



2016

ANNUAL REPORT

Contents

Highlights of the year	1
This is Latour	2
Comments from the CEO	4
Underlying profit	6
Trends in the wider market	7
Acquisition process	8
International expansion	10
Sustainability	12
The Latour share	14
Net asset value	16
Total return	18

Wholly owned industrial operations	21
------------------------------------	----

Investment portfolio	41
----------------------	----

Part-owned holdings	55
---------------------	----

Annual report 2016	61
Corporate governance	102
Board of Directors	106
Latour, Group management, Auditors	107
Information by quarter	108
Ten-year overview	109
Company addresses	110
Shareholder information	113

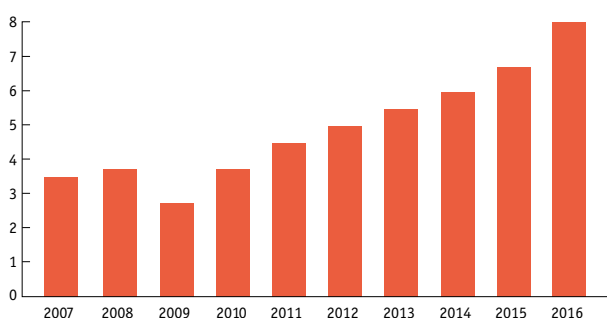
Latour at a glance

Latour is a mixed investment company that makes long-term investments in sound companies which have their own products that meet growing international demand. Its operations are primarily carried out in two business lines; a wholly-owned industrial operation and a portfolio of nine listed holdings of which Latour is the principal owner or one of the principal owners. Latour's management costs amount to approximately 0.1 per cent of the managed capital, and the total return since the start is 85,100 per cent, compared with 4,400 per cent for SIXRX. At the end of 2016, Latour's market value was SEK 54.7 billion.

"Our strategy to be an active owner working towards long-term, profitable growth in our holdings continues to produce results."

JAN SVENSSON, CEO.

Dividend growth, SEK/share



Highlights of the year

INDUSTRIAL OPERATIONS

Net sales increased to SEK 8,199 m (7,186), representing an overall increase of 14 per cent. Organic growth was 7 per cent for comparable entities when adjusted for foreign exchange effects. Profit increased to SEK 1,052 m (900).

INVESTMENT PORTFOLIO

The dividends from the investment portfolio to Latour for 2016 (distributed to Latour in the spring of 2017) increased by 17 (11) per cent for comparable portfolios to SEK 863 m (767), which was yet another record high. The value of the investment portfolio increased by 10.2 per cent,

adjusted for dividends. The comparable index (SIXRX) increased by 9.7 per cent.

NET ASSET VALUE

Latour's estimated net asset value was SEK 348 (317) per share at the end of 2016. This is an increase of 12.1 per cent, adjusted for dividends. The comparable index increased by 9.7 per cent. Information on the calculation of the net asset value is presented on pages 16–17.

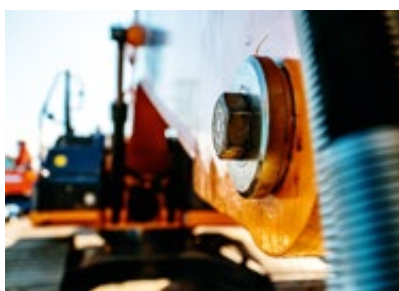
TOTAL RETURN

In 2016, the total return on the Latour share was 12.2 per cent, while the benchmark index (SIXRX) rose 9.7 per cent. The

total return on the Latour share for the past five years, 2012–2016, was 273.9 per cent. The development of SIXRX was 108.9 per cent over the same period.

DIVIDENDS

The Board proposes to increase the ordinary dividend to SEK 8.00 (6.75) per share. Calculated on Latour's listed price at the end of 2016, this is a dividend yield of 2.3 (2.2) per cent. In addition, the Board of Directors recommends a 4:1 share split, whereby each old share is split into four new shares.



Q1

ACQUISITION via Latour Industries of Norwegian All Sealing Solutions, a supplier for the oil and gas industry in Norway.

LATOUR SELLS all class B shares in Loomis for a consideration 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.

Q3

ACQUISITION OF EXPANDER GROUP via Nord-Lock Group. Expander Group specialises in the design and manufacture of expandable pivot pins for heavy machinery and equipment.

ACQUISITION OF RUSKIN AIR MANAGEMENT via Swegon. The British company Ruskin is a leading manufacturer of fire and smoke dampers and ventilation products in the United Kingdom and Ireland.

Q2

ACQUISITION OF ARTICO GROUP via Latour Industries. Aritco Group is a leading Swedish manufacturer of home lifts and platform lifts.

ACQUISITION OF bluMartin via Swegon. bluMartin is a German niche manufacturer in the residential ventilation sector in the German market.

Q4

INCREASED SHAREHOLDING in the part-owned holding Diamorph, where the ownership stake rose to 26.4 per cent. Diamorph supplies advanced material solutions for especially demanding industrial applications.

INCREASED SHAREHOLDING in the associated company Tomra to 25.9 per cent of the capital after acquisition of 181,000 shares in December.

VISION

Latour's vision is to be an attractive choice for long-term investors that want good returns. Latour creates added value in its holdings by being an active and steadfast owner who, with financial strength and solid industrial know-how, contributes to the sustainable development of the companies.

LATOUR'S MAIN BUSINESS CONCEPT

Latour's main business concept is to invest in sound companies with proprietary products, strong growth potential and good future prospects. The long-term vision is to create growth and added value in its holdings through active ownership. In turn, this should be reflected in the company's share.

CORE VALUES

Latour's core values are:

- Long-term perspective
- Professionalism
- Development

The operations are managed by a clearly delegated decision-making structure. This means that each holding has a unique company culture and its own strategic process. However, Latour's three core values permeate all holdings.

VALUE-ADDING CORPORATE GOVERNANCE

The work of the Board is a platform for the creation of value in the wholly-owned industrial operations and in the investment portfolio. A structured approach is used for the work performed by the Board and in acquisition and integration processes. Leadership plays a central role in Latour's corporate governance. Senior executives in the Group must maintain high integrity, act as role models and assume accountability for the performance, sustainable value creation and well-being of the organisations.

This is Latour

Active ownership

Latour's operations are primarily carried out in two business lines; wholly-owned industrial operations and a portfolio of listed holdings. In addition, Latour owns a number of part-owned unlisted operations with good future prospects.

Latour is an active principal owner in the companies, regardless of whether the holdings are listed, wholly-owned or part-owned.

LATOUR	
WHOLLY-OWNED OPERATIONS	INVESTMENT PORTFOLIO
HULTAFORS GROUP	ASSA ABLOY
LATOUR INDUSTRIES	FAGERHULT
NORD-LOCK GROUP	HMS NETWORKS
SWEGON	LOOMIS
PART-OWNED OPERATIONS	
DIAMORPH	SECURITAS
NEUFFER	SWECO
OXEON	TOMRA
TERRATECH	TROAX

Low debt

Latour's total debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and disposals.

Good value corporate governance

Latour's shareholders are offered active governance for a management fee of approximately 0.1 per cent of the managed market value.

Financial targets for wholly-owned industrial operations

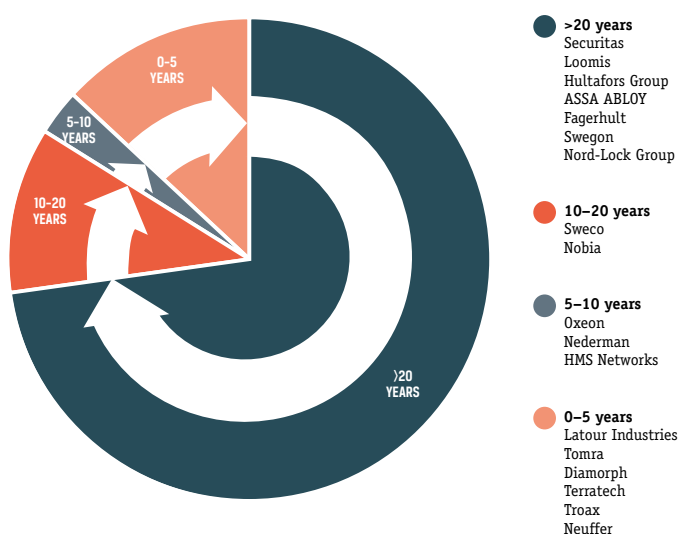
Average annual growth over a business cycle	>10 per cent
Operating margin over a business cycle	>10 per cent
Return on operating capital over a business cycle	15–20 per cent

Dividend policy

Further payment of dividend received from the investment portfolio and part-owned holdings	100 per cent
Share of post-tax profit from wholly-owned companies	40–60 per cent

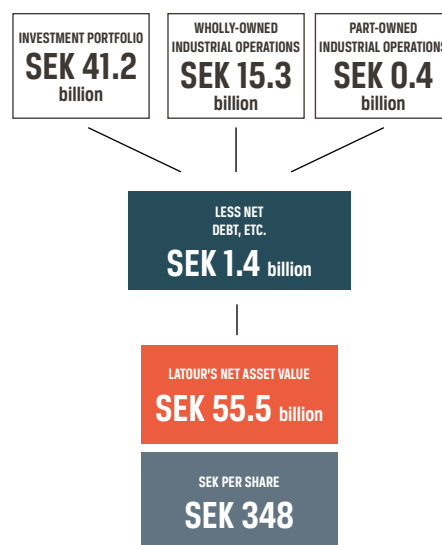
Creation of long-term value

Latour is a long-term investor. The diagram shows that 73 per cent of the total net asset value comes from companies that have been in the portfolio for more than 20 years.

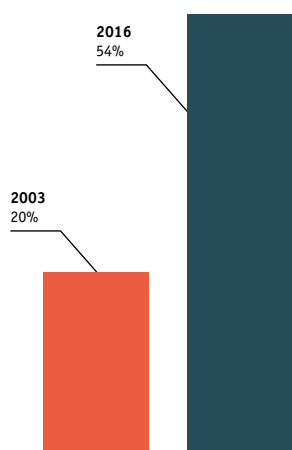


The net asset value and its components

Latour's net asset value is dominated by the investment portfolio and the wholly-owned industrial operations. A description of the method used to calculate the value of the wholly-owned industrial operations can be found on page 17.



These figures as at 31 December 2016.



Growing internationally

Latour's holdings have a solid foundation on which to grow with their own products and through international expansion. The wholly-owned operations' sales outside the Nordic countries have increased from 20 per cent in 2003, when the new strategy was adopted, to 54 per cent in 2016.



85,100 per cent total return

Since the start in 1985, the Latour share has had a total return of approximately 85,100 per cent. This can be compared with 4,400 per cent for the SIXRX. Latour's market value was SEK 54.7 billion (49.8) at the end of 2016.

Another good year for Latour

We are pleased to report yet another strong year for Latour. The net asset value continued to increase, the total return on the investment portfolio exceeded that of the Stockholm Stock Exchange, and the wholly owned industrial operations' growth and profitability passed the record high levels of 2015 by a clear margin. Once more, the focus was on acquisition.

A number of milestones in our wholly-owned industrial operations were passed during the year. For the first time, total operating profit was over SEK 1 billion, sales outside the Nordic region increased to over 50 per cent, the order intake for Swegon, our largest business area, exceeded SEK 4 billion and we achieved all our financial targets.

Organic growth accounted for 7 per cent of the 14 per cent sales increase and was the result of long-term investment in product development, marketing and sales. The investment portfolio also experienced strong growth during the year with a total return of 10.2 per cent, which once again was better than that of the Stockholm Stock Exchange's total return index (SIXRX) which reached 9.7 per cent.

LONG-TERM FOCUS

Our strategy to be an active owner working towards long-term, profitable growth in our holdings thus continues to produce results with respect to both the wholly-owned industrial operations and the investment portfolio. This long-term vision is probably the attribute that most distinguishes Latour and our holdings. Our portfolio comprises 17 companies, seven of which have been held for more than 20 years and today account for 73 per cent of the net asset value.

The business agenda that we have set never allows us to be guided by short-term expectations. We shall always take a long-term view with respect to new product development, technologies and investment in sales and new markets. Since there is no limit to the length of time we will own a company, the management teams can make the decisions that are most important for creating long-term value. This philosophy is our strength today and will continue to be so in the future.

NEW COMPANIES INCREASE VALUE

Acquisitions are an important part of our long-term value creation. They offer opportunities to bring new know-how and products into our business and to expand into new markets or segments. I see examples of this time after time in both the investment portfolio and the industrial operations. One good example is Sweco's acquisition of the Dutch company Grontmij at the end of 2015. In one fell swoop, Sweco became the leading engineering and architecture consultancy in Europe. Another example is ASSA ABLOY which grew from a regional company into the world's largest provider of intelligent lock, door and security solutions by making almost 150 acquisitions in just over ten years.

The acquisition of the British company Boltight by Nord-Lock Group in the industrial operations in 2015 has enabled us to complement our portfolio of secure bolting products and thus increase sales to the existing customer base. At the end of 2014, Hultafors Group acquired the Swedish company Tradeport, leading to a new and rapidly expanding position in the European market for safety footwear.

CONTINUED HIGH RATE OF ACQUISITION

A number of exciting acquisitions were also completed in 2016. It is rather the rule than the exception in the investment portfolio that organic growth is supported by acquisitions. This was also the case in 2016 when Fagerhult, Troax and Securitas made some major acquisitions.

In the industrial operations, Nord-Lock Group followed up its acquisition of Boltight by purchasing the Swedish Expander Group and its innovative expandable pivot pin system for heavy machinery. This means that Nord-Lock Group is now in possession of four leading brands that specialise in innovative and reliable

bolt-securing solutions. This will create synergies in sales. Following a quiet 2015, Swegon accelerated its rate of acquisition in 2016 with the purchase of bluMartin, a German niche manufacturer in the residential ventilation industry, and the British company Ruskin Air Management, which has given Swegon a leading position in the fire safety sector in the UK. Over the past four years, Swegon has acquired ten companies and we are now seeing the results of successful integration, with organic growth of ten per cent in 2016. Latour Industries also added new companies to its group of operations. With the acquisition of the Swedish manufacturer Aritco, we have started to build up an internationally-leading business in the field of home lifts and platform lifts. We have identified this area as having tremendous potential due to an ageing population choosing to live independently in their own homes.

INCREASED INTERNATIONALISATION

A key criterion when investing in new businesses is that the companies and their products exhibit the potential to expand geographically. In order to be able to continue growing with high profitability, we must expand in markets outside of Sweden and the other Nordic countries.

In 2016, 54 per cent of sales in the industrial operations came from markets outside the Nordic region. This is a new record and has been fuelled by both acquisitions and organic growth. On the other hand, non-European markets accounted for just 13 per cent of sales. I am not worried about continuing to have high exposure in Europe. The market is gradually developing in the right direction. However, I believe that in the long term it is inevitable that both North America and Asia will become increasingly important parts of our business.



With a portfolio of companies that are at the forefront in so many areas, it is difficult not to remain positive about the opportunities that are available to us.

INVESTMENT PORTFOLIO SHOWS HEALTHY GROWTH

Several of our companies in the investment portfolio already hold a solid position in both North America and Asia. Other companies are good at making acquisitions and creating long-term, sustainable, profitable growth, which continued to be proved by the performance in virtually all operations in 2016.

The companies' robust performance was also reflected in the value of the portfolio, which continued to increase during the year, with some of the holdings excelling. Fagerhult, Sweco and Troax all increased in value by more than 50 per cent, driven by continued successful international expansion and augmented product portfolios. At the end of the year, the Troax share price has risen by as much as 194 per cent since the IPO in March 2015, when we went in as principal owner.

Although no new companies were added to the portfolio in 2016, we made a number of adjustments to our holdings, including the sale of all our B shares in Loomis in March. We still hold all our A shares, which represent 24 per cent of the voting rights, and still see ourselves as the principal owner of the company. Furthermore, we increased our shareholding in Norwegian Tomra. The

underlying strong earnings performance in the portfolio as a whole means that we expect to see good dividend growth from the companies continuing throughout the spring. This allows us to continue raising the dividend that we pay to our shareholders, this time by SEK 1.25 to SEK 8.00 per share.

UPWARD TREND FOR LATOUR SHARE

In 2016, the total return on the Latour share was 12.2 per cent, which once again was better than that of the Stock Exchange. We are also seeing that the industrial operations' contribution has become increasingly important to the valuation of Latour. They have established a much higher level of profitability. While our focus on generating organic growth is yielding results, we are continuing to expand by acquiring businesses that add value.

I think the fact that the Latour share traded close to its net asset value is a consequence of our determined and focused work, our low administrative costs, and our open and transparent approach when it comes to the valuation of our wholly-owned companies. Moreover, we are explicit about what objectives we have. Overall, this makes it easier to evaluate Latour and demonstrate that our long-term strategy is working.

OUTLOOK REMAINS POSITIVE

With a portfolio of companies that are at the forefront in so many areas, it is difficult not to remain positive about the opportunities that are available to us. Our aim in 2017 is to sustain a high level of profitability while continuing to expand in our industrial operations both organically and through complementary acquisitions. At the same time, we have the capacity to grow even more. We want to make an acquisition that is large enough to become a separate business area directly.

It would also be interesting in the investment portfolio to add another one or more leading companies, possibly again acting as an anchor investor before an initial public offering. Finally, one of the key reasons why business is going so well for Latour is that our companies have excellent management teams with extensive scope to drive development and thus generate significant value.

Gothenburg, March 2017

Jan Svensson, President and CEO

Underlying profit for 2016

74 per cent is distributed to the shareholders

In a large Group with many different businesses where the wholly-owned operations are mixed together with a large number of part-owned operations that have a differing number of owners it can be difficult to understand the income statement presented according to the IFRS. This page aims to provide an overview of the performance of the underlying operations in the Latour Group, and of how the result is connected to the proposed dividend to the shareholders after the end of the financial year.

DEVELOPMENTS IN OPERATIONS

UNDERLYING OPERATING PROFIT IN THE WHOLLY-OWNED BUSINESS AREAS

HULTAFORS GROUP

NORD-LOCK GROUP

LATOUR INDUSTRIES

SWECON

Underlying profit increased by 8 per cent.

EXPECTED DIVIDENDS FROM THE INVESTMENT PORTFOLIO AND PART-OWNED HOLDINGS

ASSA ABLOY

SECURITAS

FAGERHULT

SWECO

HMS NETWORKS

TOMRA

LOOMIS

TROAX

NEDERMAN

NOBIA

DIAMORPH

OXEON

NEUFFER

TERRATECH

The dividends from the holdings are expected to increase by 17 per cent in comparable holdings in the spring of 2017.

LATOUR'S ACTUAL INCOME STATEMENT

	2016	2015
Business areas		
Operating profit for business areas	1,052	972
Capital gains in industrial operations	-21	-2
Other items	-10	5
Investment portfolio etc.		
Dividends from investment portfolio and associated companies	863	767
Capital gains in the investment portfolio	860	1,753
Other portfolio management/short-term trading	89	0
Other items	-16	-15
Net financial items for the Latour Group	-28	-35
Reported tax expense	-267	-245
Total underlying operating profit, net financial items and tax	2,522	3,200

COMMENTS: In the above table, remeasured items, shares in associates and similar items are excluded.

The table is based on considerable simplification of accounting and does not claim to be exact. Its goal is to make it easier to understand Latour's profit and loss.

The dividends presented in the table for 2016 are proposed to be distributed to Latour in the spring of 2017 as these dividends reflect the performance of the investment portfolio in 2016.

EFFECT FOR SHAREHOLDERS

DIVIDEND POLICY

Latour shall distribute 100 per cent of incoming dividends from the investment portfolio and part-owned holdings as well as 40–60 per cent of the net profit in the wholly-owned industrial operations.

	SEK m spring 2017	SEK m spring 2016	SEK/share spring 2017	SEK/share spring 2016
Dividends from industrial operations	374	310		
Per cent of underlying profit, %	50	42		
Dividends from investment portfolio/associated companies	863	767		
Per cent of underlying profit, %	100	100		
Total ordinary dividends as stated in the policy	1,237	1,077	8.00	6.75
Per cent of underlying profit, % (excluding capital gains)	74	71		

Main trends in long-term investments

Latour is a long-term investor. This means that the company needs to make long-term assumptions about which technologies and companies have particularly good prospects. These are made on the basis of overall trends that are expected to lead to new and growing needs in the future. The illustration shows four trends that Latour uses in its analysis. It also shows that the trends are interrelated and are affected by each other.



DEMOGRAPHIC GROWTH AND URBANISATION

The need for effective health and medical care to maintain a high quality of life is increasing as the population ages and more people are suffering from lifestyle illnesses. At the same time, continuing urbanisation is leading to population growth in the cities.



GLOBALISATION

Competition between companies is no longer just local, regional and national, it is global too. This increases the need to drive efficiencies along the entire chain, from development and production to distribution and after sales.



SUSTAINABILITY

There is a growing global need for long-term sustainable solutions. We need to respect our external environment by minimising emissions and the consumption of natural resources, and the internal environment and social accountability by creating safe and healthy workplaces.



DIGITALISATION

It is becoming increasingly important to obtain the most output that will benefit the end user from a given amount of input. The dilemma in most areas today is not a lack of raw materials but the ability to efficiently reach all end consumers. In this regard, digitalisation and other advanced products and technologies offer the potential for increased availability to end consumers at a reasonable cost.

Latour's acquisition process creates **long-term value**

In 2016, five acquisitions were made in the wholly-owned industrial operations. Combined, they add approximately SEK 800 m in annual sales. The subsidiary Swegon acquired the British company Ruskin Air Management Ltd. and the German company bluMartin.

DIFFERENT TYPES OF ACQUISITION

- Acquisitions that complement existing operations.
- Medium-sized companies that can be part of Latour Industries as separate companies (SEK 50–500 m in sales).
- Larger companies that immediately can form their own business areas (SEK 500–2,000 m in sales).
- Listed companies of which Latour has the possibility to become the principal owner.

Latour's acquisitions are based on a systematic process that helps to create long-term value. This applies whether it is an acquisition within the wholly-owned industrial operations or the investment portfolio. Since the new strategy for Latour was approved in 2003, 78 acquisitions have been made within industrial operations.

Swegon, which has been part of Latour since 1994, has been responsible for many of the acquisitions, ten of which have been made in the last four years.

"We're talking about building 'strongholds'. We aim to be a major, leading player in the markets where we operate and acquisitions are a key tool in enabling us to achieve that goal," says Gustaf Ahlenius, Director of Corporate Development at Swegon.

LEADING COMPANIES IN OUR MARKETS

The companies that Swegon acquires must have the right geographic location, a profitable business, be leaders in their field and have a competent executive team willing to remain with the company.

"Local ties are important in our market. The acquisitions that we've made in recent years have consolidated our positions in Germany, the United Kingdom and other selected markets in Europe as well as in North America where, in 2014, we acquired Vibro-Acoustics®, a leading manufacturer of HVAC noise and vibration control products, which has given us a platform for growth in a key market," Gustaf states.

Swegon has long been a leading company in the Nordic region to offer enhanced indoor climate solutions. Building intelligent products and indoor climate systems which save money and are simple to install and use has been a major reason for success. This expertise is being used in its international expansion. Sales outside the Nordic region have increased from 39 to 54 per cent in just five years. Each business unit within Swegon is following a long-term strategy and action plan in which specific development needs are identified.

"This process also involves producing a list of potential acquisition targets," Gustaf says.

TWO ACQUISITIONS IN 2016

In 2016, Swegon acquired two of the companies on the list. In April, it acquired bluMartin, a niche player in the residential ventilation sector in Germany, and in September it bought Ruskin Air Management, the leading UK manufacturer of air distribution and fire damper products.

"Both of these companies met our criteria. Ruskin was a larger acquisition and gives us an extensive sales platform in the United Kingdom. However, we were not the only one interested in the company. It was a structured process with an extremely tight time frame. We managed to complete the process in record time, just 40 days from the initial meeting to closure, which demonstrates the strength of Swegon's and Latour's acquisition process," Gustaf goes on to say.

LONG-TERM FOCUS

The acquisition process is based on Swegon's long-term strategy, which in turn is founded on Latour's core values – Long-term perspective, Professionalism and Development.

"Being part of a long-term company like Latour brings us benefits in our dialogue with the owners and management when we are looking at a new company. They know that our intentions for their business are long-term and much of the discussion during the acquisition process revolves around how we can best develop the company in years to come," says Gustaf.

SUCCESSFUL INTEGRATION

At Swegon, just as in the entire Latour Group, there is a standardised approach to integrating the acquired companies. Each of the acquired companies has a steering group that works closely alongside the company to ensure all the pieces fall into place. The company should be a natural part of the line operations after 12 to 18 months.

"All of the companies that we acquired in 2013 and 2014 are now fully integrated in Swegon and are contributing to our organic growth. We are now working with a strong focus to ensure that bluMartin and Ruskin Air Management enjoy the same successful development," says Gustaf in conclusion.

