803	822	770	2,824	761	746	677	640
Costs etc. for the operation	-579	-606	-373	-2,285	-596	-544	-580	-565	-2,078	-550	-484	-515	-529
Operating profit	272	311	390	975	269	259	242	205	746	211	262	162	111
Total portfolio management	579	385	1,271	3,430	1,543	463	759	665	1,368	422	304	335	307
Profit before financial items	851	696	1,661	4,405	1,812	722	1,001	870	2,114	633	566	497	418
Net financial items	15	-13	-12	-43	-11	-33	-18	19	-50	-26	-6	-6	-12
Profit after financial items	866	683	1,649	4,362	1,081	689	983	889	2,064	607	560	491	406
Taxes	-72	-61	-47	-245	-56	-52	-81	-56	-190	-55	-67	-38	-30
Profit for the period	794	622	1,602	4,117	1,745	637	902	833	1,874	552	493	453	376
KEY RATIOS													
Earnings per share, SEK	4.97	3.90	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	203	-895	905	527	476	45	29	-23	-86	19	121	-47	-179
Adjusted equity ratio, %	90	90	91	89	89	86	86	87	85	85	85	86	87
Adjusted equity	47,319	43,272	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	55,673	51,083	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	349	320	305	317	317	275	277	291	250	250	233	223	220
Listed share price, SSEK	351	314	337	312	312	265	228	247	203	203	191	196	196
NET SALES													
Hultafors Group	395	422	383	1,549	446	390	362	350	1,306	365	315	322	304
Latour Industries	419	421	354	1,289	377	311	311	290	1,055	286	229	281	243
Nord-Lock Group	229	234	224	797	193	198	197	208	722	169	193	192	169
Swegon	947	1,070	833	3,559	927	861	928	842	3,209	870	838	801	700
	1,990	2,147	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 *	43	32	24	1,361	341	319	363	340	1,289	328	302	344	330
	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030	7,581	2,018	1,877	1,940	1,746
OPERATING PROFIT													
Hultafors Group	56	60	52	218	75	54	48	42	177	53	50	41	33
Latour Industries	45	51	36	176	53	44	41	37	68	29	11	20	8
Nord-Lock Group	69	72	68	236	54	59	57	66	211	45	68	57	42
Swegon	101	124	45	270	78	74	80	39	298	98	90	74	37
	271	307	201	900	260	231	226	184	754	225	219	192	120
Gain/loss from sale/purchase of	-4	-1	191	-2	-3	6	-3	-2	-13	0	-4	-8	-1
Other companies and items *	5	5	-2	77	12	22	19	23	5	-13	47	-22	-8
	272	311	390	975	269	259	242	205	746	211	262	162	111
OPERATING MARGIN (%)													
Hultafors Group	14.3	14.2	13.7	14.1	16.8	13.8	13.2	11.9	13.6	14.5	15.8	12.8	11.1
Latour Industries	10.7	12.2	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	30.9	30.1	29.7	27.9	30.0	28.9	31.6	29.3	26.7	35.1	29.6	24.7
Swegon	10.6	11.6	5.4	7.6	8.4	8.7	8.6	4.6	9.3	11.2	10.7	9.2	5.3
	13.6	14.4	11.3	12.5	13.4	13.1	12.6	10.9	12.0	13.3	13.9	12.0	8.5

* Specma Group included until 2015.

Definitions of key data

Organic growth

Change in sales in comparable entities after adjustment for acquisitions and foreign exchange effects.

Operating profit (EBITDA)

Earnings before interest, tax, depreciation of property, plant and equipment and amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

Operating profit (EBITA)

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

Operating margin (EBITA) %

Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability, as a percentage of net sales.

Operating profit (EBIT)

Earnings before interest and tax.

Operating margin (EBIT) %

Operating profit divided by net sales.

Operating capital

Total assets less cash and cash equivalents, other interest-bearing assets and non-interest-bearing liabilities. Calculated on the average for the past 12 months.

Total growth

Increase in revenue for the period as a percentage of the previous year's revenue.

Currency-driven growth

Increase in revenue due to currency changes for the period as a percentage of the previous year's revenue.

Organic growth

Increase in revenue for the period, adjusted for acquisitions/divestments and exchange rate changes, as a percentage of the previous year's revenue adjusted for acquisitions and divestments.

Basic earnings per share

Profit for the period divided by the number of outstanding shares in the period.

Calculations:

Jan-Sept 2016: $3,018/159,592,620 \times 1,000=18.92$

Jan-Sept 2015: $2,372/159,521,824 \times 1,000=14.87$

Diluted earnings per share

Calculations:

Jan-Sept 2016: $3,018/160,181,215 \times 1,000=18.85$

Jan-Sept 2015: $2,372/160,165,255 \times 1,000=14.87$

Equity ratio

The ratio of shareholder equity to total assets.

Adjusted equity ratio

The ratio of shareholder equity plus gains in associated companies to total assets including gains in associated companies.

Net debt

Interest-bearing liabilities less cash and cash equivalents and interest-bearing receivables.

Return on equity

The ratio of net income booked in the income statement to average equity.

Return on total capital

The ratio of profit/loss after financial items plus finance expense to average total assets.

Return on operating capital

The ratio of operating profit to average operating capital.

Direct return

Dividends as a percentage of the share purchase price.

EBIT multiple

The ratio of operating profit to market value adjusted for net debt.

Net asset value

The difference between the company's assets and liabilities, when the investment portfolio (incl. associated companies) is recognised at market value and operative subsidiaries that are owned at the end of the period are recognised in an interval based on EBIT multiples for comparable listed companies in each business area.

Other

The amounts in tables and other charts have each been rounded off. There may therefore be minor differences in the totals due to rounding-off.



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