LATOUR'S INVESTMENT CRITERIA

PROSPECTS FOR THE NICHE

- Addresses identified trends
- The industry is showing profitable growth
- Favourable position in the value chain

POTENTIAL IN THE COMPANIES

- Next wave of development has begun
- Potential for geographic expansion
- Latour adds value

THE COMPANIES MUST ALSO SATISFY THE FOLLOWING CRITERIA

- Development, manufacture and marketing of proprietary products under their own brands.
- Products with high added value which offer a benefit that customers are willing to pay for.
- The company must not be dependent on a handful of suppliers or customers.

NUMBER OF ACQUISITIONS 2003-2016

78

NUMBER OF DISPOSALS 2003-2016

28

NET CONTRIBUTION SALES SEK BILLION

3.6

Organic growth through acquisitions

Powerful launch pad into Europe for shoes

It is essential that Latour continues to expand in markets outside the Nordic region in order to be able to ensure long-term profitable growth and achieve its financial targets. In 2016, this accounted for 54 per cent of Latour's sales, up from 20 per cent in 2003 and by 5 percentage points since last year.

The increase has been driven by acquisitions and organic growth, covering all the business areas in the wholly-owned industrial operations. Hultafors Group, which develops and sells workwear, ladders and tools for professional users, continued its international expansion in 2016. One important reason is the successful launch in Europe of safety footwear under the brand names Solid Gear and Toe Guard.

Hultafors Group holds a strong position in brand-driven product categories for the industrial and construction sectors and offers customers and users the best products and services in the market. Adding leading brands of safety footwear to the offering was a natural part of the process of helping users to achieve optimal performance every day and be proud of their work.

ACQUISITION OF TRADEPORT

At the end of 2014, Hultafors Group acquired Swedish Tradeport, which has been developing and marketing strong brands in personal protective equipment in the Swedish market since 2004. The founders of Tradeport, childhood friends Andreas Westling and Johan Hult, had long been considering an international launch for their proprietary footwear brands, Solid Gear and Toe Guard. A strong argument for the merger with Hultafors Group was that it offered the potential for undertaking such a venture.

"Our business had been a success in Sweden and we were looking to move our safety footwear brands into the European market, but we didn't have the robust distribution network that Hultafors Group could offer. We soon realised that we were on the same wavelength and, before we signed the merger agreement, we had drawn up a three-year business plan for a thorough and aggressive launch of Solid

Gear and Toe Guard in Europe," says Andreas Westling, CEO of Tradeport.

Representatives from Hultafors Group's 13 European sales companies visited Tradeport to discuss the potential for both the brands in the markets. Solid Gear is a premium brand at the forefront of shoe technology, with extremely high standards for quality, safety and design. Toe Guard is positioned in a lower price range but with a strong focus on safety.

LAUNCH BEYOND EXPECTATIONS

The roll-out began in 2015. First up were Hultafors Group's key markets in the Nordic countries. It was time for stage two at the end of 2015 and in early 2016, with the shoes being rolled out in all of Hultafors Group's markets, with access to more than 10,000 retail outlets. The distribution was managed by contracted importers in the markets where Hultafors Group does not have its own sales companies. There was tremendous interest for the new shoe brands right from the word go.

"In just over a year, we sold more than 100,000 shoes, which exceeded our expectations but was still only the beginning. There is huge demand among professional tradespeople and other users in Europe for shoes that meet their growing demands for safety, quality and, not least, design," Andreas goes on to say.

Sales of Solid Gear and Toe Guard outside of Sweden totalled SEK 66 m in 2016, compared with a modest SEK 5 m in 2014. Sales of both the safety footwear brands are still higher in Sweden at about SEK 97 m in 2016. The goal is to reach the same level of sales outside of Sweden in 2017, and then continue to grow at an even faster pace.

In 2016, safety footwear accounted for 8.5 per cent of Hultafors Group's sales, but because the European market for safety footwear is as large as the market for work-

wear, the leading product area, Hultafors Group has high ambitions with the venture. In 2016, workwear sales totalled SEK 874 m and the market share for the Snickers Workwear and Dunderdon brands increased in a rapidly expanding market. Hultafors Group will eventually be able to attain the same strong market position for safety footwear by continuing to invest in product development and nurturing close relationships with distributors and end users.

There is huge demand among professional tradesmen and other users in Europe for shoes that meet their growing demands for safety, quality and not least design.



Driving sustainability through the holdings and their products

Sustainability issues have always played a central role in Latour's analyses of investment opportunities and when corporate governance is implemented in the holdings. Moreover, several of Latour's holdings are market leaders in the areas of energy efficiency, safety and the environment, with effective sustainability practices.

Latour participates actively in the Board work of all the companies of which it is the principal owner and, through its representatives, Latour is a driving force behind, and has high expectations for, the company's sustainable development.

The companies shall work systematically to minimise adverse impacts on the environment, use resources more efficiently, provide good working conditions, take measures to prevent corruption and unethical business conduct and create an environment of equal opportunities at all levels in the companies.

RESOURCE EFFICIENCY

Latour has seven employees at its head office. Approximately 400,000 employees work in the company's holdings. The greatest impact within sustainability issues therefore occurs by operating as a distinct principal owner of the respective holdings.

At the same time, the holdings have different conditions for their sustainability practices. An important insight, as with any initiative to improve resource efficiency, is to invest most in the areas where the company can have the greatest effect. Latour can also offer all companies a large and powerful knowledge transfer base through its extensive network and insights into multiple different business lines with different conditions.

PRODUCTS HAVE THE GREATEST IMPACT

Latour considers it essential to integrate sustainability activities into all the business processes of a company to ensure it achieves long-term success.

This is based on the conviction that the main sustainability effect that Latour and its holdings create for customers and society in general comes from the use of the holdings' products.

The holdings in Kabona, Produal, Elvaco and Bastec, among others, clearly illustrate that a positive financial outcome can be the result of energy-efficient, environmentally-friendly products and solutions. These companies show high organic growth and good profitability by contributing to reduced energy consumption in buildings. All of Latour's holdings have a clear focus on sustainability with leading solutions in many areas, including safety, sustainable urban planning, indoor climate systems and recycling.

CORPORATE GOVERNANCE POLICY AND CODE OF CONDUCT

Latour's Corporate Governance Policy and Code of Conduct, adopted in 2012, consists of guidelines and principles governing the Group's relationship to the companies owned, employees, business partners and other stakeholders. Although it is a comprehensive document, it is accessible and easy to follow.

The Code covers business ethics, environmental policies, human rights, policies and practices for equality and diversity, and responsibilities of managers and employees. There is a separate environment policy for the Group's environmental programme. Latour's Corporate Governance Policy and Code of Conduct states the minimum requirements for the Group's investments, where all holdings comply with the requirements and many exceed them.

LATOUR HAS
7
CO-WORKERS...

... AND **17**
SHAREHOLDINGS...

... WITH
400,000
EMPLOYEES...

... WHO SELL
>1,000,000
PRODUCTS EACH YEAR!

With regard to sustainability, Latour's greatest impact comes from being an active, long-term owner of 17 companies, with nearly 400,000 employees, that drive their own sustainability programmes. The holdings have different challenges and offer internationally leading products in the fields of energy efficiency, safety, ergonomics, recycling, waste sorting, sustainable construction, sustainable infrastructure development, workplace health and safety, safe production environments, clean production environments and so on.



Energy efficiency
Safety
Ergonomics
Recycling
Automation
Waste sorting
Sustainable construction
Healthy workplaces
Sustainable infrastructure planning
Safe and clean production environments

The Latour share

Stable price increase

Latour's share is listed on the Nasdaq OMX Stockholm Large Cap list that includes companies with a market value in excess of EUR 1 billion.

The Stockholm Stock Exchange once again showed an upswing in 2016. The growth of the Latour share was 9.8 per cent, compared against OMXSPI (Nasdaq OMX Stockholm) which rose 5.8 per cent in the same period. In the last year, the highest price the stock achieved was SEK 359.70 on 5 September and the lowest was SEK 253.20 on 9 February. The final price paid on 30 December was SEK 342.20.

In 2016, the total return (share development including reinvested dividends) for Latour's class B share was 12.2 per cent, compared against SIXRX which increased by 9.7 per cent in the same period. The average annual total return for the Latour class B share has been 17.5 per cent in the last ten years, compared to 7.5 per cent for SIXRX.

MARKET VALUE

Latour's total market value, calculated on the number of issued shares, amounted to SEK 54.7 billion. This makes Latour the 27th largest of the 283 companies registered on the Nasdaq OMX Stockholm market.

TRADING

A total of 13.2 million Latour shares were traded for a value of over SEK 4.3 billion in the last year. On average, 52,003 shares were traded daily, an increase of 53 per cent compared with 2015.

SHARE CAPITAL

At 31 December 2016, the company's share capital was unchanged and amounted to SEK 133,300,000. Class A shares totalled 11,917,258 and class B shares 148,042,742. Votes totalled 267,215,322 (including 323,500 repurchased, non-voting class B shares).

OWN SHARE REPURCHASE

The total number of shares at 31 December 2016 was 159,960,000, including repurchased shares. At 31 December 2016, the total number of repurchased shares was 323,500. Call options have been issued to senior executives on all of the repurchased shares. The Board was authorised by the Annual General Meeting on 3 May 2016 to resolve on the repurchase and transfer of the company's own shares.

SHAREHOLDERS

The number of shareholders increased in 2016 from 15,905 to 21,062. Holdings of foreign investors amounted to 2.7 (2.2) per cent at the end of the year.

DIVIDENDS

The Board of Directors proposes an ordinary dividend payout of SEK 8.00 (6.75) per share for the 2016 financial year. The dividend yield is 2.3 per cent based on the final share price at the end of the year.

ANALYSTS

The following analysts followed Latour at the end of 2016:

Derek Laliberte, ABG Sundal Collier
Mikael Löfdahl, Carnegie
Max Frydén, Danske Bank Markets
Oskar Lindström, Danske Bank Markets
Johan Sjöberg, DNB
Magnus Råman, Handelsbanken
Elias Porse, Nordea Markets
Gustav Österberg, Pareto Securities

INVESTOR MEETINGS

Each year, Latour participates in a number of investor meetings in Sweden. These provide opportunities for Latour to present its business operations in more detail.

"We place great value on this type of meeting with interested investors from all over the country. We know from experience that the commitment is mutual. We have long had many loyal shareholders. Afterwards, a lot of them come and discuss with us or simply comment on some of the activities or industrial development journeys that most of our holdings are taking right now," says Latour's CFO, Anders Mörck.

IR CONTACT

If you have any questions you are welcome to contact:
Anders Mörck, CFO:
tel: +46 31 89 17 90 or
email: anders.morck@latour.se

SHAREHOLDER FACTS

- The number of shareholders increased to 21,062 (15,905).
- 77.5 per cent of the capital is owned by the principal shareholder with family and companies.
- Other Board members own 0.6 per cent.
- Foreign ownership accounts for 2.7 per cent.

TYPE OF SHARE

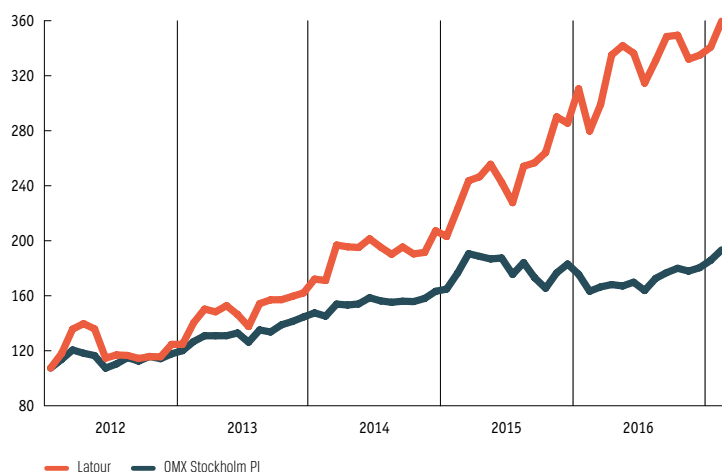
	Number of shares	%	Number of votes	%
Class A (10 votes)	11,917,258	7.5	119,172,580	44.6
Class B (1 vote)	148,042,742	92.5	148,042,742	55.4
Total number of shares	159,960,000	100.0	267,215,322 ¹⁾	100.0

¹⁾ Including 323, 500 repurchased, non-voting class B shares.

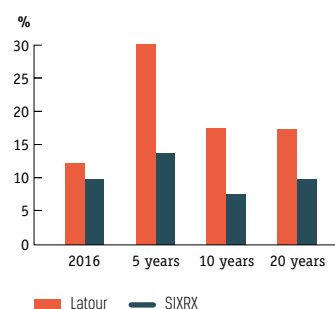
SUBSTANTIAL SHAREHOLDINGS AT 31 DECEMBER 2016

Shareholder, thousands	Number A shares	Number B shares	% of share capital	% of voting rights
Gustaf Douglas, family and companies	9,990	113,951	77.5	80.1
Fredrik Palmstierna, family and companies	1,602	1,954	2.2	6.7
Bertil Svensson, family and companies		1,867	1.2	0.7
SEB Investment Management		1,616	1.0	0.6
Lannebo Funds		1,325	0.8	0.5
Odin Funds		954	0.6	0.4
Handelsbanken Funds		837	0.5	0.3
Swedbank Robur Funds		715	0.5	0.3
Skirner AB	200	424	0.4	0.9
Other	126	24,078	15.1	9.5
Investment AB Latour, share buyback		324	0.2	—
	11,917	148,043	100.0	100.0

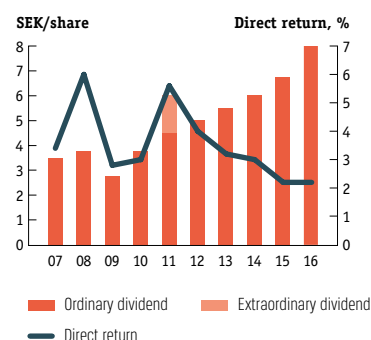
LATOUR SHARE PRICE DEVELOPMENT



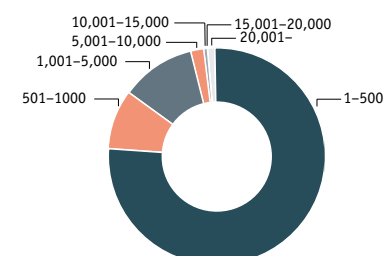
AVERAGE TOTAL RETURN, LATOUR COMPARED AGAINST SIXRX



DIVIDENDS THE LAST 10 YEARS



DISTRIBUTION OF SHAREHOLDING



Distribution of shareholders in size categories.

Net asset value

again did better than the index

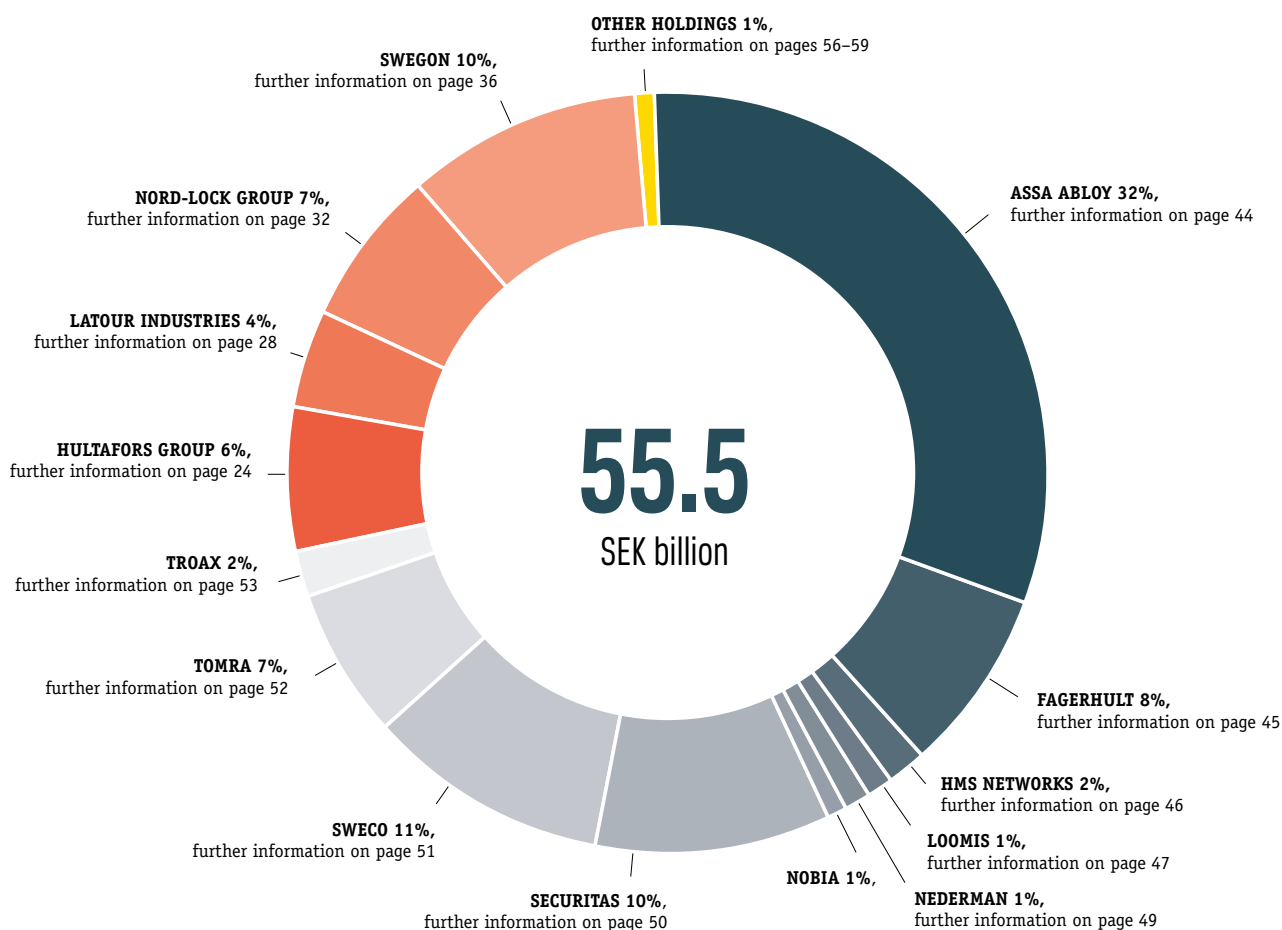
Latour's net asset value increased from SEK 317 to 348 per share in 2016, which is an increase in value of 12.1 per cent, adjusted for dividend payments. This can be compared against the total return for Nasdaq OMX Stockholm (SIXRX), whose value increased by 9.7 per cent.

Latour primarily consists of two parts; the wholly-owned industrial operations and the investment portfolio. The market value of the listed holdings is simple to calculate

since there is a stipulated market price available. Determining the value of the wholly-owned operations is more complicated. This is because the market value, the price that potential buyers are willing to pay for the operations, is not as clearly defined.

A description of the method that Latour uses to calculate the value of these operations can be found to the right.

Latour's largest holdings, based on net asset value, are ASSA ABLOY, Sweco, Securitas, Swegon and Fagerhult. The wholly-owned industrial operations account for 27 per cent of the consolidated net asset value, if using the value derived through the chosen calculation method.



This diagram shows each holding's share of Latour's total net asset value.

Investment portfolio holdings. **Total: 75%**
 Wholly-owned holdings. **Total: 27%**
 Other holdings. **Total: 1%**

In addition to the assets presented above the net loan debt is -3%.

NET ASSET VALUE AT 31 DECEMBER 2016

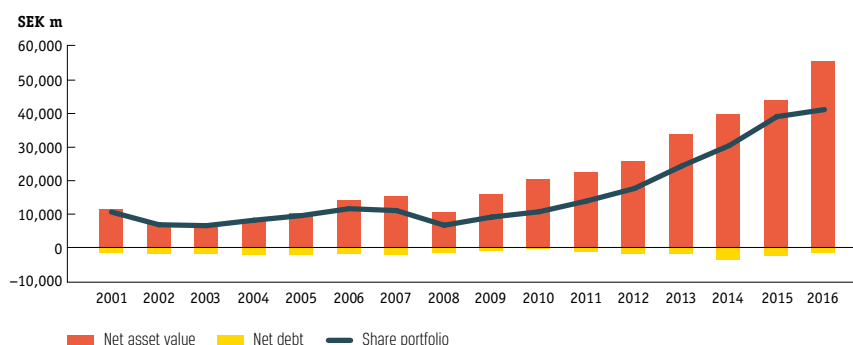
SEK m	Net sales ¹⁾	EBIT ²⁾	EBIT multiple or EV/sales multiple Range	Valuation SEK m ²⁾ Range	Valuation ²⁾ average	Valuation SEK/share ³⁾ Range
Hultafors Group	1,698	264	11-15	2,904-3,960	3,432	18-25
Latour Industries	1,823	181	11-15	1,991-2,715	2,353	13-17
Nord-Lock Group	969	277	12-16	3,324-4,432	3,878	21-28
Swegon	4,153	374	13-17	4,862-6,358	5,610	31-40
	8,643	1,096		13,081-17,465	15,273	82-109
Listed shares (see table on page 43)						41,243 258
Unlisted part-owned companies						449 3
Other assets						-19 0
Net borrowings						-1,446 -9
Estimated value						55,500 348
						(53,308-57,692) (334-361)

¹⁾ Trailing 12 months for current company structure.

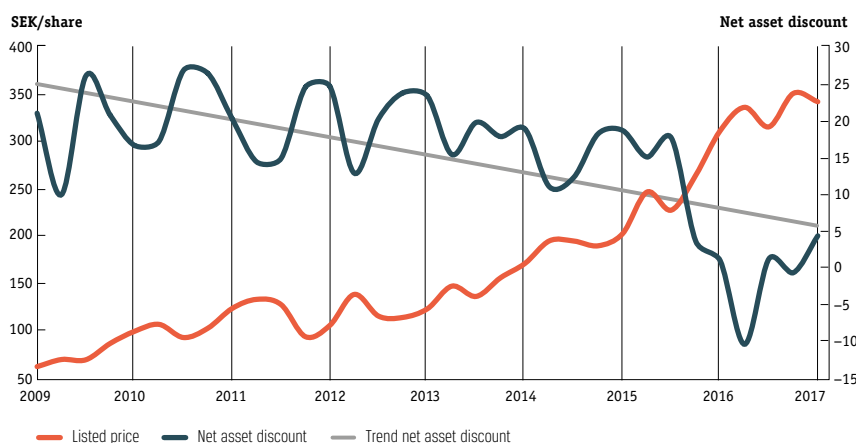
²⁾ EBIT and EV/SALES restated based on the listed share price on 31 December 2016 for comparable companies in each business area.

³⁾ Calculated on the number of outstanding shares.

NET ASSET VALUE IN RELATION TO NET DEBT



NET ASSET DISCOUNT RELATIVE TO LISTED PRICE



The diagram shows the net asset discount on the last day of trading of every quarter. The net asset discount shows a certain seasonal variation and the trend is a declining discount.

Net asset value – our method

1 IDENTIFICATION OF COMPARATORS

Latour identifies listed companies operating in industries related to its wholly-owned industrial operations.

2 CALCULATION OF EBIT MULTIPLES

When comparators are identified, the companies' EBIT multiples are reviewed. An EBIT multiple is based on the company's EV (Enterprise Value). The EV is calculated by taking the market value and increasing it by the company's net debt (see Definitions, page 97). The EV is then divided by the operating profit (EBIT). A company with a market value of SEK 90 m, a net debt of SEK 10 m and an operating profit of SEK 10 m will have an EBIT multiple of 10.

3 CONVERSION TO MULTIPLE RANGES

When an EBIT multiple has been calculated for each company, they are weighted by group to obtain a multiple range for each business area. The range is due to variations in the values of the listed companies. If, for example, there are two comparators for Swegon, where one has a multiple of 6 and the other has a multiple of 10, then the EBIT multiple, used to calculate the value of the Swegon business area, falls into the 6 to 10 range. The multiples may be adjusted if the range is too large in order to avoid unreasonable values.

4 COMBINING THE NET ASSET VALUE OF THE WHOLLY-OWNED OPERATIONS

When the ranges for the EBIT multiples have been established, the value of each business area is measured by first calculating a trailing 12 month operating profit (EBIT) for each business area, based on the company structure at the end of the period of comparison. This figure is then multiplied by the EBIT multiple. Let us say that Swegon shows a trailing 12 month operating profit (EBIT) of SEK 100 m. If the EBIT multiple 6-10 is applied to the profit, the value becomes SEK 0.6-1.0 billion. When these calculations have been made for all the business areas, the result is combined to obtain a total value in the form of one range.

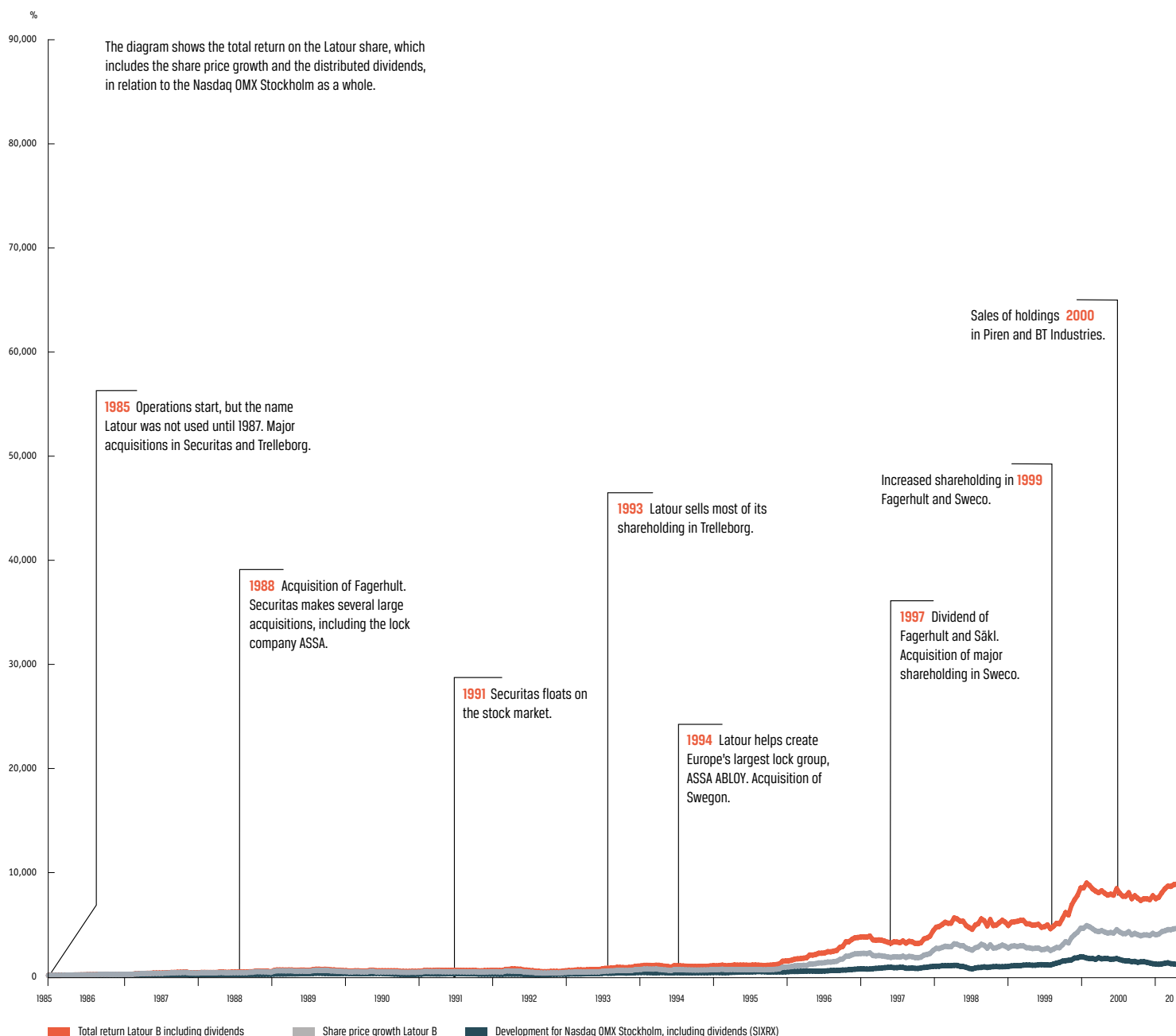
5 COMBINED WITH THE VALUE OF THE LISTED HOLDINGS

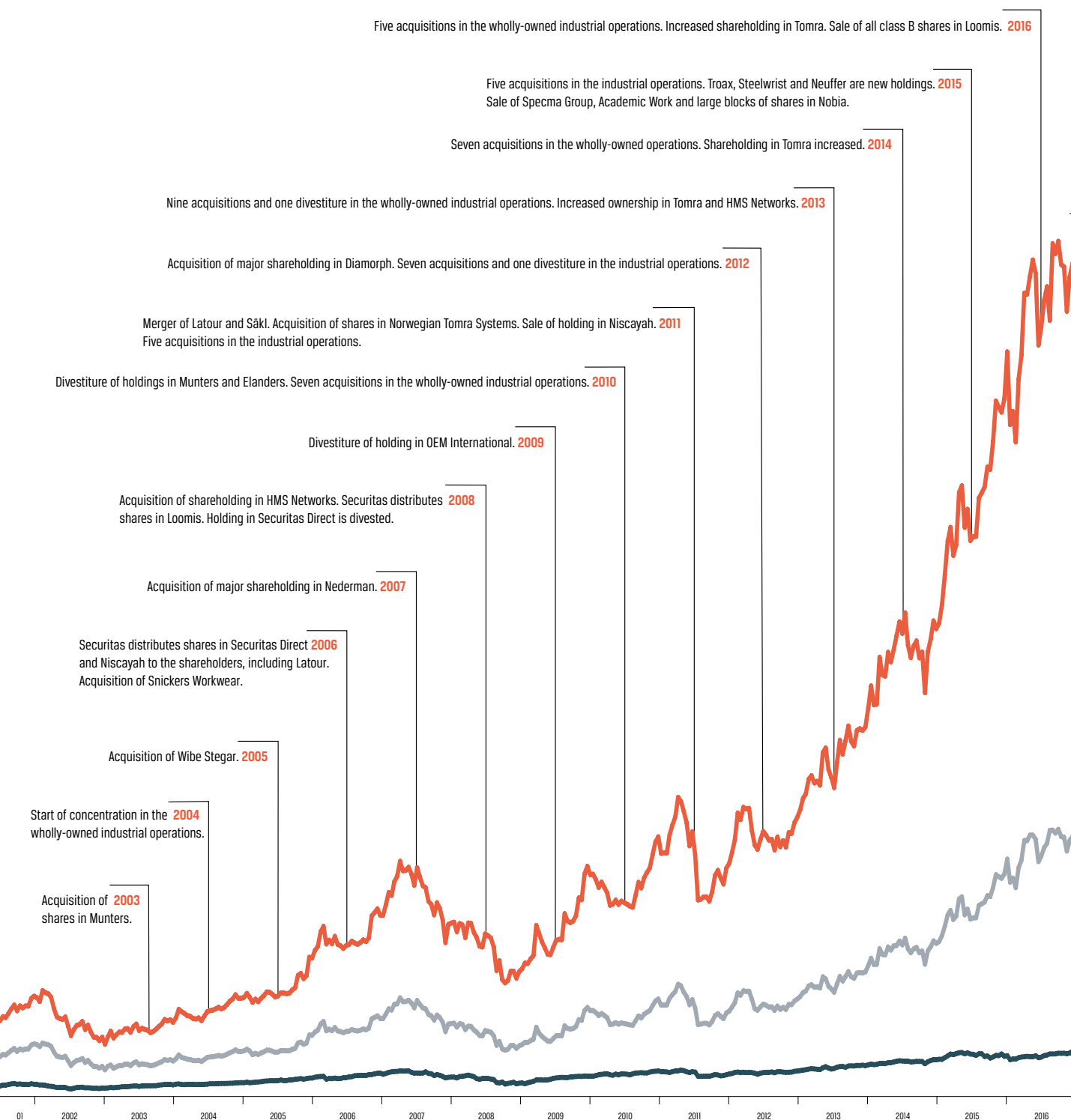
The share price is first established for each individual holding at the end of the period in order to obtain a net asset value for the listed holdings. The share price is multiplied by the number of shares held in each listed company, which gives a net asset value of the investment portfolio. This is combined with the net asset value of the wholly-owned operations, according to steps 1-4. After adding other assets and deducting net debt, the total is a net asset value for Latour, which is also in a range.

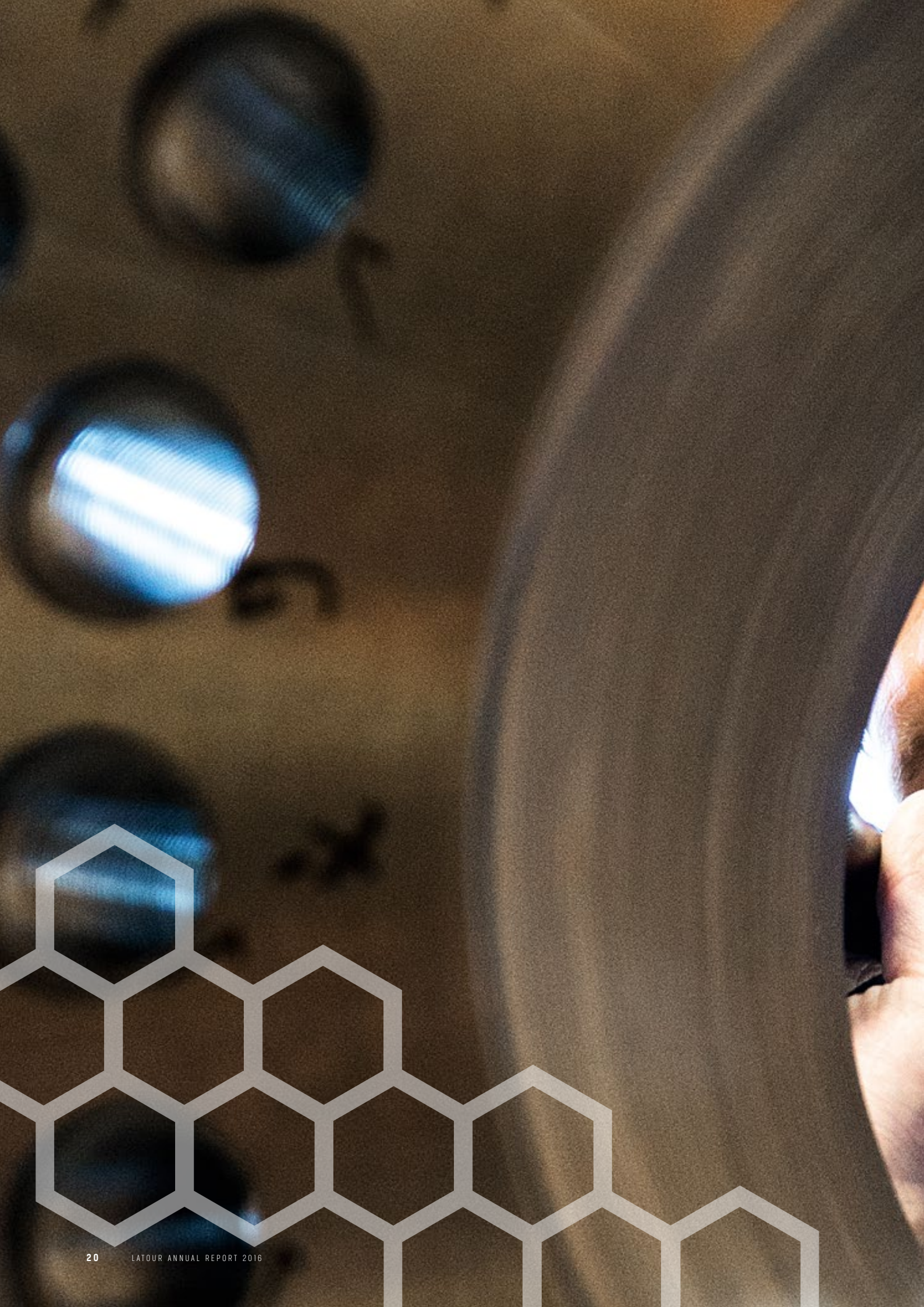
Total return

85,100 per cent since the start in 1985

Latour's history stretches back to the end of 1985. Since then the total return, including share price growth and dividends, has been 85,100 per cent. This means SEK 10,000 invested in Latour at start-up would give a total return of almost SEK 8.5 m at the end of 2016.









INDUSTRIAL OPERATIONS

Hultafors Group 24

Latour Industries 28

Nord-Lock Group 32

Swegon 36

Important events in 2016

- » Focus remains on growth of holdings with support from acquisitions, organic growth and product development.
- » Net sales rose 14 per cent and organic growth for comparable units rose 7 per cent when adjusted for exchange rate fluctuations.
- » Continued international growth. Sales generated outside the Nordic region increased from 49 to 54 per cent in 2016.
- » Operating profit increased by 17 per cent and the operating margin for continuing operations increased to 12.8 (12.5) per cent.
- » 5 businesses were acquired. These contribute annual sales of approximately SEK 800 m.
- » The sale of the business area Specma Group to Hydra-Grene was concluded on 4 January 2016. Hydra-Grene is wholly owned by the Danish industrial conglomerate Schouw & Co.

Increased internationalisation and continued high rate of acquisition

In 2016, Latour's wholly-owned industrial operations comprised four business areas. The goal is for them to achieve profitable international growth with their own products. In 2016, sales generated outside the Nordic region increased from 49 to 54 per cent of total sales. Including acquisitions, sales growth amounted to 14 per cent in total, and the operating margin rose from 11.4 to 12.8 per cent.

Latour's wholly-owned industrial operations consist of four business areas that hold strong positions in their respective niches. The companies develop, manufacture and market their own products in customer segments that represent considerable and growing international demand.

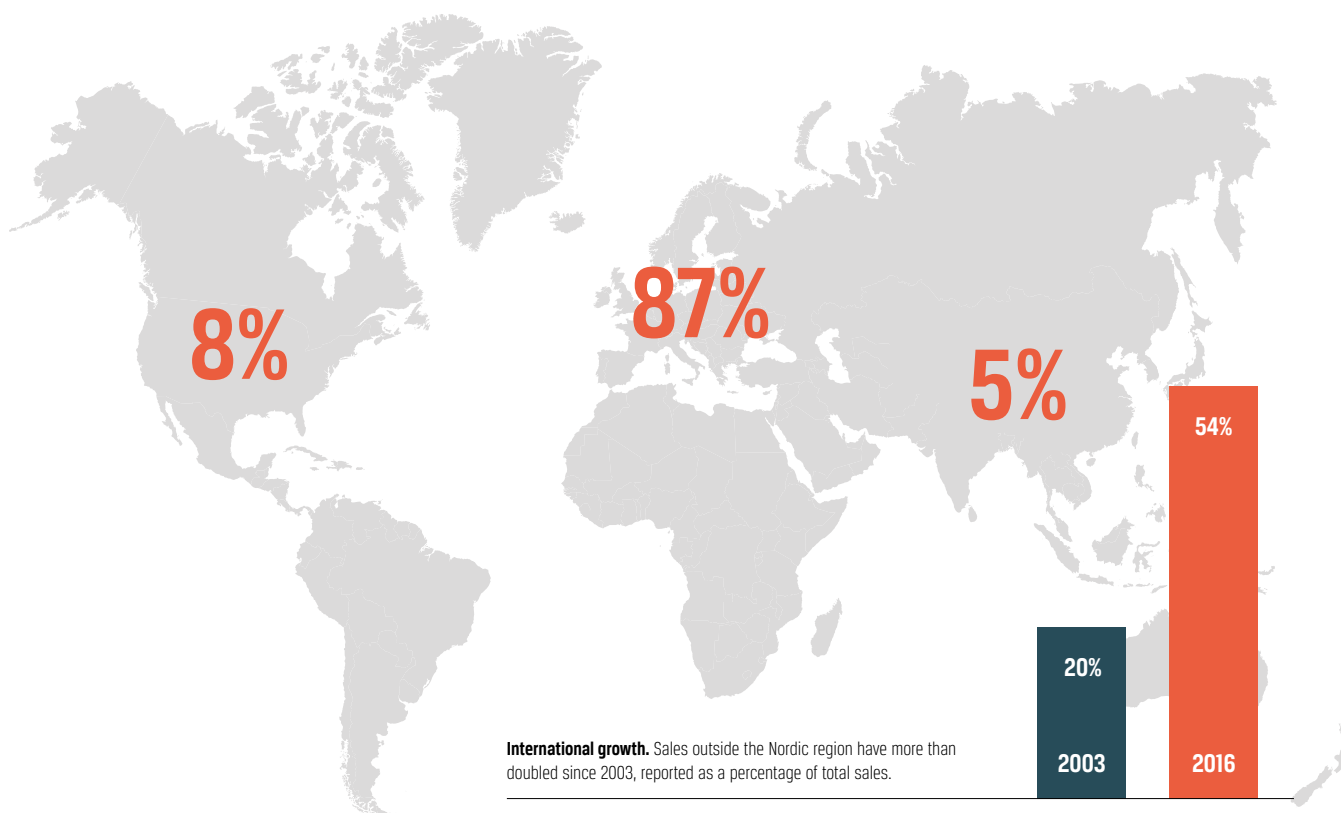
The operations' financial targets are to achieve a minimum of 10 per cent average annual growth and operating margin and 15 to 20 per cent return on operating capital over a business cycle.

It is important to show growth in order to create high capacity utilisation and improved profitability. In order to grow at a faster rate than the general development of the economy, the operations work systematically to enhance their product portfolio, increase their international presence and gain market share in existing markets. Growth takes place organically and through acquisitions.

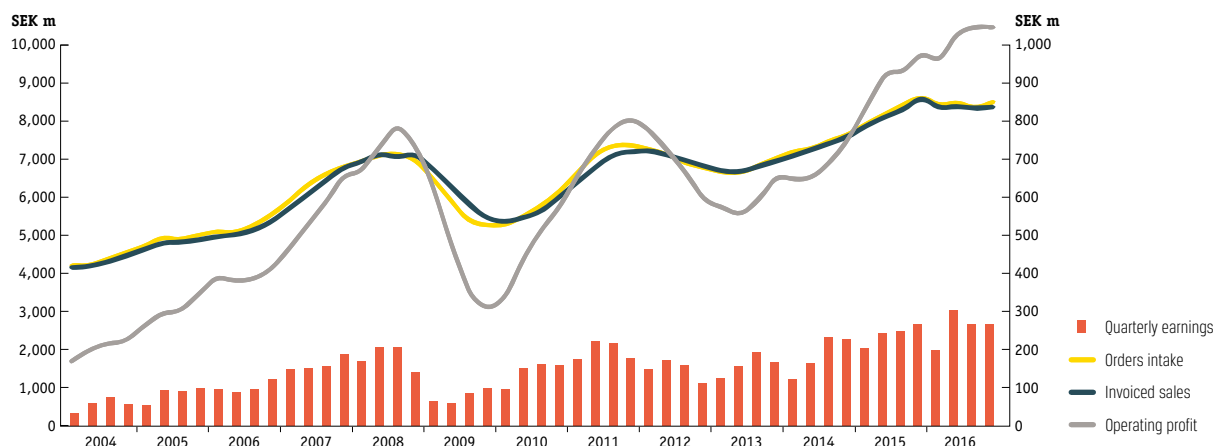
The operations are at the forefront of product development, which is critical to

the achievement of key competitive advantages in the future too.

They continued their international expansion in 2016. Sales generated outside the Nordic region increased from 49 to 54 per cent of total sales. Although the international share of sales has more than doubled since 2003, there is still a significant potential for growth. Four of the five companies acquired in 2016 in the industrial operations have operations outside the Nordic region.



GROUP - TRAILING 12 MONTHS



PROFIT/LOSS BUSINESS AREAS

SEK m	Net sales		Operating profit		Operating margin %	
	2016 Full year	2015 Full year	2016 Full year	2015 Full year	2016 Full year	2015 Full year
Hultafors Group	1,698	1,549	264	218	15.6	14.1
Latour Industries	1,671	1,289	167	176	10.0	13.6
Nord-Lock Group	927	797	270	236	29.2	29.7
Swegon	3,913	3,559	351	270	9.0	7.6
Eliminations	-10	-8	-	-	-	-
	8,199	7,186	1,052	900	12.8	12.5
Capital gains from divested companies	-	-	-21	-2		
Other companies and items	-	-	-4	6		
	8,199	7,186	1,027	904		

SEK m	Operating capital ¹⁾		Return on operating capital % ²⁾		Growth in net sales %		
	2016 TTM	2015 TTM	2016 Full year	2015 Full year	2016	Of which acquisitions	Of which currency
Hultafors Group	1,230	1,171	21.5	18.7	9.7	0.0	-1.0
Latour Industries	1,901	1,225	8.8	14.3	29.6	27.6	-0.9
Nord-Lock Group	877	701	30.8	33.7	16.3	11.1	-0.1
Swegon	2,510	2,365	14.0	11.4	9.9	2.2	-0.8
Total	6,518	5,462	16.1	16.5	14.1	7.3	-0.8

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.

²⁾ Operating profit as a percentage of average operating capital.

FIVE YEAR OVERVIEW

	2016	2015	2014	2013	2012
Net sales	8,199	7,186	7,581	6,944	6,788
(of which export)	5,877	5,081	5,073	4,389	4,258
Operating profit	1,027	904	746	621	635
Average operating capital	6,518	5,462	4,612	3,780	3,584
Total assets	11,311	8,905	8,415	7,063	6,165
Number of employees	4,211	3,808	4,184	3,908	3,691
Return on operating capital (%)	16.1	16.5	16.4	17.2	16.4
Operating margin (%)	12.8	12.5	10.0	9.4	8.8

Hultafors Group

Hultafors Group offers a portfolio of leading brands for professional users who demand the very best when it comes to performance, safety and productivity.



Alexander Wennergren Helm, CEO Hultafors Group through 2016
(Ole Kristian Jødahl, CEO from 2017)

HULTAFORS GROUP AT A GLANCE

Hultafors Group is one of Europe's largest companies to supply clothing, safety footwear, hand tools, ladders and scaffolding for professional tradespeople. The products are developed, manufactured and sold through its own brands, which are available through distributors in about 40 markets, with an emphasis on the Nordic region and the rest of Europe.

IMPORTANT EVENTS IN 2016

- Significant growth and continuing increased profitability.
- Launch of new products, including a new generation of jackets in the Snickers

Workwear collection and innovative platforms in Wibe Ladders.

- Continued successful launch of safety footwear in Europe under the Solid Gear and Toe Guard brands.

TARGET ACHIEVEMENT

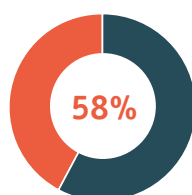
– PRIMARY FACTORS

Systematic investment in product development and marketing and international expansion have led to increased sales. Efficiency measures in the areas of production and logistics have helped to cut costs. Overall, this resulted in targets for revenue and profitability being exceeded.

STRATEGY FOR PROFITABLE EXPANSION

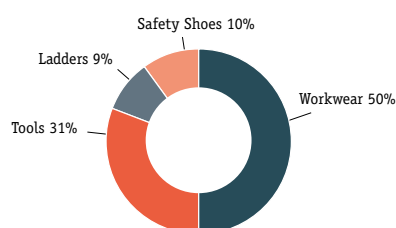
- Profitable growth will take place in existing and related markets.
- Organic growth takes place through expanded product lines, more efficient use of sales and distribution channels, increased investment in marketing and stronger relationships with end users.
- Acquired growth takes place through complementary acquisitions of brands with strong positions among distributors and end users.

DEGREE OF INTERNATIONALISATION

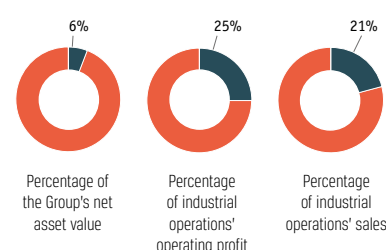


In 2016, sales outside the Nordic countries accounted for 58 per cent of total sales compared with 2015, when the corresponding figure was 44 per cent.

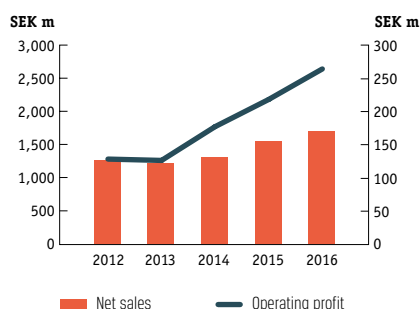
BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



SALES AND EARNINGS



SALES AND EARNINGS

	2016	2015	2014	2013	2012	Latour's minimum targets
Net sales	1,698	1,549	1,306	1,208	1,257	>10%
(of which export)	724	1,081	938	867	899	
Operating profit	264	218	177	126 ¹⁾	128 ¹⁾	
Operating capital ²⁾	1,230	1,212	1,103	784	773	
Operating margin, %	15.6	14.1	13.6	10.4	10.2	>10%
Return on operating capital %	21.5	19.0	21.0	16.0	15.0	15-20%
Investments	20	11	9	11	15	
Number of employees	685	658	617	642	657	

¹⁾ After restructuring costs

²⁾ Average

"Further development of the offering drives growth"

On a strong underlying market, further additions to Hultafors Group's leading range of professional workwear, safety footwear, tools and ladders produced a new record high in sales and earnings in 2016. Investments in product development and internal efficiencies are simultaneously continuing at an unabated pace.

Hultafors Group's portfolio comprises the carefully selected brands Dunderdon Workwear, Hultafors, Snickers Workwear, Solid Gear, Toe Guard and Wibe Ladders. The brands which are, or have the potential to become, number one or two in their respective markets, together form a unique product family for professional tradespeople who must be able to rely on their equipment. The aim is to achieve the best possible performance, safety, protection and overall productivity for end users.

"Each brand represents unique expertise and insight into the specific challenges that the end users encounter in their daily tasks," says Alexander Wennergren Helm, CEO of Hultafors Group.

The brands are grouped into two segments: Personal Protection Equipment and Hardware. Each segment contains a high degree of specialisation via separate business units for the respective product offerings. At the same time, synergies in the form of coordination of resources within sales are exploited wherever it offers benefits to customers. In recent years, Hultafors Group's range has been enhanced considerably and now includes completely new product categories.

"The acquisition of the Swedish company Tradeport at the end of 2014 gave us access to two strong safety footwear brands, Toe Guard and Solid Gear. Towards the end of 2015, we rolled these out into our existing sales organisation in Europe, with full integration in 2016. It has been a highly successful launch and our safety footwear now accounts for almost 10 per cent of Hultafors Group's turnover," says Alexander.

FOCUS ON THE FAMILY CONCEPT

In addition to safety footwear, the Personal Protection Equipment segment includes the Snickers Workwear and Dunderdon profes-

sional workwear brands. Snickers Workwear was established 40 years ago and is Europe's leading brand of high performance work clothing. The brand was available in almost 30 countries as of the end of 2016. Snickers Workwear is at the forefront of developments in the industry, with innovations that are based on real workday needs. Its successful product development over the years has resulted in several Red Dot Awards, the world's largest design contest. A comprehensive launch of a brand new workwear concept was implemented in 2015, with work trousers being rolled out first, divided into four distinct families designed for different work environments: RuffWork, FlexiWork, LiteWork and All-roundWork. This was followed up in 2016 with work jackets and tops in the same families.

"Just like our trousers, the jackets offer an excellent fit and allow easy movement, taking wearer comfort to the next level. These launches enable us to create combinations of our clothes which are of great benefit to end users in their work. We're also looking at ways of adding more members to the family collection," Alexander says.

STRONG FOCUS ON SAFETY

The Hardware segment includes hand tools under the Hultafors Tools brand, and ladders and scaffolding under the Wibe Ladders brand. Hultafors Tools is number two in the Nordic hand tools market. The brand offers a broad range of products primarily for builders and construction tradespeople who rely on functional, superior-quality tools. Hultafors' product development shows innovative thinking in an otherwise traditional industry. During the year, the range has been expanded with six new knives, each of which is optimised for different professions, and the spirit

levels have been updated. Like Snickers Workwear, Hultafors Tools has won Red Dot design awards in the past. Wibe Ladders is a leading manufacturer of ladders and scaffolding in the Nordic market. Just as with the other brands, product development is clearly customer focused. Wibe Ladders also offers training courses, inspections and surveys to create the safest possible working environment. In 2016, the range of working platforms was updated to meet the new European safety standard EN 131-7. The

The investment in safety footwear is a good example of how we are following up the journey made by Snickers Workwear.

platforms have also been updated with fall protection on four sides. This means that they comply with the requirements for "Smart Choices in the Workplace", which is a Swedish standard for safer ladders.

"Quality, performance and safety are key words at every stage of our product development process. Our brands are now well positioned for success in the future," says Alexander.

CLOSE PARTNERSHIPS WITH DISTRIBUTORS

Hultafors Group brands are on sale at some 10,000 outlets in almost 40 countries worldwide, with an emphasis on Europe



In 2016, new work jackets and tops were launched in the same families – RuffWork, FlexiWork, LiteWork and AllroundWork – as the launch of work trousers in 2015. Just like the trousers, the jackets offer an excellent fit and allow easy movement, taking wearer comfort to the next level.

and the Nordic region. The company has its own sales offices in 14 key markets in Europe and other markets are covered by importers. The competitive edge provided by the extensive distribution network, built up over a considerable period of time, enables new products and brands to be launched swiftly and effectively. Marketing activities conducted throughout 2016 continued to generate greater awareness and demand among end users and distributors.

"Marketing the brands among end users creates pressure on demand, which is attractive to the distributors. We view ourselves as a partner to the distributors and our brands should be at the forefront in terms of profitability per square metre in the store," states Alexander.

Hultafors Group continued to nurture its partnership with its distributors throughout 2016 in various ways, such as creating so-called Flagship Partners in some stores. This means that Hultafors Group's products are more visible, are given more space and exude a sense of exclusivity. The partnership with the distributors varies, depending on the market. The common denominator is the need for strong, popular brands in order to build closer ties with their customers.

"During the year we have also rolled out a value-added sales concept. This aims to improve our sales force's knowledge about our products' high quality and which end user needs they meet. It has further strengthened our position among retailers," says Alexander.

CONTINUED INTERNATIONAL GROWTH

Hultafors Group is enjoying strong growth in the Nordic region and the rest of Europe, which accounted for 43 per cent of sales in 2016. In the long term, the potential is highest in markets outside the Nordic region. The Hultafors Group brand that has made most progress in its international roll-

out is Snickers Workwear, thanks to its ability to take the leading role in developments in the market segment. The brand has also benefited from the exacting standards for safety, performance and quality set by users, businesses and public authorities in the Nordic region. This has given the products a natural advantage with regard to quality over international alternatives. The aim is to repeat the journey with all the brands.

"The investment in safety footwear is a good example of how we are following up the journey made by Snickers Workwear. This is a strategically important product category where international standards and requirements are becoming more stringent. Moreover, the market for safety footwear is as large as the market for workwear, which gives an indication of the potential of our market-leading offering," Alexander remarks.

A LEADING APPROACH

The European market for products for professional tradespeople is fragmented and largely made up of numerous small manufacturers. Being a large company with leading brands, as in Hultafors Group's case, affords excellent opportunities for driving development forward in terms of product innovation and customer preferences. Its size enables Hultafors Group to maximise the efficiency of its operations, which has been a priority for the organisation in recent years. Its IT system has been improved, sales offices have increased in number, and efficiency enhancements have been implemented in the logistics departments. Lean has previously been introduced with great success at the company's six production facilities, and a major initiative was undertaken in 2016 to introduce it across the service organisation too. This has led to greater control, lower costs, improved lead times and a higher level of service.

"It's not just in the product offering that we should be leading the way but in all aspects of our work. It enhances our competitive advantage and bolsters our ability to continue the successful development of recent years," Alexander tells us.

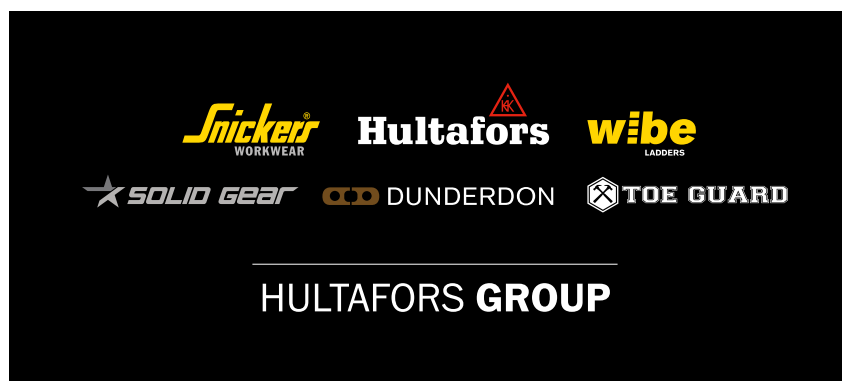
SUSTAINABLE GROWTH

Hultafors Group sees sustainable development as essential for creating long-term profitability and credibility. Sustainability-related issues are integrated into daily activities and include support to suppliers, distributors and end users in their sustainability practices. Hultafors Group's production facilities have achieved ISO certification for quality and environmental performance. Snickers Workwear's products are regularly certified in compliance with the Oeko-Tex environmental standard.

FOCUS IN 2017

Hultafors Group's brands are well-placed to continue gaining market shares thanks to increased marketing activities and product development in recent years. In 2017, the focus is on continuing the process of building and nurturing relationships with end users and distributors, and adding more products to the new family collection of workwear in order to consolidate the offering as a whole and to drive our international expansion. Furthermore, Hultafors Group is getting a new CEO.

"After five amazing and exciting years, I'm now moving on to new challenges in a completely different industry. I would like to thank all my colleagues for the successful journey that we've made together and I wish my successor Ole Kristian Jødahl the very best of luck in continuing to drive the growth of this fantastic company," Alexander concludes.



Latour Industries

Latour Industries can be described as a miniature Latour, in which active and careful ownership will result in stable and independent development of the holdings.



Björn Lenander, CEO Latour Industries

LATOUR INDUSTRIES AT A GLANCE

Latour Industries comprises nine business operations with their own products incorporating high technology and offering considerable potential for growth. Each one has its own business concept and business model. The vision is to develop independent entities that will eventually be able to become established as separate business areas within Latour.

IMPORTANT EVENTS IN 2016

- Sharp increase in sales and continued good profitability.
- The establishment of a new business unit in the area of energy efficiency, Bemsig,

comprising five wholly-owned companies.

- Acquisition of the Swedish company Aritco Group, a leading manufacturer of platform lifts for homes and public spaces.
- Acquisition of 25 per cent of the shares in LumenRadio, which develops, manufactures and sells state-of-the-art equipment for wireless radio communication.

TARGET ACHIEVEMENT – PRIMARY FACTORS

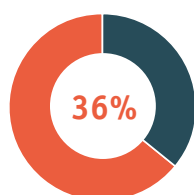
The strong rise in sales can partly be attributed to the acquisition of Aritco Group and the full-year effect of the acquisition of Produal in 2015. Forward-looking

investment initiatives led to a slight fall in profitability. Latour's minimum targets for sales growth and profitability were achieved however.

STRATEGY FOR PROFITABLE EXPANSION

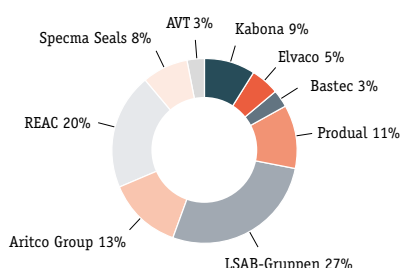
- Broaden the product range and develop the portfolio. Remain on the cutting edge of the product areas with the help of investments in product development and strategic acquisitions.
- Pursue expansion in new markets and markets with low penetration. Expansion will be achieved through acquisitions and existing operations.

DEGREE OF INTERNATIONALISATION

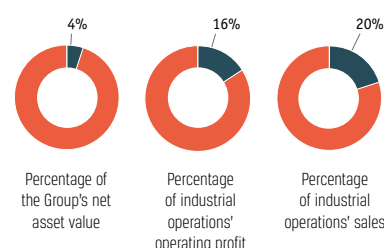


In 2016, sales outside the Nordic countries accounted for 36 per cent of total sales compared with 2015, when the corresponding figure was 30 per cent.

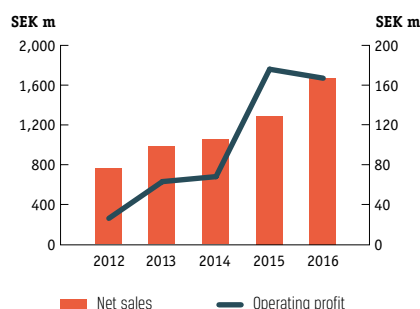
BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



SALES AND EARNINGS



SALES AND EARNINGS

	2016	2015	2014	2013	2012	Latour's minimum targets
Net sales	1,671	1,289	1,055	982	764	>10%
(of which export)	607	527	393	329	223	
Operating profit	167	176	68	63 ¹⁾	26 ¹⁾	
Operating capital ²⁾	1,901	1,377	965	735	634	
Operating margin, %	10.0	13.7	6.4	6.5	3.4	>10%
Return on operating capital %	8.8	14.0	8.0	9.0	6.0	15-20%
Investments	26	17	10	10	17	
Number of employees	1,143	938	733	642	461	

¹⁾ After restructuring costs

²⁾ Average

"Major investment in the companies' product development and sales organisations"

Latour Industries' sales increased significantly in 2016. The increase is primarily due to the acquisition of Aritco Group in 2016 and the full-year effect of the acquisition of Produal in 2015. Otherwise, the year was marked by major investment in the companies' sales organisations and in improvements to product development.

In the summer of 2016, Latour Industries acquired Aritco Group, a leading Swedish manufacturer of platform lifts for homes and public spaces. The acquisition is in line with Latour's ambition to invest in strong companies which have their own products with long-term potential for international growth. Some 90 per cent of Aritco's sales are already outside of Sweden today, mainly in Europe.

"We see huge potential for further expansion outside of Europe, where Aritco can grow both organically and through acquisitions. The company has recently launched its award-winning and innovative new HomeLift which is uniquely designed to blend into the home setting. More and more homeowners are having lifts installed in their homes as an investment for the future," says Björn Lenander, CEO of Latour Industries.

"We are confident that the market for platform lifts is interesting in the long term and we will continue to look for suitable acquisition targets in this sector," Björn says.

CONSCIENTIOUS OWNER

Aritco fits in well among the companies in Latour Industries, which take a long-term approach to investment. Latour Industries' goal is to develop the holdings into new, independent business areas. Nord-Lock was acquired in 1994 and is one such example of this long-term approach. Since its acquisition, it has enjoyed strong growth and enhanced profitability. The company was part of Latour Industries until 31 December 2013 when it became a separate business area within Latour. The goal is for more of the holdings eventually to make similar journeys. Latour Industries drives development through proactive, careful ownership, based on industrial experience that encourages entrepreneurship.

"It's a systematic process that involves ensuring transparency of the operations, giving support to management and providing financial resources to facilitate expansion," Björn explains.

BEMSIQ: NEW BUSINESS UNIT IN ENERGY EFFICIENCY

Over the past four years, Latour Industries has built up a portfolio of companies in the fields of building automation and energy efficiency in buildings, comprising five wholly-owned companies (Bastec, Ecopilot, Elvaco, Kabona and Produal) and one part-owned company (NODA). During the year, these companies have been brought together into one new business unit called Bemsig AB. The companies will continue to operate as independent entities, with a focus on growth in the domestic market and through international expansion. The purpose of the business unit is to offer greater opportunities for coordinated activities between the companies and is a natural step in the process of creating a new business area within Latour.

BASTEC

Bastec has its head office in Malmö. This expanding Swedish company develops and markets building automation systems. Its main product is BAS2, which is primarily used to control and monitor ventilation, heating, cooling and other technical systems in more than 3,000 buildings. BAS2 is based on proprietary hardware and software. The products are sold via a nationwide network of distributors and through its own automation projects in the Malmö region.

ECOPILLOT

Ecopilot, which has its head office in Gothenburg, develops and markets the Ecopilot software which makes it possible to achieve 25–50 per cent energy efficiency by coordi-

nating the systems installed in the building and taking into account its thermal storage capacity, weather forecasts, indoor temperatures and air quality. Ecopilot was created as an independent company on 1 January 2017 as a spin-off from Kabona. The software is sold mainly through partners in Sweden and other countries.

ELVACO

Elvaco, which has its head office in Kungälv, develops and markets communication equipment and software for the collection, processing and presentation of metrics data in the energy sector. Typical customers are

We will continue to develop our business with a focus on growth through product development and international expansion.

utility companies, such as electricity and district heating companies, with metres spread over a wide geographic area, or real estate companies that want to measure the electricity, heating, water and temperature in a property holding. In the first quarter of 2017, Latour Industries will acquire the remaining 20 per cent of the shares in Elvaco, making the company a wholly-owned subsidiary.



In 2016, Latour Industries acquired Aritco Group, a leading Swedish manufacturer of platform lifts for homes and public spaces. The acquisition is in line with Latour's ambition to invest in strong companies which have their own products with long-term potential for international growth.

KABONA

Kabona, with its head office in Borås in central Sweden, is one of the leading Swedish companies in sales, design and installation of control systems for buildings. The company produces ingenious energy-saving products for the building automation market with the Ecopilot software as a central component to optimise energy consumption. On 1 January 2017, product ownership of the Ecopilot software was moved to a separate company to give the companies' respective offerings a clearer and more distinctive identity and to facilitate continued growth and expansion.

PRODUAL

Produal, with its head office in Kotka, Finland, develops and sells measurement and room control products for use in building automation. Its product range includes temperature sensors, pressure transmitters, room controllers, transducers and accessories. Its products are sold through subsidiaries in Finland, Sweden, Denmark and France, and partners in other European countries. The company has a focus on continued international expansion and growth and maintained product leadership through investments in product development.

NODA (PART-OWNED)

NODA, with its head office in Karlshamn, develops and provides solutions for optimisation of district heating systems and for improving energy efficiency in buildings. NODA's "Smart Heat Grid" system enables a district heating provider to reduce peak load demand and optimise the balance by acting as a virtual heat storage tank. Bemsig owns 25 per cent of the shares in NODA and is the principal owner along with the Sixth AP Fund.

OTHER HOLDINGS:**ARITCO**

Aritco Group, with its head office in Kungsängen, develops, manufactures and sells platform lifts and home lifts. The products are sold via its own subsidiary in the UK and via distributors and partners in other markets. The lifts are supplied to both public and private sector customers around the world.

AVT INDUSTRITEKNIK

The Swedish company AVT Industriteknik develops and manufactures automation solutions for machine servicing, assembly, packaging and density control. This offers international opportunities for growth. AVT's offerings range from concepts to fully-operational facilities. Its customers are located all over the world, primarily in the automotive, electric power and heat pump industries.

LSAB GROUP

LSAB, with its head office in Långshyttan, is one of Europe's largest and most modern company groups in sales and service of wood and metal cutting tools. LSAB operates in the Nordic region, the Baltic countries and Russia. The company is a leading manufacturer of wood-working tools in the Nordic region. It has a fragmented market which creates opportunities for acquired growth in the future.

REAC

REAC, with its head office in Gothenburg, develops, manufactures and sells electro-mechanical actuators and lift systems, primarily to customers in the field of medical rehab where REAC is a subcontractor to several of the major manufacturers of electrical wheelchairs. Most of its customers are located in Scandinavia, Europe and the USA. It has manufacturing facilities in Åmål in Sweden and in two locations in Poland.

SPECMA SEALS

Specma Seals, with its head office in Gothenburg, is an end-to-end supplier in the area of advanced sealing technology and works primarily with the processing industry and its subcontractors. The company develops and manufactures efficient sealing solutions, which provide secure installations with long operating times. The company offers its own products in combination with strong, international brands. In 2016, the Norwegian company All Sealing Solutions in Stavanger was acquired, giving Specma Seals interesting opportunities to grow in the Norwegian market and in the oil and gas segment. Specma Seals changed name to DENSIQ in the first quarter 2017.

LUMENRADIO (PART-OWNED)

Latour Industries AB acquired 25 per cent of the shares of LumenRadio in March 2016 via a new issue of shares and purchase of existing shares. LumenRadio develops, manufactures and sells 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. LumenRadio's technology is based on "Cognitive Coexistence" where the units scan the frequency spectrum continuously to locate and use free channels.

FOCUS IN 2017

"We will continue to acquire and develop existing holdings. When it comes to acquisitions, we are primarily looking for companies that can add strategic value to existing holdings by creating greater product breadth and geographic expansion. We will obviously continue to develop our business with a focus on growth through product development and international expansion," says Björn.

Nord-Lock Group

Nord-Lock Group is a world leader in secure bolting solutions. Thanks to its innovative products, Nord-Lock has been providing customers in all major sectors with safe, reliable and effective bolting solutions for over 35 years.



Ola Ringdahl, CEO of Nord-Lock Group.

NORD-LOCK GROUP AT A GLANCE

Nord-Lock Group focuses on customers in all major industries with high demands on quality and for whom the consequences of faulty bolted joints would be costly and could result in serious accidents. Over 90 per cent of production is exported. Sales is conducted through subsidiaries and through a global network of distributors.

IMPORTANT EVENTS IN 2016

- Continued growth with good profitability.
- Acquisition of Expander Group, which specialises in the design, manufacture and marketing of the Expander® System,

an innovative expandable pivot pin system for heavy machinery.

- Acquisition of Hydraulic Coupling Bolt, a niche product for applications in the power industry.
- Increased investment in product development and digital marketing.

TARGET ACHIEVEMENT

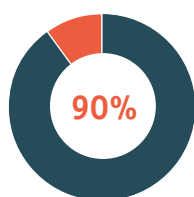
– PRIMARY FACTORS

All of the financial targets were achieved in 2016. Strong volume growth, efficiency improvement measures and exchange rate movements had a beneficial effect.

STRATEGY FOR PROFITABLE EXPANSION

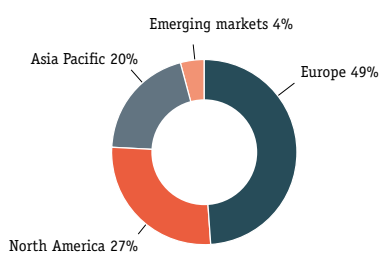
- Continued focus on innovative product development to consolidate the leading position in the niche of secure bolting solutions.
- Strengthen sales and distribution channels. Nord-Lock Group controls its own sales companies in key markets. Further development of capacity and efficiency in production and logistics processes to meet demand in a cost-effective manner.
- Acquisitions and partnerships may be made and entered into to enhance product portfolios.

DEGREE OF INTERNATIONALISATION

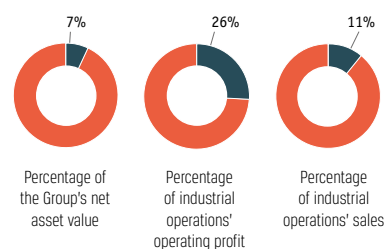


In 2016, sales outside the Nordic countries accounted for 90 per cent of total sales compared with 2015, when the corresponding figure was 91 per cent.

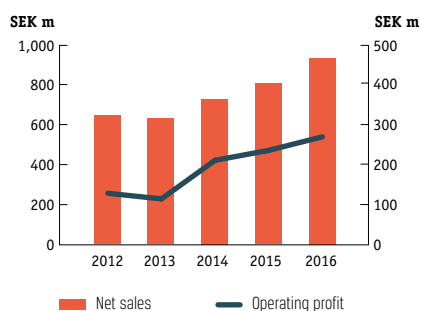
BREAKDOWN OF SALES BY MARKET



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



SALES AND EARNINGS



SALES AND EARNINGS

	2016	2015	2014	2013	2012	Latour's minimum targets
Net sales	927	797	722	624	640	>10%
(of which export)	835	763	689	591	608	
Operating profit	270	236	211	114 ¹⁾	128	
Operating capital ²⁾	877	806	590	527	521	
Operating margin, %	29.2	29.6	29.3	18.3	20.0	>10%
Return on operating capital %	30.8	34.0	38.0	22.0	23.0	15-20%
Investments	44	24	20	18	15	
Number of employees	426	372	367	382	358	

¹⁾ After restructuring costs

²⁾ Average

"Leading, innovative solutions generate more success"

Successful integration of acquisitions, new market-leading bolt-securing products and an expanding international customer base contributed to a new sharp increase in sales and continued high profitability for Nord-Lock Group in 2016. During the year, new strategic acquisitions and growth initiatives were undertaken.

Nord-Lock Group remains focused on its long-term strategy of producing high-quality secure bolting solutions for the world's most demanding applications. Thanks to the high acquisition rate over the past few years, the portfolio now comprises four world-leading brands within their respective product categories: Nord-Lock, Superbolt, Boltight and Expander System.

"We now have a very competitive offering of highly advanced bolting solutions designed to safeguard the customers' investments and, most importantly, make our everyday lives safer," says Ola Ringdahl, CEO of Nord-Lock Group.

A LEADING PORTFOLIO OF SECURITY PRODUCTS

Nord-Lock's world-leading wedge-locking washers are known internationally for their ability to secure bolted joints that are subject to excessive vibrations and dynamic loads. It is not possible for the system to accidentally come loose, because a wedge-locking effect is created underneath the bolt head or the nut.

"Tests show that Nord-Lock's wedge-locking products produce far better results than alternative products in the market. Furthermore, they are quick and easy to assemble and disassemble using standard tools. These are just some of the advantages they offer," Ola continues.

Powerful, patented, Superbolt multi-jackbolt tensioners (MJTs) are manufactured and marketed under the Superbolt brand and replace hex nuts, capsule nuts, screws, etc. An MJT is assembled together with the existing screw or stud bolt and has been

designed to eliminate risky and time-consuming bolt tightening methods. Again, only hand tools are required for assembly and disassembly of the tensioners.

Multi-jackbolt tensioners offer many advantages compared to other standard nuts and screws. They are safe, secure and easy to use and the flexibility of the tensioner and the extreme clamping strength that can be generated also ensure a superior joint.

The British company Boltight was acquired in 2015. It offers an innovative hydraulic bolt tensioning system that provides an excellent complement to Nord-Lock's portfolio. For many years, Boltight's solutions have been at the forefront when it comes to hydraulic tensioning of bolts and the company has worked collaboratively with customers to develop new, cost-effective solutions for a multitude of industrial bolting applications. Boltight enables Nord-Lock Group to offer solutions to even more customers. Since there is no universal tensioning solution for all applications, it is important to have a range of products and not just mechanical ones. Many customers want a hydraulic solution and Boltight offers them an extensive choice.

"Boltight's sales increased by over 50 per cent in 2016. The products are fantastic and of great use in for example the global power industry. The fact that sales has developed so well is a result of a long-term commitment and the opportunities afforded by being part of a larger organisation," Ola says.

EXPANDER – NEW STRATEGIC ACQUISITION

Nord-Lock Group continues to focus strongly on acquisitions. Swedish Expander System was added to its portfolio in 2016. Expander specialises in the design, manufacture and marketing of the Expander®System, an innovative expandable pivot pin system for heavy machinery and equipment within mining, construction, forestry, process industry and oil and gas.

We now have a very competitive offering of highly-advanced bolt-securing solutions.

"The Expander System technology, with its strong and adjustable pivot pins, is an excellent match for our portfolio of secure, strong and durable bolting solutions. We share many of the same customers today and look forward to positive sales synergies. I'm delighted to welcome Expander to the Nord-Lock Group," says Ola.



Nord-Lock Group produces secure bolting solutions of the highest quality for the world's most demanding applications. The portfolio comprises four world-leading brands within their respective product categories: Nord-Lock, Superbolt, Boltight and, acquired in 2016, Expander System.

The main distributor in Korea was acquired in early 2016, which means that Nord-Lock Group now has its own sales companies in most key markets. HyFit, a high-tech expansion bolt for the power generation industry, was acquired at the end of the year.

A GLOBAL AND INNOVATIVE SALES ORGANISATION

Over the past few years, Nord-Lock Group has been working with a strong focus to build and strengthen its global sales organisation. It currently has more than 25 sales companies in the key industrial markets around the world and is also represented in more than 50 countries through distributors and authorised resellers. Each sales company comprises up to 25 technical consultants who work with and train major industrial companies in each market.

"Our sales organisation gives us a great competitive advantage. Since we develop and sell unique products, we have to create our market ourselves, which is best done by helping customers understand the added value that our products provide. We develop secure bolting solutions for most of the major industrial companies all over the world, for applications such as trains, bridges, wind turbines, heavy-duty vehicles, high masts, workshop machinery and power turbines," Ola explains.

The customers get help in the initial design phase with simulation, calculations and testing of the hardware. On-site support and online training are also available. Export markets account for over 90 per cent

of Nord-Lock Group's sales. Europe is its largest market, followed by North America and Asia Pacific. The aim is to continue with geographic expansion in key industrial markets, with a focus on Asia Pacific, where sales is rising sharply.

"We are also making extensive investments in digital marketing. We are building our social media presence in many ways, including the production of our own films which play a central role there. This allows us to reach a global network of mechanical engineers within our industry, which ultimately makes it easier for our sales teams to identify new customers and create even closer customer relationships in the local markets," says Ola.

FOREFRONT OF PRODUCT DEVELOPMENT

Nord-Lock Group gives priority to effective innovation and product development in order to further strengthen its position as a technological leader. This has led to a number of successful launches and a growing patent portfolio. New development laboratories have been established during the year in Sweden and the USA. The intensive focus on product portfolio enhancement continued throughout 2016.

"We work in close partnership with our customers to find the best and safest solutions. With more products in the portfolio, we also see opportunities to combine different technologies and products to create solutions for entirely new applications. Quite simply, we want to play a role in creating a safer world," Ola says.

The safety aspect is an important competitive advantage in all customer markets. The prevention of injury and damage is high priority. Nord-Lock's products are certified to provide excellent performance for the most demanding applications, offering customers greater assurance and creating a competitive advantage for Nord-Lock.

FOCUS IN 2017

The ongoing process of expanding operations and increasing sales involves preparing Expander for growth and looking for new acquisitions and partnerships. There is a strong focus on launching innovative new products. In addition, investments continue to be made in digital marketing, with more videos, more followers and increased dialogue in social media, which creates greater awareness of Nord-Lock Group and its products.

"In just three years, we've grown our sales by nearly 50 per cent. I see the strong performance continuing in the future. We have the products, patents, customers and organisation and, most importantly, we have over 450 dedicated employees with expertise in all areas related to bolt-securing solutions and products," Ola concludes.

Swegon

Swegon maintains a clear focus on the user, creating indoor climates with pleasant temperatures and good air quality that promote well-being and comfort.



Hannu Saastamoinen, CEO of Swegon

SWEGON AT A GLANCE

Swegon supplies the market with products and efficient system solutions that promote a healthy indoor climate and contribute to lower life-cycle costs for all types of buildings. Sales and marketing activities are conducted through the Group's own sales companies and through distributors. The company has production units in Europe, North America and India.

IMPORTANT EVENTS IN 2016

- Strong sales in Sweden, in the Home Solutions business area and in North America where the GOLD concept was launched.

- Acquisition of Ruskin Air Management, a leading UK manufacturer in the Fire & Smoke sector, and bluMartin, a German niche manufacturer in the residential ventilation industry.
- Continued long-term initiatives in product development, marketing activities and support processes.

TARGET ACHIEVEMENT – PRIMARY FACTORS

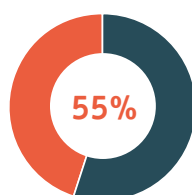
The sales target was achieved, thanks in part to acquisitions but mainly because of Swegon's focused product development initiatives and market activities which, in 2016, delivered 8 per cent organic growth.

Profitability also improved in the year to almost reach the 10 per cent target.

STRATEGY FOR PROFITABLE EXPANSION

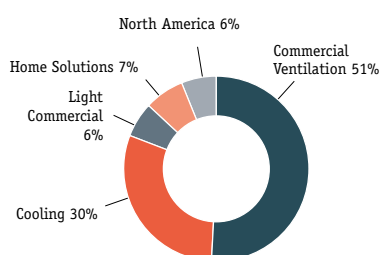
- Differentiation through market-leading, innovative system solutions for the indoor climate.
- Continue to develop its strong position in the Nordic markets.
- Consolidate its position in key European markets.
- Create platforms for future growth in expanding geographic markets and customer segments. Expansion will be achieved through acquisitions and the development of existing operations.

DEGREE OF INTERNATIONALISATION

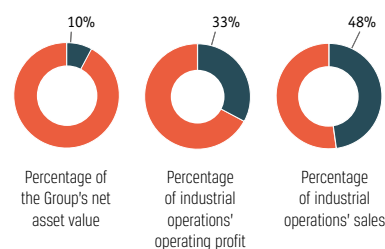


In 2016, sales outside the Nordic countries accounted for 55 per cent of total sales, which is the same as in 2015.

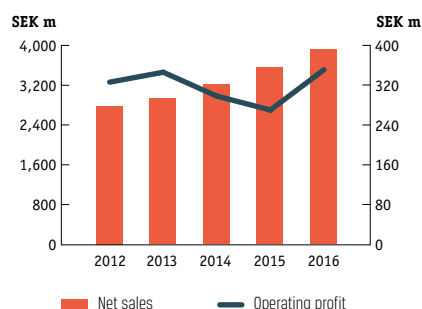
BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



SALES AND EARNINGS



SALES AND EARNINGS

	2016	2015	2014	2013	2012	Latour's minimum targets
Net sales	3,913	3,559	3,209	2,936	2,785	>10%
(of which export)	2,159	2,712	2,498	2,152	2,010	
Operating profit	351	270	298	346	326 ¹⁾	
Operating capital ²⁾	2,510	2,242	2,363	1,177	987	
Operating margin, %	9.0	7.6	9.3	11.8	11.7	>10%
Return on operating capital %	14.0	11.0	17.0	30.0	30.0	15-20%
Investments	70	53	65	56	34	
Number of employees	1,958	1,840	1,674	1,461	1,340	

¹⁾ After restructuring costs

²⁾ Average

"Continued international expansion with improved profitability"

Swegon's focused product development initiatives and market activities have created a stable growth platform. In 2016, organic growth was 8 per cent and two more acquisitions have strengthened Swegon's position in selected markets and product areas.

Swegon's operations are grouped into five business areas – Home Solutions, Light Commercial, Commercial Ventilation, Cooling and North America – to reflect specific customer needs. The determination to satisfy customer needs and deliver more than just a product is one of the strongest traits of Swegon, all the way from innovation and product development to sales and service. It is also something that the company has particularly focused on over the last few years. The sales companies in Europe are grouped into two regions; Sales Area Northern Europe and Sales Area Continental Europe.

"Since 2013, we've been working to strengthen our competitiveness by introducing more efficient processes and tools, and also to expand through acquisitions in prioritised markets and product segments. This yielded very good dividends in 2016. Organic growth was 8 per cent and the operating margin improved significantly to 9 per cent. What was particularly gratifying was that all the business areas contributed to the growth and improved their positions in the marketplace," says Hannu Saastamoinen, CEO of Swegon.

POWERFUL DRIVING FORCES IN SWEGON'S MARKET

The market for ventilation and indoor climate solutions is growing at a slightly faster rate than the construction industry as a whole. This is due to opportunities provided by innovative new technology to cut heating, ventilation and air conditioning costs, which account for a large share of the properties' daily running expenses. It is also due to the huge demand for better ventilation systems in many older buildings.

"Looking ahead, there are three outstanding factors that will primarily drive demand for our products and solutions.

They're concerned with a growing need to reduce energy and harmful carbon dioxide emissions, to improve people's well-being through better indoor air quality, and to meet the wishes of property owners for lower running costs and higher property values," Hannu explains.

The fact that properties account for 40 per cent of annual energy consumption in Europe means that Swegon's energy-efficient solutions have great potential to deliver environmental and economic benefits. Moreover, there is an increasing focus on healthy indoor environments, which makes sense considering the amount of time we spend indoors and the consequences of poor air quality on our health.

"We are quickly realising what good air quality and a pleasant indoor climate means to our well-being and ability to perform. The fact that poor air is detrimental to health and that inadequate ventilation can lead to allergies, fatigue and illness is of great concern considering the amount of time we spend indoors," Hannu points out.

CUSTOMER EMPATHY

The internationally cutting-edge technology that Swegon creates is always centred on the needs and perspectives of the property owners and the users – it's not done just for the sake of it. "Customer Empathy" is therefore one of Swegon's core values that everyone in the company lives by.

"We want to know how our customers think and what their needs are today and tomorrow, so that we can develop the right kind of solutions to meet these needs," Hannu goes on to say.

Swegon comes into contact with lots of different customer groups with vastly differing needs. The consultants that specify the projects want top-quality, highly innovative products that are safe and easy to understand. The installers are looking for

simple, straightforward products that are easily and quickly available. The end users who will be occupying and using the properties where Swegon's products and systems are installed want a healthy indoor climate with good air quality. Finally, the property owners want value for their investment and appreciate it if Swegon's products add something extra to the interior of the buildings.

Organic growth was 10 per cent in 2016. What was particularly gratifying was that all the business areas contributed to the growth and improved their positions in the marketplace.

"Naturally, such a complex customer mix presents us with challenges, but also provides greater opportunities to develop solutions with higher overall value. We're involved at every stage of the project's value chain and interact with all the stakeholders who are affected by our solution," Hannu continues.



Swegon is "The indoor climate company". The multinational Spanish banking group, BBVA, has its head office in Madrid. The indoor climate of the iconic building was designed by Swegon and comprises 7,500 PARASOL Comfort modules, 600 PACIFIC climate baffles and 70 GOLD air handling units.

SWEGON – THE INDOOR CLIMATE COMPANY

Swegon's product portfolio contains industry-leading air handling units, water and air borne climate systems, data cooling products, chillers, fans, heat pumps, fire and smoke dampers, and flow control and acoustics products for all kinds of buildings. In recent years, the company's pace of innovation has been high, with concepts like the WISE system and GOLD units helping to set a new standard in the industry.

"We have started to change the entire indoor climate solution industry. Quite simply, we offer the best technologies and intend to remain at the forefront of developments," Hannu says.

By linking different "intelligent products" together, the focus is increasingly targeted at the creation of system concepts that are simple to design, install and operate and which work best in different environments. Swegon has long experience of constructing ventilation and indoor climate systems and is still one of the few suppliers able to do so. In 2016, the system concept was developed and further adapted for various applications for use in offices, hotels and retail outlets.

"We provide customers with a complete system that optimises operation, energy consumption and the indoor climate according to the specific needs of the customer. This is our long-term market approach," says Hannu.

Three different systems were recently launched, all based on targeted product development with a focus on digitalisation. Swegon Connect is a commercial ventilation cloud service that uses the latest technology for simple, remote monitoring of systems. New WISE for demand-controlled ventilation uses revolutionary wireless communication technology that delivers significant savings in installation and running costs. Everything operates wirelessly and digitally via a web interface that gives the system considerable flexibility when changes occur. The Blueeye system, developed for cooling applications, generates e-mails and text messages on the status of the devices and sends an alert if a problem arises. The system can be integrated with service, operational efficiency and other types of services.

FOCUS ON STRONGHOLDS

It is also important not to do everything for everyone, but rather focus on individual markets and segments where Swegon has great growth potential. The fact is that during the six years in which sales have almost

doubled, Swegon has concentrated on the sales organisation. Close proximity to customers is key, as is the ability to meet the needs of the different customer groups in each market. In Germany, for instance, Swegon has increased sales from EUR 15 m to EUR 63 m in four years with this targeted focus. We see similar growth in other major HVAC markets where Swegon has built up strong positions.

"Growth has mainly been acquisition-driven since 2009. The high organic growth in 2016 indicates a break in the trend for our business and sets our ambitions even higher," says Hannu.

INCREASING CONSOLIDATION

Of course a market with good growth opportunities attracts capital from new investors. This trend accelerated in 2016, with venture capital companies continuing to invest in the market and large and medium-sized ventilation and indoor climate companies increasing their business acquisition rate. Some of the HVAC market segments, such as Cooling and Heating, are starting to become relatively well-consolidated. Commercial Ventilation, Swegon's largest segment, remains relatively fragmented, even though it was one of the segments that accounted for the majority of the business transactions in 2016.

"Although we've acquired no less than ten companies since 2013, we must continue to be active in current consolidation in the market. It is important to be selective, however, and choose profitable companies with a management and culture that matches Swegon's business model," Hannu says.

RAPID INTERNATIONAL EXPANSION

Swegon's geographic exposure has changed dramatically in recent years, from a focus on just the Swedish market to investments in prioritised areas and segments in Europe. Furthermore, it is making a long-term commitment in the North American market, made possible through the acquisition and successful integration of the Canadian company Vibro-Acoustics. Swegon's international expansion also includes additions to its product portfolio through acquisitions of innovative product manufacturers in attractive niches.

"The acquisitions of the British company Ruskin Air Management and the German company bluMartin in 2016 have not only bolstered our positions in two key markets but have also enabled us to enhance our portfolio with an innovative niche air treat-

ment product plus Fire & Smoke products, giving us 40 per cent of a growth market in the UK," Hannu says.

In the 2014–2015 period, Swegon invested heavily in product development, the business areas and IT. Employee numbers and sales had doubled in a short space of time and the goal was to get the entire organisation running as efficiently as possible and to pave the way for continued growth. We are now reaping the rewards of these investments. As well as high organic growth, Swegon today has a platform that makes it easier to integrate new acquisitions and increase profitability.

A VALUES-DRIVEN ORGANISATION

Swegon works conscientiously to create a stimulating workplace environment and ensure that relevant expertise is available. The company regularly holds courses for its employees at the Swegon Knowledge Center and runs the Swegon Air Academy, which is an independent knowledge platform for indoor climate. Alongside its acquisition and expansion activities, the company has established a strong values system in which the values Customer Empathy and Trust & Commitment help to bond employees together and ensure that all new people and cultures are embraced.

"The values form the basis of our work on building The Indoor Climate Company. Ultimately, it's about walking the talk, with the values as benchmarks, both as an organisation and as an individual," Hannu says in closing.

FOCUS IN 2017

Swegon will continue to grow organically in all its key markets and, at the same time, ensure continued growth in its recently acquired companies, such as Lemmens, Ruskin Air and bluMartin. In addition, it will focus on successful launches of the latest innovations like the new Wise and the next generation of GOLD. Swegon's investment in skills development remains a top priority to ensure it is able to attract, retain and develop the best talent in the HVAC industry.





Investment portfolio

ASSA ABLOY 44	Securitas 50
Fagerhult 45	Sweco 51
HMS Network 46	Tomra 52
Loomis 47	Troax 53
Nederman 49	

Important events in 2016

- » The investment portfolio had a market value of SEK 41.2 billion (39.1) at year-end.
- » The total return on the investment portfolio was 10.2 per cent. This can be compared with 9.7 per cent for the SIXRX. Together Fagerhult, Sweco and Troax posted a total return of more than 50 per cent.
- » Income from portfolio management in 2016 totalled SEK 2,761 m (3,430).
- » The dividends from the investment portfolio in the spring of 2016 are expected to total SEK 863 m (767).
- » Sale of all class B shares in Loomis and increased shareholding in Tomra.

Active owner in **nine** companies

in a portfolio worth more than SEK 41 billion

Latour's investment portfolio consists of nine companies where Latour is the principal owner or one of the principal owners and where Latour controls at least 10 per cent of the voting rights. The work is goal-oriented with low central management costs.

MARKET VALUE AND TOTAL RETURN

The market value of Latour's holdings at the end of 2016 was SEK 41.2 billion. The return was 10.2 per cent in 2016, adjusted for dividends. This can be compared with 9.7 per cent for Nasdaq OMX Stockholm (SIXRX).

PROFIT OF SEK 2.8 BILLION

Income from portfolio management in 2016 totalled SEK 2,761 m (3,430). Apart from underlying improvements in earnings, the increase is attributable to capital gains from the sale of all class B shares in Loomis.

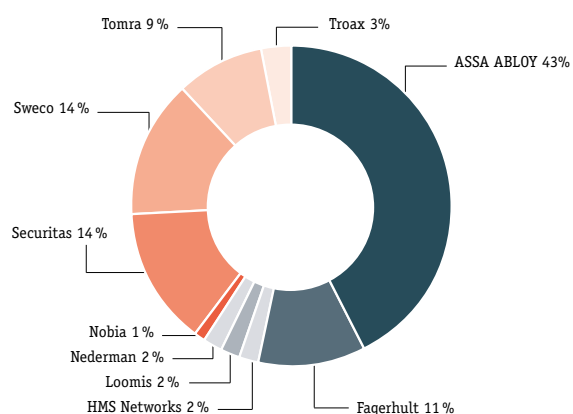
NEW RECORD LEVEL DIVIDENDS

The dividends from the investment portfolio in the spring of 2017 are expected to total SEK 863 m, in accordance with the proposals of each respective board. This is an increase of 17 per cent for comparable portfolios.

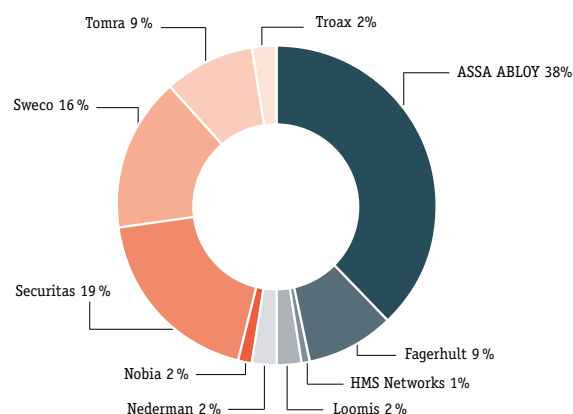
CHANGES IN THE PORTFOLIO

All class B shares in Loomis were sold at the start of the year. Latour remains one of the principal owners in the company with an unchanged holding of class A shares that accounts for 23.8 per cent of voting rights and 3.4 per cent of equity. In 2016, additional shares were acquired in Tomra, the Norwegian recycling Group, which increased the shareholding to 25.9 per cent of equity at year-end.

BREAKDOWN OF INVESTMENT PORTFOLIO'S VALUE



PERCENTAGE OF RECEIVED DIVIDENDS



INVESTMENT PORTFOLIO

Share	Number	Market value ¹⁾ SEK m	Listed price ¹⁾ SEK	Cost SEK m	Dividend SEK m	Voting rights ²⁾ %	Equity ³⁾ %
ASSA ABLOY ⁴⁾	105,495,729	17,839	169	1,697	280	29.5	9.5
Fagerhult ⁵⁾	18,620,400	4,348	234	571	65	49.1	48.3
HMS Networks ⁵⁾	3,027,322	920	304	250	8	25.9	25.9
Loomis ⁴⁾	2,528,520	685	271	44	18	23.8	3.4
Nederman ⁵⁾	3,512,829	657	187	306	18	30.1	30.0
Nobia	4,649,894	395	85	94	12	2.8	2.7
Securitas ⁴⁾	39,732,600	5,698	143	1,081	139	29.6	10.9
Sweco ⁴⁾	32,622,480	5,879	180	480 ⁷⁾	114	21.0	26.7
Tomra ⁵⁾	38,311,000	3,654	91 (NOK)	1,934	66	26.0	25.9
Troax ⁵⁾	6,020,000	1,168	194	397	18	30.1	30.1
Total		41,243		6,854	737		

¹⁾ Latest market price paid.

²⁾ Percentage of voting rights, not including repurchased shares.

³⁾ Percentage of equity calculated on total number of issued shares.

⁴⁾ Due to limited trading in class A shares in Sweco, and because ASSA ABLOY, Loomis and Securitas class A shares are unlisted, they have been given the same listed price as the company's class B shares. In those cases where the holding consists of both class A and class B shares, they are reported in the table as an entity.

⁵⁾ Reported as associated companies in the balance sheet.

⁶⁾ At the end of December 2016, 90,000 shares were on loan and are thus not included in Latour's share of voting rights.

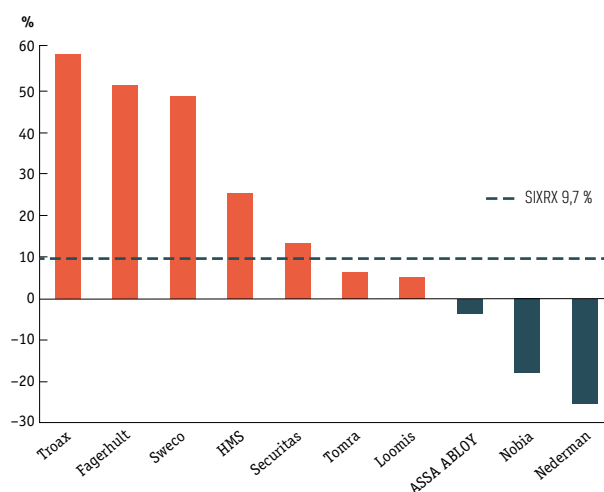
⁷⁾ The cost of the class B shares in the Group are SEK 34 m higher than in the parent company through the use of a call option.

⁸⁾ SEK according to the annual accounts exchange rate of 1.054.

NET CHANGE IN LATOUR'S INVESTMENT PORTFOLIO IN 2016

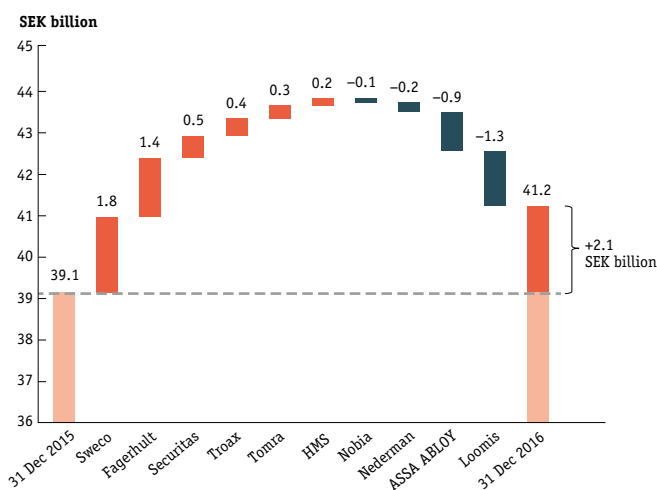
Share	Number 1 Jan 2016	Purchase	Sale	Number 31 Dec 2016
Loomis B	5,009,808		5,009,808	0
Tomra	36,560,000	1,751,000		38,311,000

TOTAL RETURN OF THE INVESTMENT PORTFOLIO FOR 2016



The total return, including share price growth and dividend, for each portfolio company compared with the SIXRX benchmark index in 2016.

MOVEMENTS IN INVESTMENT PORTFOLIO VALUES FOR 2016



Movements in investment portfolio values for 2016 (SEK billion). These figures do not include dividend payments.

Movements in value also reflect transactions during the year.

ASSA ABLOY

ASSA ABLOY is the world's largest supplier of intelligent lock and security solutions. State-of-the-art technologies and tried-and-tested methods are used to develop innovative solutions that create added value for the customers through enhanced security, reliability and user-friendliness in both mature and new markets.

Since ASSA ABLOY was founded in 1994, it has grown from a regional company into an international Group with approximately 46,000 employees and sales of SEK 71.2 billion in 2016. ASSA ABLOY is represented all over the world and has leading positions across most of Europe, North and South America, Asia and Oceania.

2016 HIGHLIGHTS

ASSA ABLOY's sales rose 5 (20) per cent in 2016 to SEK 71.2 billion. Operating profit and earnings per share increased by 2 (20) per cent. Organic growth was 2 (4) per cent. A total of 13 acquisitions were consolidated during the year. With an annual turnover of approximately SEK 2,350 m, they contribute about 3.5 per cent of sales.

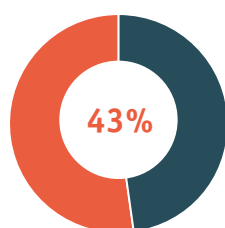
A new three-year global restructuring programme of approximately SEK 1,600 m, with an expected repayment term of three years, was launched at the end of the year.

The Board of Directors proposes a dividend payout of SEK 3.00 per share for the 2016 financial year. This is an increase of 13 per cent.

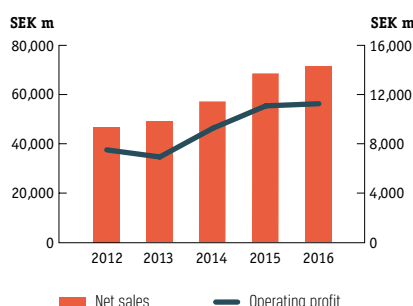


SHARE OF LATOUR'S
TOTAL NET ASSET VALUE **32 %**

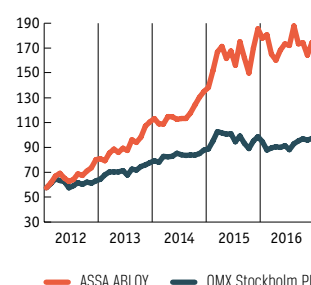
PERCENTAGE OF LATOUR'S PORTFOLIO OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH ASSA ABLOY



KEY RATIOS

ASSA ABLOY	Full year 2016	Full year 2015
Net sales, SEK m	71,293	68,099
Operating profit ¹⁾ , SEK m	11,254	11,079
Operating margin ¹⁾ , %	15.8	16.3
Profit after net financial items ¹⁾ , SEK m	10,549	10,382
Earnings per share ¹⁾ , SEK	7.09	6.93
Equity ratio, %	49.6	48.2
Dividend per share ²⁾ , SEK	3.00	2.65
Equity per share, SEK	42.51	37.37
Market value on 31 December, SEK m	188,137	198,039

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	3.1
EV/EBIT	19.8
P/E ratio	25.3
Net debt/EBIT	2.1

³⁾ Calculation based on final share price at 23 February 2017. Excluding items impacting comparability.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	A	B	Total number	% of shares	% of voting rights
Investment AB Latour	41,595,729	63,900,000	105,495,729	9.5	29.5
Melker Schörling AB	15,930,240	26,882,608	42,812,848	3.8	11.4
Capital Group Funds		61,102,175	61,102,175	5.5	3.8
BlackRock Inc.		53,719,714	53,719,714	4.8	3.3
Swedbank Robur Funds		45,090,491	45,090,491	4.1	2.8
Fidelity		36,676,468	36,676,468	3.3	2.3
Norges Bank		32,476,549	32,476,549	2.9	2.0
Government of Singapore		27,958,806	27,958,806	2.5	1.7
Alecta Pensionsförsäkring		27,145,000	27,145,000	2.4	1.7
AMF Försäkring & Fonder		24,827,571	24,827,571	2.2	1.5
Other shareholders		653,470,983	653,470,983	58.7	40.1
Repurchased shares		1,800,000	1,800,000	0.2	—
Total	57,525,969	1,055,050,365	1,112,576,334	100.0	100.0

Chairman of the Board: Lars Renström

President and CEO: Johan Molin

Board members connected to Latour: Carl Douglas, Jan Svensson

www.assaabloy.com

Fagerhult

Fagerhult is one of Europe's leading lighting companies with subsidiaries in more than 24 countries in four geographic business areas. The company develops, manufactures and markets innovative and energy-efficient lighting solutions for professional settings in three main products areas – Indoor, Retail and Outdoor. The store, brands and customers are usually local and the operations are therefore conducted locally through a number of companies with robust brands. Products are also sold via agents and distributors. Along with local activities, this gives access to about 40 markets. Manufacturing is based in facilities in Europe, Africa, Asia and Australia.

2016 HIGHLIGHTS

2016 was another robust year for Fagerhult. New records were set for order intake, net sales, operating profit and earnings per share.

Double-figure growth rates for net sales were reported in the business areas of North Europe, the UK and Ireland, and Africa, Asia and Australia.

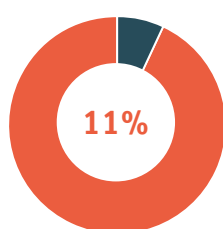
The German company LED Linear, which specialises in LED lighting, was acquired in March and an agreement was signed in December for the acquisition of the German company WE-EF, which manufactures fittings for outdoor lighting.

The Board of Directors recommends a 3:1 share split and a dividend payout of SEK 4.50 per share for the 2016 financial year.

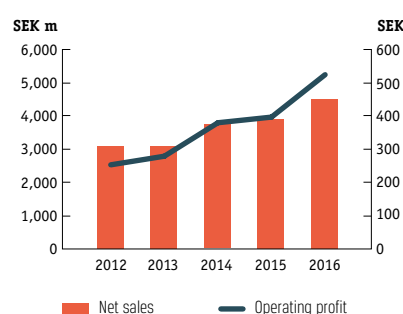


SHARE OF LATOUR'S
TOTAL NET ASSET VALUE **8%**

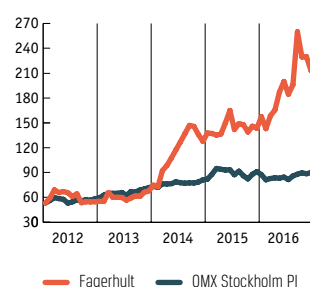
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH FAGERHULT



KEY RATIOS

FAGERHULT	Full year 2016	Full year 2015
Net sales, SEK m	4,491	3,909
Operating profit ¹⁾ , SEK m	545	396
Operating margin, %	11.7	10.1
Profit after net financial items, SEK m	515	377
Earnings per share, SEK	10.04	7.62
Equity ratio, %	34.0	38.0
Dividend per share ²⁾ , SEK	4.50	3.50
Equity per share, SEK	42.89	37.96
Market value on 31 December, SEK m	9,001	6,072

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	Total number	% of shares	% of voting rights
Investment AB Latour	18,620,400	48.3	48.8 ⁴⁾
SSB CL Omnibus AC	3,145,597	8.2	8.3
Fam Svensson, Family, foundation and companies	2,836,875	7.4	7.5
Lannebo Funds	2,470,274	6.4	6.5
Robur Småbolagsfond	1,535,756	4.0	4.0
SEB Funds	1,107,248	2.9	2.9
Palmstierna Family	1,006,200	2.6	2.7
Nordea Fonder	750,948	1.9	2.0
Swedish National Pension Fund	590,589	1.5	1.6
NTC Fidelity Funds	590,203	1.5	1.6
Other shareholders	5,285,233	13.7	14.2
Repurchased shares	610,677	1.6	–
Total	38,550,000	100.0	100.0

⁴⁾ 90,000 shares are on loan and Latour therefore has no voting rights for these shares.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	2.8
EV/EBIT	23.3
P/E ratio	28.6
Net debt/EBIT	2.2

³⁾ Calculation based on final share price at 23 February 2017.

Excluding items impacting comparability.

Chairman of the Board: Jan Svensson

President and CEO: Johan Hjertsonsson

Board members connected to Latour: Eric Douglas, Jan Svensson

www.fagerhultgroup.com

HMS Networks

HMS Networks is a world-leading supplier of communication technologies for industrial automation. More than 90 per cent of its sales are outside of Sweden to some 60 countries in all. Its development operations and some of its production are located at the head office in Halmstad in Sweden. It has sales offices in Japan, China, Germany, the USA, Italy, France, India, the UK, Switzerland and Finland. HMS Networks markets network cards and gateways under the Anybus® and IXXAT® brands as well as products for remote surveillance under the eWon® brand. It generated sales of SEK 952 m in 2016 and had approximately 450 employees.

2016 HIGHLIGHTS

It continued to report strong growth in sales, with a 36 per cent increase to SEK 952 m. The operating margin was 16 (14) per cent. The products of the Anybus®, eWon® and IXXAT® brands achieved higher than expected growth.

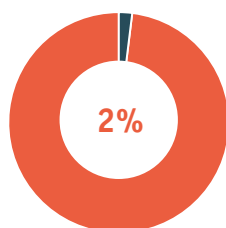
Two acquisitions made during the year were the Belgian company eWON, a market leader in remote surveillance and control, and the Spanish company Intesis Software, which supplies gateway solutions and communication products for use in building automation. The Board of Directors proposes a dividend payout of SEK 4.00 per share for the 2016. This is an increase of 60 per cent.



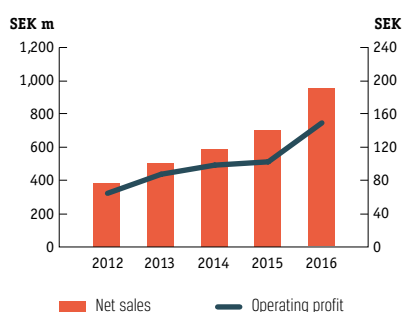
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

2%

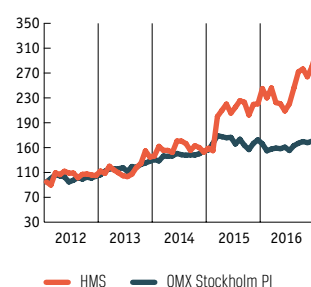
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH HMS



KEY RATIOS

HMS	Full year 2016	Full year 2015
Net sales, SEK m	952	702
Operating profit, SEK m	149	102
Operating margin, %	15.7	14.5
Profit after net financial items, SEK m	140	88
Earnings per share, SEK	8.59	5.33
Equity ratio, %	45.4	54.9
Dividend per share ¹⁾ , SEK	4.00	2.50
Equity per share, SEK	46.90	38.88
Market value on 31 December, SEK m	3,558	2,774

¹⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	5.2
EV/EBIT	33.0
P/E ratio	44.6
Net debt/EBIT	2.5

²⁾ Calculation based on final share price at 23 February 2017.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	Total number	% of shares	% of voting rights
Investment AB Latour	3,027,322	25.9	25.9
Staffan Dahlström with companies	1,617,073	13.8	13.9
Lannebo Funds	1,104,349	9.4	9.5
Swedbank Robur Funds	1,089,194	9.3	9.3
SEB Funds	902,706	7.7	7.7
AP4	493,054	4.2	4.2
Serge Bassem, Pierre Crokaert	382,317	3.3	3.3
AMF Försäkring & Fonder	231,414	2.0	2.0
Eklund & Peterson AB	184,522	1.6	1.6
HMS Management	151,234	1.3	1.3
Other shareholders	2,490,532	21.3	21.3
Repurchased shares	31,000	0.3	—
Total	11,322,400	100.0	100.0

Chairman of the Board: Charlotte Brogren

President and CEO: Staffan Dahlström

Board members connected to Latour: Anders Mörck

www.hms.se

Loomis

Loomis offers secure and efficient end-to-end solutions for the distribution, management, storage and recycling of cash and other valuables. Its customers are banks, distributors and other companies. It offers service solutions for cash in transit, cash management and international valuables logistics. Cash in transit remains its main source of income, but a growing part of its profits is generated through cash management services. Loomis has a strong international presence, with approximately 400 local offices in over 20 countries. Loomis employs about 23,000 people and generated sales of SEK 16.8 billion in 2016.

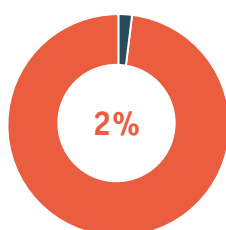
2016 HIGHLIGHTS

Sales rose 5 per cent to SEK 16.8 billion which is close to the target of SEK 17 billion in sales by 2017. Efficiency enhancements, increased share of revenues from cash management, and a strong sale of SafePoint in the USA resulted in further improvement in profitability. The operating margin improved to 11.2 (10.6) per cent, which is within the target range of 10–12 per cent. The Board of Directors proposes a dividend payout of SEK 8.00 per share for the 2016 financial year. This is an increase of 14 per cent.

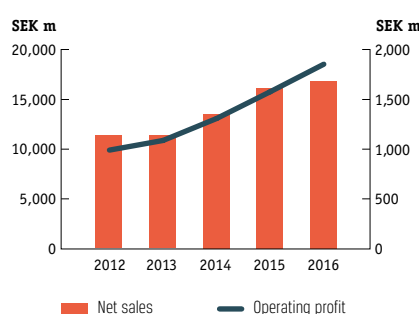


SHARE OF LATOUR'S
TOTAL NET ASSET VALUE **1%**

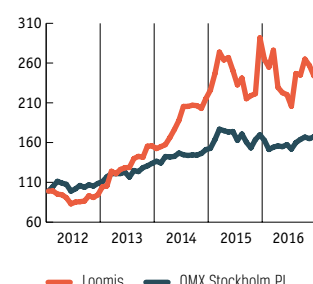
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH LOOMIS



KEY RATIOS

LOOMIS	Full year 2016	Full year 2015
Net sales, SEK m	16,800	16,097
Operating profit ¹⁾ , SEK m	1,852	1,575
Operating margin, %	11.2	10.6
Profit after net financial items, SEK m	1,735	1,461
Earnings per share, SEK	16.73	14.21
Equity ratio, %	44.7	40.5
Dividend per share ²⁾ , SEK	8.00	7.00
Equity per share, SEK	88.36	77.67
Market value on 31 December, SEK m	20,408	19,912

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	1.5
EV/EBIT	13.1
P/E ratio	16.2
Net debt/EBIT	2.1

³⁾ Calculation based on final share price at 23 February 2017. Excluding items impacting comparability.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	A	B	Total number	% of shares	% of voting rights
Investment AB Latour	2,528,520	0	2,528,520	3.4	23.8
Melker Schörling AB	900,000	0	900,000	1.2	8.5
State Street Bank & Trust Com., Boston		8,015,163	8,015,163	10.6	7.6
SSB Client Omnibus AC OM07		6,838,701	6,838,701	9.1	6.4
Didner & Gerge Funds		2,143,869	2,143,869	2.8	2.0
Swedbank Robur Funds		2,003,091	2,003,091	2.7	1.9
SEB Investment Management		1,991,985	1,991,985	2.6	1.9
Blackrock Global Funds		1,607,423	1,607,423	2.1	1.5
Norges bank		1,504,143	1,504,143	2.0	1.4
Canadian Treaty Clients Account		917,927	917,927	1.2	0.9
Other shareholders		46,775,210	46,775,210	62.1	44.1
Repurchased shares		53,797	53,797	0.1	–
Total	3,428,520	71,851,309	75,279,829	100.0	100.0

Chairman of the Board: Alf Göransson

President and CEO: Patrik Andersson

Board members connected to Latour: Jan Svensson

www.loomis.com



Nederman

Nederman is a world-leading supplier of environmental technology products and systems with a focus on air filtering and recycling. Its solutions help reduce environmental impacts from industrial production, create a clean and safe work environment and improve production efficiency. Its offering includes everything from planning to installation, commissioning and service. Its products are marketed through its own subsidiaries in 30 countries and distributors in a further 30 countries or so. Development and production activities are conducted in its own manufacturing and assembly facilities in Europe, North America and Asia. Nederman has about 1,800 employees and generated sales of SEK 3.1 billion in 2016.

2016 HIGHLIGHTS

The Group reported stable profitability in 2016. The adjusted operating profit fell slightly to SEK 250.3 m to give an operating margin of 8.1 (8.2) per cent. Earnings per share were up 26 per cent to SEK 14.72.

Sales decreased by 4 per cent to SEK 3.1 billion in 2016. Growth was affected by the uncertainty surrounding major project in the Americas and APAC operating segments, which had an adverse impact on the order intake. EMEA posted organic growth for the year.

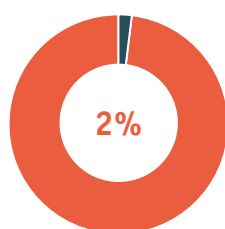
The Board of Directors proposes a dividend payout of SEK 5.50 per share for the 2016 financial year. This is an increase of 10 per cent.



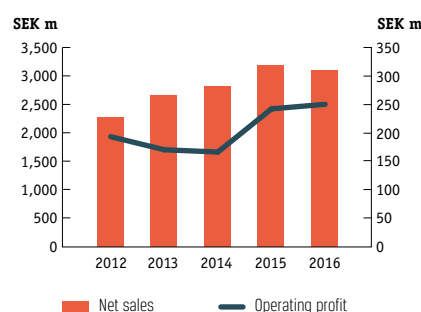
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

1%

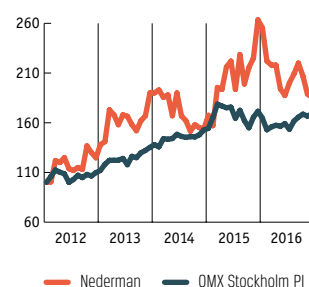
PERCENTAGE OF LATOUR'S PORTFOLIO OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH NEDERMAN



KEY RATIOS

NEDERMAN	Full year 2016	Full year 2015
Net sales, SEK m	3,107	3,198
Operating profit, SEK m	250	263
Operating margin, %	8.1	8.2
Profit after net financial items, SEK m	232	215
Earnings per share, SEK	14.7	13.0
Equity ratio, %	37.0	32.6
Dividend per share ¹⁾ , SEK	5.50	5.00
Equity per share, SEK	84.08	71.45
Market value on 31 December, SEK m	2,191	2,993

¹⁾ Proposed dividend for 2016.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	Number Total	% of shares	% of voting rights
Investment AB Latour	3,512,829	30.0	30.1
Lannebo Fonder Micro Cap	1,246,168	10.6	10.7
Ernstström Kapitalpartner	1,175,000	10.0	10.1
IF Skadeförsäkringar AB	1,160,400	9.9	9.9
Swedbank Robur Funds	877,643	7.5	7.5
AP4	557,206	4.8	4.8
Lannebo Fonder Micro Cap II	511,114	4.4	4.4
Fondita Nordic Micro Cap	400,000	3.4	3.4
Ntc Un Joint Staff	239,605	2.0	2.1
Handelsbanken Funds	238,157	2.0	2.0
Other shareholders	1,763,218	15.1	15.1
Repurchased shares	34,000	0.3	—
Total	11,715,340	100.0	100.0

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	2.8
EV/EBIT	12.6
P/E ratio	15.3
Net debt/EBIT	2.1

²⁾ Calculation based on final share price at 23 February 2017.

Chairman of the Board: Jan Svensson

President and CEO: Sven Kristensson

Board members connected to Latour: Jan Svensson

www.nederman.se

Securitas

Securitas is a leading company in the security sector with operations in North America, Europe, Latin America, the Middle East, Asia and Africa. The organisation, which is flat and decentralised, has 340,000 employees in 53 countries.

Securitas has both large and small customers in many different industries and customer segments. Security solutions based on customer specific needs are created using different combinations of stationary, mobile and remote monitoring, electronic security, fire protection and security solutions, as well as risk management for companies.

2016 HIGHLIGHTS

Securitas' sales rose 9 per cent to SEK 88.2 billion and organic sales growth was 7 (5) per cent. The operating profit before depreciation and amortisation increased by 11.4 per cent and the operating margin rose to 5.2 (5.1) per cent.

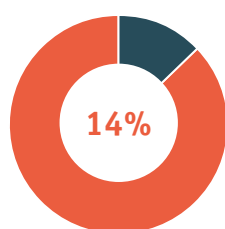
Sales of security solutions and technology increased by 56 (38) per cent to SEK 14.1 (9.3) billion. Securitas believes the outlook is good for continued robust growth in this key strategic area in the years ahead and that it will account for a significant percentage of sales in the future.



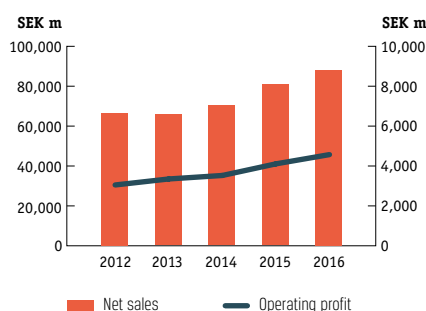
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

10%

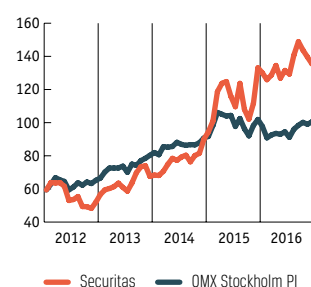
PERCENTAGE OF LATOUR'S PORTFOLIO OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH SECURITAS



KEY RATIOS SECURITAS

	Full year 2016	Full year 2015
Net sales, SEK m	88,162	80,860
Operating profit ¹⁾ , SEK m	4,554	4,089
Operating margin, %	5.2	5.1
Profit after net financial items, SEK m	3,764	3,476
Earnings per share, SEK	7.24	7.28
Equity ratio, %	30.0	30.8
Dividend per share ²⁾ , SEK	3.75	3.50
Equity per share, SEK	39.74	34.32
Market value on 31 December, SEK m	52,349	47,458

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	0.7
EV/EBIT	13.8
P/E ratio	16.8
Net debt/EBIT	2.9

³⁾ Calculation based on final share price at 23 February 2017. Excluding items impacting comparability.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	A	B	Total number	% of shares	% of voting rights
Investment AB Latour	12,642,600	27,190,000	39,832,600	10.9	29.6
Melker Schörling with companies and family	4,500,000	15,241,800	19,741,800	5.4	11.6
AMF Försäkring & Fonder		14,216,020	14,216,020	3.9	2.7
Prudential assurance Co Ltd		9,731,436	9,731,436	2.7	1.9
Swedbank Robur Funds		9,041,586	9,041,586	2.5	1.7
SEB Investment Management		7,263,760	7,263,760	2.0	1.4
Norges Bank		6,795,628	6,795,628	1.9	1.3
Banque Internationale, Luxembourg SA		6,460,000	6,460,000	1.8	1.2
Clearstream Banking S.A.		5,839,299	5,839,299	1.6	1.1
Standard Life Assurance Ltd.		5,509,535	5,509,535	1.5	1.1
Other shareholders		240,627,233	240,627,233	65.9	46.3
Repurchased shares		0	0	0.0	—
Total	17,142,600	347,916,297	365,058,897	100.0	100.0

Chairman of the Board: Marie Ehrling

President and CEO: Alf Göransson

Board members connected to Latour: Carl Douglas, Anders Böös

www.securitas.com

Sweco

Sweco plans and designs the communities and cities of the future. Its work produces sustainable buildings, efficient infrastructure and access to electricity and clean water.

With 14,500 employees in Europe, Sweco offers its customers the right expertise for every situation. The company carries out projects in 70 countries annually.

Sweco is Europe's leading engineering and architecture consultancy, with sales of approximately SEK 16.5 billion in 2016.

2016 HIGHLIGHTS

Net sales rose 45 per cent to SEK 16.5 billion. Acquired growth was 42 per cent.

Operating profit excluding extraordinary items rose to SEK 1,482 (991) m. This increase is primarily due to the integration of Grontmij. Synergies are expected to be 20 per cent higher and achieved faster than initially announced.

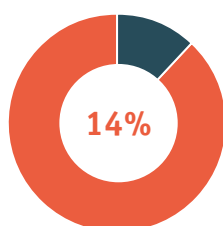
Sweco has completed some 100 acquisitions in the last decade. The acquisition of Grontmij in late 2015, with an annual turnover of approximately SEK 6 billion and some 6,000 employees has made Sweco Europe's leading engineering and architecture consultancy.



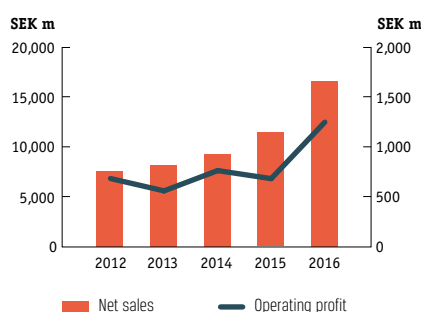
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

11%

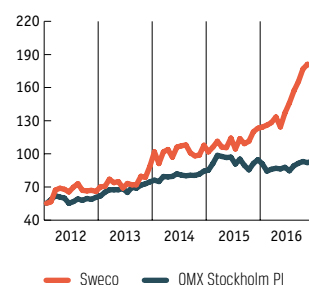
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH SWECO



KEY RATIOS

SWECO	Full year 2016	Full year 2015
Net sales, SEK m	16,531	11,389
Operating profit ¹⁾ , SEK m	1,482	681
Operating margin, %	7.6	6.0
Profit after net financial items, SEK m	1,216	640
Earnings per share, SEK	7.78	4.36
Equity ratio, %	39.3	39.0
Dividend per share ²⁾ , SEK	4.30	3.50
Equity per share, SEK	45.37	40.98
Market value on 31 December, SEK m	21,981	15,046

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	1.6
EV/EBIT	17.3
P/E ratio	21.3
Net debt/EBIT	1.1

³⁾ Calculation based on final share price at 23 February 2017. Excluding items impacting comparability.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	A	B	C	Total number	% of shares	% of voting rights
G Nordström family	5,948,808	10,553,778		16,502,586	13.5	32.7
Investment AB Latour	1,375,605	31,246,875		32,622,480	26.7	21.0
J. G. Richert Foundation	1,991,260	67,832		2,059,092	1.7	9.3
NN Group		6,129,130		6,129,130	5.0	2.9
Odin Funds		4,938,445		4,938,445	4.0	2.3
Swedbank Robur Funds		4,049,923		4,049,923	3.3	1.9
Lannebo Funds		3,936,282		3,936,282	3.2	1.8
SEB Investment Management		3,364,268		3,364,268	2.8	1.6
JPMorgan Chase		2,517,029		2,517,029	2.1	1.2
Anders Ohman	200,000	200,000		400,000	0.3	1.0
Other shareholders	1,018,058	42,016,977		43,035,035	35.3	24.4
Repurchased shares		1,529,549	900,000	2,429,549	2.0	—
Total	10,533,731	110,550,088	900,000	121,983,819	100.0	100.0

Chairman of the Board: Johan Nordström

President and CEO: Tomas Carlsson

Board members connected to Latour: Anders G. Carlberg

www.swecogroup.com

Tomra

Tomra is a world leading company in sorting and recycling technologies. The company was founded in Norway in 1972. Today it has about 2,800 employees and operations in more than 80 countries all over the world.

Tomra's products and services are offered in two main business areas: Tomra Collection Solutions and Tomra Sorting Solutions.

Tomra Collection Solutions comprise solutions for automated collection of deposit bottles. Tomra Sorting Solutions offers sensor-based technology for efficient sorting processes, for example in the food industry, mining industry and for recycling purposes.

2016 HIGHLIGHTS

Tomra continued to expand in 2016. Net sales rose 8 per cent to NOK 6,610 m. Tomra Collection Solutions grew by 7 (35) per cent, and Tomra Sorting Solutions' sales increased by 9 (21) per cent. Growth was approximately 4 and 5 per cent respectively when adjusted for foreign exchange effects.

EBITA was up by 10 per cent to NOK 1,119 m and the EBITA margin rose to 17 (17) per cent.

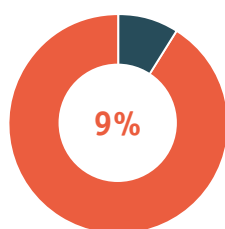
The New Zealand company Compac Holding was acquired at the end of the year. The company is a global leader in the manufacture and supply of sorting solutions and equipment for the fresh produce segment and generates annual sales of approximately NOK 900 m.



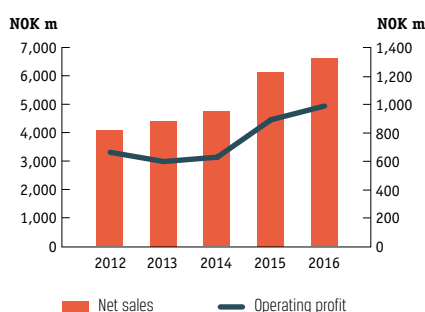
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

7%

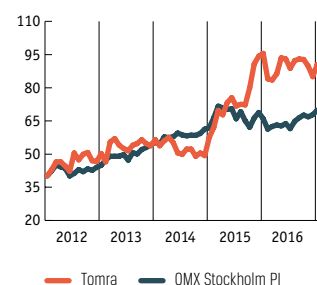
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH TOMRA



KEY RATIOS

TOMRA	Full year 2016	Full year 2015
Net sales, NOK m	6,610	6,143
Operating profit ¹⁾ , NOK m	1,119	891
Operating margin, %	14.9	14.5
Profit after net financial items, NOK m	1,008	866
Earnings per share, NOK	4.68	4.06
Equity ratio, %	58.9	53.9
Dividend per share ²⁾ , NOK	2.10	1.75
Equity per share, NOK	28.42	26.65
Market value on 31 December, SEK m	14,119	13,514

¹⁾ Excluding items impacting comparability.

²⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK³⁾

EV/sales	2.1
EV/EBIT	12.6
P/E ratio	19.4
Net debt/EBIT	0.3

³⁾ Calculation based on final share price at 23 February 2017. Excluding items impacting comparability.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	Total number	% of shares	% of voting rights
Investment AB Latour	38,311,000	25.9	26.0
Folketrygdfondet	9,529,819	6.4	6.5
SEB Investment Management	7,883,486	5.3	5.3
APG Asset Management N.V.	7,526,441	5.1	5.1
Nordea Investment Management	5,798,422	3.9	3.9
Lannebo Funds	4,290,784	2.9	2.9
Danske Capital	4,022,539	2.7	2.7
The Vanguard Group, Inc.	3,150,975	2.1	2.1
Alfred Berg Kapitalforvaltning	3,009,140	2.0	2.0
Impax Asset Management	2,602,734	1.8	1.8
Other shareholders	61,395,792	41.5	41.6
Repurchased shares	498,946	0.3	—
Total	148,020,078	100.0	100.0

Chairman of the Board: Jan Svensson

President and CEO: Stefan Ranstrand

Board members connected to Latour: Jan Svensson

www.tomra.com

Troax

Troax is the leading global supplier of indoor perimeter protection. Troax produces high-quality, innovative, metal-based mesh panel solutions for the market areas of machine protection, storage and warehousing, and for the protection of people, property and processes.

Troax has a global organisation with an unparalleled sales force and efficient logistics set-up, enabling local presence and short delivery times in 36 countries. In 2016, the Group generated sales of EUR 115.8 m and had almost 500 employees. Its head office is in Hillerstorp in Sweden.

2016 HIGHLIGHTS

Net sales increased by 12 per cent. The increase was 13 per cent when adjusted for foreign exchange effects and acquisitions.

Net sales increased in all market segments in 2016. Three geographic segments posted particularly strong growth; Continental Europe, New Markets and the UK.

Operating profit rose to EUR 25.3 m, giving an operating margin of 21.8 (21.6) per cent. Expenses for planned marketing initiatives and other costs have been recognised in the income statement.

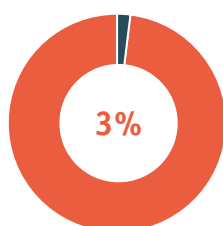
The Board of Directors proposes a dividend payout of SEK 3.75 per share for the 2016 financial year. This is an increase of 25 per cent.



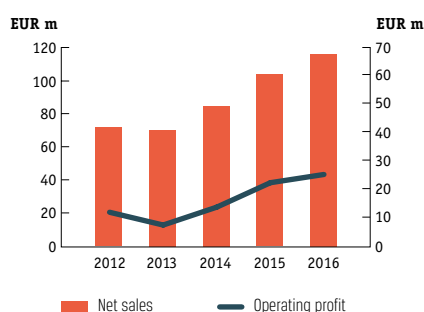
SHARE OF LATOUR'S
TOTAL NET ASSET VALUE

2%

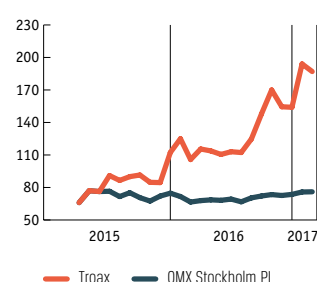
PERCENTAGE OF LATOUR'S PORTFOLIO
OF LISTED SHARES



SALES AND EARNINGS



SHARE PRICE GROWTH TROAX



KEY RATIOS

TROAX	Full year 2016	Full year 2015
Net sales, EUR m	115.8	103.7
Operating profit, EUR m	25.3	22.4
Operating margin, %	21.8	21.6
Profit after net financial items, EUR m	21.4	18.3
Earnings per share, EUR	0.82	0.69
Equity ratio, %	38.2	41.6
Dividend per share ¹⁾ , SEK	3.75	3.00
Equity per share, EUR	3.30	3.00
Market value on 31 December, SEK m	3,880	2,500

¹⁾ Proposed dividend for 2016.

KEY RATIOS FOR MEASUREMENT AND RISK²⁾

EV/sales	4.9
EV/EBIT	22.2
P/E ratio	30.4
Net debt/EBIT	2.5

²⁾ Calculation based on final share price at 23 February 2017.

PRINCIPAL OWNERS AT 31 DECEMBER 2016

	Total number	% of shares	% of voting rights
Investment AB Latour	6,020,000	30.1	30.1
Svolder AB	1,600,000	8.0	8.0
Småbolagsfond Norden Investment Fund	1,303,282	6.5	6.5
Thomas Widstrand	1,149,260	5.7	5.7
Ola Österberg	949,089	4.7	4.7
Nordea Småbolagsfond Sverige	940,648	4.7	4.7
Catella Småbolagsform	755,759	3.8	3.8
SSB Client Omnibus AC OM07	438,002	2.2	2.2
Pareto Nordic return	393,000	2.0	2.0
Spiltan Equity Fund	349,320	1.7	1.7
Other shareholders	6,101,640	30.5	30.5
Repurchased shares	0	0	—
Total	20,000,000	100.0	100.0

Chairman of the Board: Jan Svensson

President and CEO: Thomas Widstrand

Board members connected to Latour: Jan Svensson

www.troax.com





Part-owned holdings

Diamorph 56

Neuffer 57

Oxeon 58

Terratech 59

Important events in 2016

- » On 1 January 2016, 66.1 per cent of shares and voting rights in Neuffer Fenster + Türen GmbH were acquired.
- » Latour increased its shareholding in the part-owned company Terratech 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.
- » Latour increased its shareholding in Diamorph to 26.4 per cent.



Diamorph manufactures and sells advanced materials solutions for particularly demanding industrial applications in the areas of transport, fire safety and industry. Its products are leaders in their respective niches.

Diamorph

Advanced material for demanding applications

Diamorph supplies advanced material solutions for especially demanding industrial applications. The Diamorph Group has a global customer base in more than 60 countries and around 280 production and sales employees at two facilities in the UK and the Czech Republic. It also has sales teams in Sweden, the USA, Germany, France and Italy.

DIVERSIFIED PRODUCTS

Diamorph's advanced material is used in trains, submarines, hydroelectric power stations and buildings around the world, in the form of durable materials and high temperature materials, such as bearings, electrical and thermal insulating materials, fire protection and technical ceramics. The portfolio comprises a highly diversified range of products which are leaders in their respective niches.

MANY MARKET SEGMENTS

Diamorph supplies products to a wide range of transport, fire safety and industry market segments. Mature markets – with products that in many cases have become the industry standard – are complemented by markets in which Diamorph can grow by adding new technologies and products.

DEMANDING APPLICATIONS

Based on its technology platform, Diamorph manufactures differentiated products in narrow niches for demanding industrial applications. This requires close working relationships with its customers and long sales cycles, which result in high entry barriers for the company's competitors.

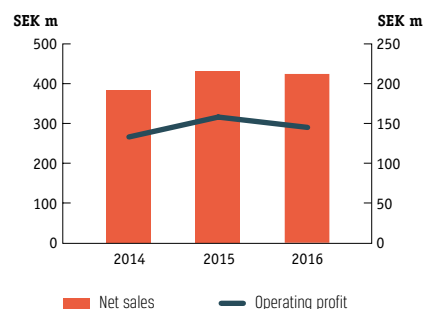
FOCUS ON INNOVATION

Over the years, Diamorph has been awarded for its innovative performance. In 2016, the Group made key investments to modernise and upgrade its innovation centre in Manchester in the UK.

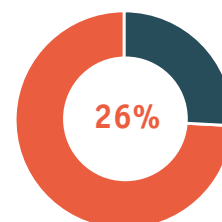
LATOUR'S HOLDING

Diamorph is an unlisted company. Latour's holdings represented a net asset value of SEK 196 m at the end of the year, and 26.4 per cent of the capital and voting rights.

NET SALES AND OPERATING PROFIT



LATOUR'S PERCENTAGE OF DIAMORPH'S CAPITAL AND VOTING RIGHTS





Neuffer sells and markets windows and exterior doors via its established online sales sites. Customers create and specify their windows and doors themselves on these sites, and Neuffer then manufactures and distributes them.

Neuffer

Leading online player in the window and exterior door market

Neuffer Fenster + Türen sells and markets windows and exterior doors via its established online sales sites fensterversand.com, fenetre24.com, fönster24.com and windows24.com. The market for building materials that are sold online is growing steadily and Neuffer has established a strong position in the window and door segment in Germany and France. The company has 45 employees and its head office is in Stuttgart. It is in a phase of strong growth with a focus on international expansion.

OWN SPECIFICATIONS

The customer is able to create and specify its windows and doors using the online configurator. This creates customer value and produces a more efficient supply chain.

FOCUS ON DIGITALISATION

"The investment in Neuffer is a key move for Latour into the digital world within a category closely related to our wholly-owned operations," said Latour's CEO Jan Svensson, when Neuffer was acquired in December 2015.

BUILDING FOR THE FUTURE

Neuffer is going through a phase of strong expansion and building up a solid

organisation to enable it to continue to push ahead with technology and sales in the market. The company is focusing on innovative skills and expertise from both the window industry and other sectors where online commerce has made considerable progress. This provides Neuffer with a platform for growth in both the domestic and international markets.

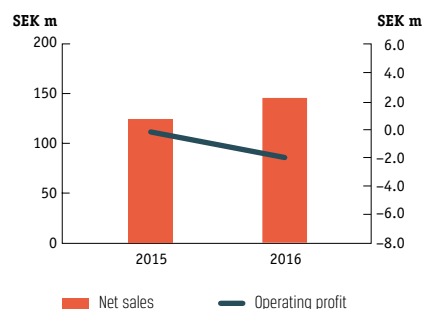
MORE CONSTRUCTION MATERIAL ONLINE

Over the past few years, the sale of building materials online has grown exponentially. Consumers are becoming more and more used to spending larger sums of money on doors, windows and other building supplies without seeing the products first. Neuffer is in a strong position to drive and lead this trend in Germany and neighbouring markets.

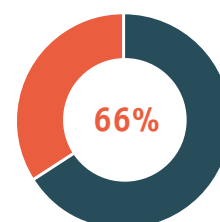
LATOUR'S HOLDING

Neuffer is an unlisted company. Latour's holding at the end of the year amounted to a net asset value of SEK 197 m and 66.1 per cent of the capital and voting rights.

NET SALES AND OPERATING PROFIT



LATOUR'S PERCENTAGE OF NEUFFER'S CAPITAL AND VOTING RIGHTS





Mirinda Carfrae came second in the 2016 Kona Ironman World Championship, closely behind the winner Daniela Ryf. Both of them biked on a Felt IA FRD which is made from Oxeon's TeXtreme® material. TeXtreme® reduces the weight of the frame but retains the strength and stiffness that is needed, as well as increasing the impact durability.

Oxeon

Tools that create unique benefits for users

Oxeon develops, manufactures and markets a spread tow fabric that consists of carbon fibre tows instead of threads. The company, founded in 2003, has four patents in this field. Oxeon's reinforced fabric is marketed under the brand TeXtreme® and is offered to customers in the composite industry who really need to reduce the weight of their products.

MAJOR SAVINGS

Customers who use TeXtreme® have been able to reduce the weight of their products by as much as 25 to 30 per cent and still maintain, or improve, mechanical performance.

Weight reductions at that level lead to substantial savings. This is welcomed by many industries, such as the aviation and transport industries, which try to reduce energy consumption without it impacting safety or performance.

TEXTREME PRODUCES WINNERS

Oxeon's fabric is being used globally in an ever-increasing number of products. In the world of sport, TeXtreme® is used in F1 cars, hockey sticks, surfboards, snowboards, golf club shafts and other equipment.

The fact is that many of the winners of international competitions use TeXtreme® in their products. This includes the winners of the Daytona 500, F1 for teams and individually, plus the America's Cup.

It is not only the weight and outstanding performance that makes TeXtreme® attractive. For instance, Stiga's table-tennis rackets increase the contact surface of the blade thanks to TeXtreme®, which is a unique property compared with other carbon fibre materials.

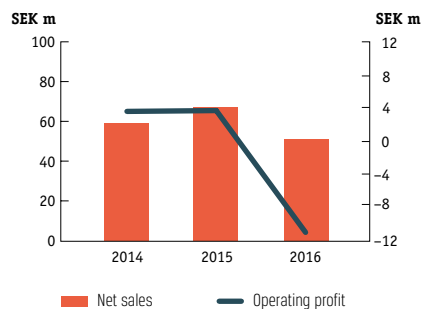
LARGE-SCALE PRODUCTION

Oxeon is clearly focused on international growth. In recent years, the company has strengthened its sales team and modified its operations to increase cost efficiency in large-scale production. This results in the same overall cost as for alternative products but with the advantage that the end product weighs less.

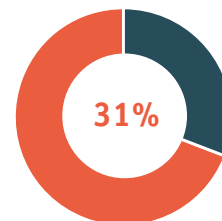
LATOUR'S HOLDING

Oxeon is an unlisted company. Latour's holding at the end of the year amounted to a net asset value of SEK 11 m and 31.3 per cent of the capital and voting rights.

NET SALES AND OPERATING PROFIT



LATOUR'S PERCENTAGE OF OXEON'S CAPITAL AND VOTING RIGHTS





Terratech is an industrial group that develops and sells intelligent, safe and efficient products and services for excavators and other tool carriers. Today, the group comprises the companies Steelwrist and SVAB Hydraulik.

Terratech

Intelligent products for excavators and tool carriers

Terratech is an expanding industrial group focused on providing intelligent, safe and efficient products and services for excavators and other tool carriers. Today, the group comprises two companies, Steelwrist and SVAB Hydraulik.

STEELWRIST

Steelwrist develops, manufactures and sells tools which increase excavator efficiency and safety. Its main products are tiltrotators and quick couplers, but the company also sells buckets and other accessories optimised for use with tiltrotators. The company's head office, product development and manufacturing facilities are based in Sollentuna. Its products are sold via distributors in Sweden and via its own subsidiaries or distributors in the international market. The company had 75 employees at the end of the year.

FASTEST GROWTH IN THE WORLD

Steelwrist was founded in 2005 and is the fastest growing manufacturer of tiltrotators in the world today. Fast service and a focused investment in robust, state-of-the-art products have aided its growth along. The patented Front Pin Lock tech-

nology is the only secure solution for quick couplers and tiltrotators, for all types of excavators, currently available in the market.

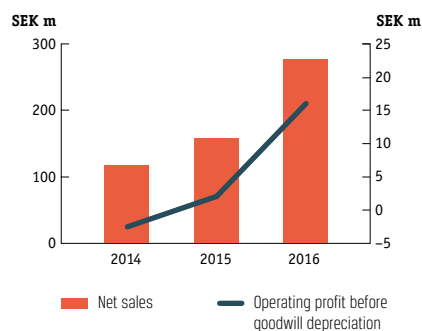
SVAB HYDRAULIK

With more than 40 years of experience and over 40,000 control systems in the market, SVAB develops hydraulic products and solutions, control electronics and ergonomic designs for different types of working vehicles. The company works in close partnership with customers and uses its own innovative development techniques in its product development process. Its customers are manufacturers and distributors of tools and machinery in the construction, agricultural and materials management industries. SVAB Hydraulik is based in Hallsberg and had 31 employees at the end of the year.

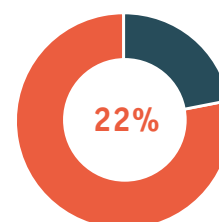
LATOUR'S HOLDING

Terratech is an unlisted company. Latour's holdings represented a net asset value of SEK 45 m at the end of the year and 21.6 per cent of the capital and voting rights.

NET SALES AND OPERATING PROFIT



LATOUR'S PERCENTAGE OF TERRATECH'S CAPITAL AND VOTING RIGHTS





ANNUAL REPORT 2016

The Board of Directors and the Chief Executive Officer of Investment AB Latour (publ) herewith present the Annual Report and consolidated financial statements for 2016.

Directors' Report 62

Consolidated Income Statement 65

Consolidated Balance Sheet 66

Consolidated Cash Flow Statement 68

Consolidated Statement of Changes in Equity 69

Change in interest-bearing net debt 69

Parent Company's Income Statement 70

Parent Company's Balance Sheet 71

Parent Company's Cash Flow Statement 72

Parent Company's Statement of Changes in Equity 72

Notes to the Financial Statements 73

Proposed Allocation of Profits 98

Auditors' Report 99

Directors' report

GROUP

Investment AB Latour is a mixed investment company. Latour's investments mainly consist of a wholly-owned industrial operation grouped into four business areas and an investment portfolio containing nine holdings in which Latour is the principal owner or one of the principal owners. On 31 December 2016, the market value of the investment portfolio was SEK 41.2 billion. In addition to the above two business lines, Latour owns a smaller portfolio of part-owned holdings.

Group operations are run by Latour's subsidiary Nordiska Industri AB and Latour-Gruppen AB. The subsidiary Karpalunds Ångbryggeri AB trades in shares and other securities and the subsidiary Latour Förvaltning AB specialises in the management of securities.

Changes to industrial operations

Latour's aim is 10 per cent annual growth of its industrial operations over a business cycle through a combination of organic growth and acquisitions. The goal is to own stable industrial companies with proprietary products and favourable conditions for international expansion.

In 2016, five acquisitions were made in the business areas. The acquisitions in aggregate contributed just under SEK 800 m to sales, of which approximately SEK 400 m are included in the net sales for 2016.

Latour Industries completed two acquisitions during the year. The Norwegian company All Sealing Solutions was acquired via the subsidiary Specma Seals in the first quarter. 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 2016, the company generated sales of approximately NOK 30 m. It has 14 employees. At the end of May/beginning of June, Latour Industries acquired 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 372 m in 2016. Aritco Group has 134 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.

Swegon also completed two acquisitions during the year. In April, it 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. 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.

Nord-Lock Group acquired Expander Group at the beginning of the third quarter. The company specialises in the design and manufacture of the Expander® System, an expandable pivot pin system

for heavy machinery. 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, building and 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. In 2016, Expander Group generated sales of SEK 75 m and had 90 employees.

Further information about company acquisitions and sales is presented in Note 45.

Changes to the investment portfolio

A total of 1,751,000 shares were acquired in Tomra Systems ASA during the year.

The sale of all class B shares in Loomis during the year meant the ownership stake was reduced to 23.8 per cent of the voting rights.

Changes to other holdings

Several smaller additional investments in jointly-owned companies were made during the year. In the first quarter, Latour-Gruppen increased its ownership stake 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 2016, Latour-Gruppen also increased its ownership stake in Diamorph, from 21.2 per cent at the beginning of the year to 26.4 per cent at the end of the year.

In the first quarter, Latour Industries acquired 24.6 per cent of the shareholding in LumenRadio. LumenRadio develops, manufactures and sells state-of-the-art equipment for wireless radio communication.

Neuffer Fenster + Türen GmbH, which was acquired at the end of 2015, became part of the Group on 1 January 2016.

Events after the reporting period

On 13 February, Swegon acquired the Irish company Safegard Systems Ltd. On 8 March, Hultafors Group acquired the Swedish company Puvab AB. The ownership stake in Diamorph has increased from 26.4 per cent to 28.2 per cent. An additional 340,000 shares in Tomra have been acquired, giving an ownership stake of 26.1 per cent in the company's capital. Otherwise, there were no material events subsequent to the end of the reporting period.

Results and financial position

The Group's profit after financial items was SEK 3,754 m (4,299). Of this figure, SEK 890 m (1,753) are capital gains. Profit after tax was SEK 3,670 m (4,117), which is equivalent to SEK 23.01 (25.81) per share, of which SEK 5.58 (11.0) per share are capital gains. The Group's cash in hand and liquid investments reached SEK 1,307 m (859). Interest-bearing debt, excluding pension liabilities, totalled SEK 2,738 m (3,162). The Group's net debt, including pension liabilities, was SEK 1,446 m (2,205). The equity ratio was 91 (89) per cent calculated on reported equity in relation to total assets,

including undisclosed surpluses in associated companies. For further information, see the ten-year overview on page 109.

Investments

During the period, SEK 263 m (186) was invested in property, plant and equipment, of which SEK 193 m (151) was machinery and equipment, SEK 22 m (26) vehicles and 48 m (9) buildings. Out of total investments for the year, SEK 79 m (41) refers to fixed assets in new acquisitions.

PARENT COMPANY

The parent company's profit after financial items was SEK 1,986 m (3,087). The parent company's equity ratio was 100 (99) per cent.

The Latour share

Not including repurchased shares, the number of outstanding shares on 31 December 2016 amounted to 159,636,500. The share option scheme from 2012 expired in 2016 and 79,000 repurchased shares were sold through redemption of call options, after which Latour has a total holding of 323,500 class B shares. Remaining options from the share option scheme from 2012 were redeemed at market value. The number of call options issued to senior executives was 612,500 at 31 December 2016. 151,000 of the options were issued during the year according to the resolution of the 2016 Annual General Meeting. 1,390 class A shares were converted to class B shares in December 2016. After this, the allocation of issued shares is 11,917,258 class A shares and 148,042,742 class B shares. Further share information can be found on pages 14 and 15 and in Note 36.

Personnel

The average number of employees in the Group was 4,244 (4,570). Of these, 2,479 (2,404) were employed abroad. Information about salaries and remuneration and a breakdown of the number of employees are presented in Note 9.

Currency exposure

The subsidiaries' sales and purchases in foreign currencies are balanced through the Group's joint financial function. On the balance sheet date, sales covered by forward exchange contracts totalled SEK 319 m. Currency hedging amounted to SEK 226 m, not including hedging through currency clauses in major import deals. There is a relatively good balance between purchases and sales in foreign currencies, with the exception of net sales in NOK, GBP and EUR and net purchases in USD. For further information, see Note 35.

Risks in industrial operations

As an owner of diversified industrial operations and an investment portfolio with nine holdings, Latour automatically has a relatively good diversification of risks. It has customers in a range of industries with a preponderance in the construction industry. Sales in the construction industry are well distributed between new construction and repairs and maintenance. Moreover, there is a relative balance between commercial premises, public premises and housing. The Board conducts an annual risk analysis to assess and evaluate Latour's risk exposure.

Financial risks

Information concerning financial instruments and risk exposure is presented in Note 35.

Related party transactions

The Group did not enter into any related party transactions that had a material adverse effect on the Group's performance and financial position, except for dividend payments.

Board of Directors

Latour's Board of Directors consists of eight members, including the Chief Executive Officer. There are no deputies. All members are elected for a one-year term. Except for the Chief Executive Officer, no members have a position or assignment in the Group. The secretary of the Board is the Chief Financial Officer of the Group. Olle Nordström was elected Chairman of the Board by the 2016 Annual General Meeting.

The members of the Board represent 80 per cent of the voting shares in the company and 77 per cent of the share capital. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly-owned companies in the industrial operations. They are therefore not represented in the investment company's board.

Each year, the Board establishes written rules of procedure that regulate the Board's meetings, the business of these meetings, the division of responsibilities among Board members and the Chief Executive Officer and certain other matters. The Board issues instructions for the Chief Executive Officer that regulate his work tasks and reporting obligation to the Board of Directors.

The Board has had four ordinary meetings during the year to date, not including the inaugural Board meeting and three additional Board meetings. Two of the Board members were unable to attend on two occasions and one of the Board members was unable to attend on three occasions. Otherwise there has been full attendance.

The company's auditor attended two Board meetings and presented reports and observations from the audits performed.

Matters dealt with by the Board include strategic changes in portfolio investments, acquisitions and sales of subsidiaries, the company's risk exposure, budgets and forecasts for the subsidiaries as well as a financial review of operations.

Under the direction of the Chairman, the Board has evaluated its work and all Board members have presented their views.

The Corporate Governance Statement can be found on pages 102–105.

Guidelines for remuneration to senior executives

The following guidelines were approved at the 2016 Annual General Meeting: Remuneration to the Chief Executive Officer and other senior executives consists of basic salary, variable remuneration and pension. Other senior executives are the members of Executive management and business area managers. Variable remuneration is based on the achievement of targets and can amount to 0 to 100 per cent of the basic salary. To promote a long-term perspective, the Board may decide on compensation, in addition to the annual variable remuneration, related to the long-term development of the

business area's value over a period of three years, capped at one-third of the basic salary per year over a three-year period.

The retirement age for the Chief Executive Officer is 62, after which pension makes up 60 per cent of the basic salary for three years. The retirement age for all other senior executives is 65.

The Board may also allow a supplemental remuneration to company management in the form of share-related incentive schemes, for example a call option programme, provided that they promote long-term commitment to the business and they are on market-based terms.

The Board's proposed guidelines for the period up to the next Annual General Meeting will be presented in the summons to the 2017 Annual General Meeting.

Environmental impact

The Latour Group's wholly-owned companies run operations requiring licensing and registration under the Swedish Environmental Code. In Sweden, two of the Group's subsidiaries are required to have licences and seven of the subsidiaries are required to register under the Code. The companies that are required to be licensed and registered have production operations in the engineering industry. The environmental impact is emissions to air and discharge into municipal treatment plants.

All of these companies have the necessary permits and have complied with the current requirements for their operations.

Proposed dividends and allocation of profits

The Board of Directors proposes that the Annual General Meeting approve an increase in the ordinary dividend to SEK 8.00 (6.75) per share, which in absolute terms equates to a payout of SEK 1,277 m.

The Board's proposal for the allocation of profits is presented in full on page 98.

Prospects for 2017

Demand was stable at the end of 2016 and with good organic growth. Market growth in Europe has been good and especially strong in the Nordic region. While market growth has been good, we should remind ourselves that this strong growth has been supported by expansionary monetary policies from major banks and ECB in 2015 and 2016.

Latour's performance has been good and the measures and acquisitions undertaken provide favourable conditions for a continuation of the positive earnings trend. It is uncertain whether global market developments will offer any other help.

No forecast is given for 2017.

Consolidated income statement

SEK m	Note	2016	2015
Net sales	3, 4	8,344	7,186
Cost of goods sold		-4,859	-4,213
Gross profit		3,485	2,973
Sales costs		-1,615	-1,425
Administrative costs		-663	-534
Research and development costs		-229	-194
Other operating income	12	106	91
Other operating expenses	12	-63	-7
Operating profit	5-11	1,021	904
Income from interests in associates	13	2,676	1,952
Income from portfolio management	14	101	1,493
Management costs		-16	-15
Profit before financial items		3,782	4,334
Finance income	15	83	111
Finance expense	16	-111	-146
Profit after financial items		3,754	4,299
Taxes	17	-267	-230
Profit/loss for the year from continuing operations		3,487	4,069
Earnings from disposal groups held for sale and discontinued operations	34	183	48
Profit for the year		3,670	4,117
<i>Attributable to:</i>			
Parent company shareholders		3,673	4,117
Non-controlling interests		-3	-
Earnings per share, based on earnings from continuing operations attributable to shareholders of the parent company	36		
Basic share		SEK 21.85	SEK 25.51
Diluted share		SEK 21.77	SEK 25.40
Earnings per share, based on earnings attributable to shareholders of the parent company	36		
Basic share		SEK 23.01	SEK 25.81
Diluted share		SEK 22.93	SEK 25.70
STATEMENT OF COMPREHENSIVE INCOME			
SEK m		2016	2015
Profit for the year		3,670	4,117
Other comprehensive income:			
Items that will not be recycled to the income statement			
Restatement of net pension obligations		2	-2
		2	-2
Items that may subsequently be recycled to the income statement			
Translation differences		134	-77
Change in fair value reserve for the year		-98	-736
Change in hedging reserve for the year		-59	34
Reversal of provision for fund and dividend shares		5	-
Share of other comprehensive income from associates		565	181
		547	-598
Other comprehensive income, net after tax	38	549	-600
Comprehensive income for the year		4,219	3,517
<i>Attributable to:</i>			
Parent company shareholders		4,222	3,517
Non-controlling interests		-3	-

Consolidated balance sheet

SEK m	Note	2016	2015
ASSETS			
<i>Fixed assets</i>			
Intangible assets	18	5,243	3,816
<i>Property, plant and equipment</i>			
Buildings	19	313	285
Land and land improvements	20	18	16
Machinery	21	268	217
Equipment	22	183	159
Construction work in progress and advances	23	29	27
<i>Financial assets</i>			
Interests in associates	25	13,277	11,727
Listed shares	26	394	493
Other long-term securities holdings	27	0	24
Other long-term receivables	28	24	202
Deferred tax asset	38	88	64
		19,837	17,030
<i>Current assets</i>			
<i>Inventories etc.</i>	29		
Raw materials and consumables		375	306
Work-in-progress		104	81
Finished work and goods for resale		640	618
Advance payments to suppliers		5	1
Listed shares – trading	30	40	46
<i>Current receivables</i>			
Accounts receivable	31	1,412	1,165
Tax asset		103	77
Derivative instruments	32	25	67
Other current receivables		84	69
Prepaid expenses and accrued income		116	85
<i>Cash</i>	33	1,307	859
Assets in disposal groups held for sale		–	871
		4,211	4,245
Total assets		24,048	21,275

Consolidated balance sheet

SEK m	Note	2016	2015
EQUITY			
<i>Capital and reserves attributable to parent company shareholders</i>	36		
Share capital		133	133
Repurchased own shares		-72	-58
Reserves		394	417
Profit brought forward		18,757	15,588
		19,212	16,080
<i>Non-controlling interests</i>		107	0
Total equity		19,319	16,080
LIABILITIES			
<i>Long-term liabilities</i>			
Pension obligations	37	39	32
Deferred tax liability	38	246	206
Other provisions	39	101	50
Interest-bearing liabilities	40	696	675
		1,082	963
<i>Current liabilities</i>			
Bank overdraft facilities	41	52	40
Debts to credit institutions	35	1,990	2,415
Advances from customers		56	29
Accounts payable		616	548
Tax liabilities		133	122
Other provisions	39	14	16
Derivative instruments	32	20	15
Other liabilities		186	168
Accrued expenses and deferred income	42	580	474
Liabilities in disposal groups held for sale		—	405
		3,647	4,232
Total liabilities		4,729	5,195
Total equity and liabilities		24,048	21,275

Consolidated cash flow statement

SEK m	Note	2016	2015
Operating profit		1,021	904
Depreciation/amortisation		167	158
Capital gains		14	-4
Other adjustments to non-cash items		-9	-21
Paid tax		-250	-178
Operating cash flows before movements in working capital		943	859
<i>Movements in working capital</i>			
Inventories		-52	-77
Accounts receivable		-151	-86
Current receivables		-33	11
Current operating liabilities		108	28
		-128	-124
Operating cash flows		815	735
<i>Investments</i>			
Acquisition of subsidiaries	45	-1,098	-747
Sale of subsidiaries	46	0	7
Acquisition of fixed assets		-207	-192
Sale of fixed assets		6	5
Investing cash flows		-1,299	-927
<i>Portfolio management</i>			
Dividends received		741	671
Management costs etc.		-24	-18
Purchase of listed shares etc.		-250	-85
Purchase of shares in associates		-261	-691
Sale of listed shares		343	1,951
Sales of shares in associates		1,240	400
Cash flows from portfolio management		1,789	2,228
Cash flows after investments and portfolio management		1,305	2,036
<i>Financial payments</i>			
Interest received		18	2
Interest paid		-50	-53
New borrowings		11	18
Repayment by instalments		-431	-555
Dividends paid		-1,077	-957
Repurchase of own shares		-19	-9
Issued call options		5	4
Cash flows from financial payments		-1,543	-1,550
Cash flows from disposal groups held for sale	34	658	41
Change in cash		420	527
Cash at the beginning of the year		859	428
Exchange rate difference in cash		28	-20
Cash and cash equivalents in disposal groups held for sale	34	—	-76
Cash at the end of the year	33	1,307	859

Change in consolidated equity

	Note	Attributable to parent company shareholders				Non-controlling interests	Total
		Share capital	Repurchased own shares	Reserves	Profit brought forward		
Opening equity 1 Jan 2015	36	133	-38	1,196	12,232	0	13,523
Total comprehensive income				-779	4,296		3,517
Issued call options					4		4
Exercise of call options			17		13		30
Sold repurchased own shares			-37				-37
Dividends					-957		-957
Closing equity 31 Dec 2015	36	133	-58	417	15,588	0	16,080
Opening balance 1 Jan 2016	36	133	-58	417	15,588	0	16,080
Total comprehensive income				-23	4,245	-3	4,219
Change in non-controlling interests						110	110
Issued call options			29		-4		25
Exercise of call options					5		5
Sold repurchased own shares			-43				-43
Dividends					-1,077		-1,077
Closing equity 31 Dec 2016	36	133	-72	394	18,757	107	19,319

Change in consolidated interest-bearing net debt

SEK m	31 Dec 2015	Change in cash and cash equivalents	Change in loans	Other changes	31 Dec 2016
Receivables	204			-180	24
Cash	934	228		145	1,307
Retirement benefit obligations	-32			-7	-39
Long-term liabilities	-853		216	-59	-696
Utilised bank overdraft facilities	-43		-9		-52
Current liabilities	-2,415		502	-77	-1,990
Interest-bearing net debt	-2,205	228	709	-178	-1,446

Specma Group, which is in the process of being discontinued, is included in net debt above.

Parent company's income statement

SEK m	Note	2016	2015
Income from interests in Group companies – dividends		0	365
Income from interests in associates	13	1,996	817
Income from portfolio management	14	1	1,898
Management costs		-10	-9
Profit before financial items		1,987	3,071
Interest income and similar items	15	0	28
Interest expense and similar items	16	-1	-12
Profit after financial items		1,986	3,087
Taxes	17	–	–
Profit for the year		1,986	3,087

Parent company statement of comprehensive income

SEK m	Note	2016	2015
Profit for the year		1,986	3,087
Other comprehensive income:			
Items that may subsequently be recycled to the income statement			
Change in fair value reserve for the year		–	-1,091
Other comprehensive income, net after tax		0	-1,091
Comprehensive income for the year		1,986	1,996

Parent company's balance sheet

SEK m	Note	2016	2015
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Interests in subsidiaries	24	2,246	1,246
Interests in associates	25	5,405	5,332
Listed shares	26	0	0
Receivables from Group companies		2,653	2,932
		10,304	9,510
Current assets			
<i>Current receivables</i>			
Receivables from Group companies			0
Prepaid expenses and accrued income		2	2
<i>Cash</i>		5	5
		7	7
Total assets		10,311	9,517
EQUITY AND LIABILITIES			
Equity	36		
<i>Restricted equity</i>			
Share capital		133	133
Other funds		96	96
<i>Non-restricted equity</i>			
Profit brought forward		8,093	6,091
Profit for the year		1,986	3,087
		10,308	9,407
<i>Provisions</i>			
Retirement benefit obligations		—	1
		0	1
<i>Long-term liabilities</i>			
Debts to credit institutions		—	100
Other non-interest-bearing liabilities		—	5
		0	105
<i>Current liabilities</i>			
Debts to Group companies		—	0
Other liabilities		3	4
		3	4
Total equity and liabilities		10,311	9,517

Parent company cash flow statement

SEK m	Note	2016	2015
Current receivables		0	10
Current operating liabilities		-1	0
Operating cash flows		-1	10
<i>Portfolio management</i>			
Dividends received		565	537
Management costs etc.		-9	-9
Purchase of listed shares etc.		-138	-691
Sale of listed shares		1,497	2,696
Cash flows from portfolio management		1,915	2,533
Cash flows after investments and portfolio management		1,914	2,543
<i>Financial payments</i>			
Interest received		0	28
Interest paid		-1	-12
New borrowings		178	-1,964
Dividends received from subsidiaries		—	365
Shareholder contribution made		-1,000	—
Repurchase of own shares		-19	-8
Dividends paid		-1,077	-957
Issued call options		5	4
Cash flows from financial payments		-1,914	-2,544
Change in cash		0	-1
Cash at the beginning of the year		5	6
Cash at the end of the year		5	5

Parent company's statement of changes in equity

SEK m	Note	Share capital	Other funds		Profit brought forward	Total
			Reserve fund	Fair value fund		
Closing balance 31 Dec 2014	36	133	96	1,091	7,051	8,371
Total comprehensive income				-1,091	3,087	1,996
Repurchase of own shares					-957	-957
Dividends paid					-37	-37
Repurchase of own shares					30	30
Exercise of call options					4	4
Closing balance 31 Dec 2015	36	133	96	0	9,178	9,407
Total comprehensive income					1,986	1,986
Dividends paid					-1,077	-1,077
Redemption of provision for fund and dividend shares					5	5
Repurchase of own shares					-43	-43
Exercise of call options					25	25
Issued call options					5	5
Closing balance 31 Dec 2016	36	133	96	0	10,079	10,308

Notes to the financial statements

(All amounts are in SEK m unless stated otherwise)

NOTE 1 General information

Investment AB Latour (publ), corporate registration number 556026-3237, is a mixed investment company with wholly-owned industrial operations and an investment portfolio, which consists of nine significant holdings.

The parent company is a limited company registered in Gothenburg. The head office address is J A Wettergrens gata 7, Box 336, SE-401 25 Gothenburg, Sweden. The parent company is listed on the Nasdaq OMX Stockholm Large Cap list.

The Board of Directors and the Chief Executive Officer have approved these consolidated financial statements for publication on 16 March 2017. The Annual Report and consolidated financial statements will be presented to the Annual General Meeting on 2 May 2017 for approval.

NOTE 2 Accounting policies

Basis of preparation of the consolidated financial statements

The consolidated financial statements for Investment AB Latour have been prepared in accordance with the International Financial Reporting Standards (IFRSs) published by the International Accounting Standard Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the EU. Furthermore, the Group has applied the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The consolidated financial statements have been prepared using the cost method except for revaluations of available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) measured at fair value through the income statement.

The preparation of statements in conformity with the IFRS requires the use of certain estimates for accounting purposes. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas that involve a significant degree of estimation that are complex, or where assumptions and estimates are critical to the consolidated financial statements, are set out in Note 48.

The parent company applies the same accounting policies as the Group, except in the cases presented below in "The Parent Company's Accounting Policies". The differences between the parent company's and the Group's policies are due to limitations in the ability to apply the IFRS in the parent company because of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen) and also, in some cases, because of tax reasons.

New and amended accounting policies

New and amended standards are mandatory for the first time for the financial year beginning 1 January 2016.

None of the new accounting policies that became effective on 1 January 2016 have had a material impact on the financial performance or position of Investment AB Latour.

New standards, amendments and interpretations of existing standards that have not yet come into effect and will not be applied in advance.

A number of new standards and interpretations are effective for annual reporting periods starting after 1 January 2016 and have not been adopted for the preparation of these financial statements. None of these standards and interpretations are expected to have a material impact on the Group's financial statements with the exception of the following:

IFRS 9 Financial Instruments includes requirements for classification, measurement and presentation of financial assets and liabilities. This replaces the sections of IAS 39 relating to classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model but simplifies it in some respects. There will be three measurement categories for financial assets, amortised cost, fair value through other comprehensive income and fair value through profit or loss. IFRS 9 also introduces a new model for the calculation of amounts arising from expected credit losses. The standard does not change the classification and measurement of financial liabilities except when a liability is recognised at fair value through profit or loss under the fair value option. IFRS 9 relaxes the requirements for hedge accounting. The mandatory effective date for the standard will be for periods beginning on or after 1 January 2018. Early adoption is permitted. The Group has not yet assessed the impact of the standard.

IFRS 15 Revenue from Contracts with Customers specifies how revenue shall be recognised. The objective of IFRS 15 is to establish the principles that an entity is required to apply to report useful information to users about the entity's revenue. Under the new disclosure requirements, entities must provide information about the nature, timing, uncertainty of revenues and cash flows arising from contracts with customers. Under IFRS 15, an entity shall recognise revenue when the customer obtains control of the sold good or service and is able to use or benefit from the good or service. Early adoption is permitted. Management is currently assessing the impact of the new standard.

At present, the Group is unable to estimate the impact of the new regulations on the financial statements in quantitative terms, but there is an indication that they will not have a material effect on revenue recognition.

IFRS 16 Leases requires that assets and liabilities arising under all leases, with a few exceptions, are recognised in the balance sheet. This reporting is based on the consideration that the lessee has the right to use an asset for a specific period of time and also an obligation to pay for that right. The reporting requirement for the lessor will largely remain unchanged. The standard applies to financial periods beginning on or after 1 January 2019. Early adoption is permitted. The Group has not yet assessed the impact of the standard.

None of the other IFRS or IFRIC interpretations not yet in effect are expected to have any significant effect on the Group.

Consolidated financial statements

Subsidiaries

Subsidiaries are all entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Business combinations are accounted for using the acquisition method. This method means that equity, including the capital portion of untaxed reserves in the subsidiary at the acquisition date, is entirely eliminated. Consequently, only profit generated after the acquisition date is included in Group equity.

The purchase price for the acquisition of a subsidiary is the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price includes the fair value of all assets or liabilities resulting from an agreement on conditional consideration. If the group-wise cost of the shares exceeds the book value of the company's net assets in the acquisition analysis, the difference is recognised as goodwill in the consolidated statement. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets and any contingent liabilities, the difference is recognised directly in the income statement. Acquisition-related costs are expensed as they occur. Identifiable acquired assets and transferred liabilities in a business combination are initially valued at fair value at the acquisition date. The Group determines, for each acquisition, whether all the non-controlling interests in the acquired entity will be valued at fair value or the proportional share of the acquired entity's net assets.

Companies acquired during the year are included in the consolidated financial statements with amounts relating to the post-acquisition period. Profits from companies sold during the year have been included in the consolidated income statement for the period up to the point of divestiture.

Latour's foreign Group companies' assets and liabilities are converted at the exchange rate on the balance sheet date. All items in the income statement are converted at the average exchange rate for the year. Translation differences are recognised directly in Group equity.

Internal Group transactions, balance posts, income and expenses on transactions between Group companies are eliminated. Any profit and loss resulting from internal Group transactions reported under assets is also eliminated.

Associated companies

Associates are entities over which the Group exercises significant influence, but not control. As a rule, significant influence exists when the Group holds between 20 per cent and 50 per cent of the voting power of the entity.

Latour holds shares in AB Fagerhult representing 49 per cent of the voting rights. Management has assessed that the Latour does not exercise control over Fagerhult and that the holding is therefore classified as an associated company. This is based on the following factors:

Even though Latour has a significant ownership interest, there are several other large shareholders, the three largest of which (apart from Latour) have approximately 21 per cent. Moreover, 2 of these shareholders are represented in the Nomination Committee. Fagerhult's Board operates as a professional board with a majority of members with no relationship to Latour. Fagerhult is operated as a wholly independent company and not as an integrated company. The companies' management functions are completely separate from one another and there is no exchange or other practical circumstances whatsoever to suggest that Fagerhult's management reports to Latour.

Investment in associates is accounted for using the equity method. This method entails that the book value of shares in associated companies in the Group's accounts corresponds to the Group's participation in associated companies' equity and any residual value in group-wise surplus and deficits. The Group's share of the profit after tax of its associates, with any adjustment for amortisation or reversal of acquired surpluses or deficits, is recognised in the Group's income statement as "Income from interests in associates".

When the Group no longer has a controlling or significant influence, each remaining holding is revalued at fair value and the change in carrying amount is recognised in the income statement. The fair value is used as the first carrying amount and forms the basis for further reporting of the contin-

Cont.

Note 2 cont.

using holding as an associated company, joint venture or financial asset. All amounts relating to the divested entity previously reported in other comprehensive income are reported as if the Group had directly sold the attributable assets or liabilities. This may result in amounts that were previously reported in other comprehensive income being reclassified to the income statement.

If ownership in an associated company is reduced, but a significant influence is retained, only a proportional share of the amounts previously reported in other comprehensive income are, where relevant, reclassified to the income statement.

The parent company recognises associated companies using the cost method.

Net sales

Net sales are made up of invoiced sales, excluding value-added taxes and after deduction of discounts on goods and similar income reductions but before deductions for delivery expenses. Sales are recognised when the significant risks and rewards connected with ownership of the sold goods have been transferred to the buyer and the seller retains neither continuing managerial involvement nor effective control over the goods. Revenue arising from the rendering of services is recognised when the service has been performed. Where appropriate, the Group uses the percentage-of-completion method (see below). Group sales are primarily product sales.

Work in progress

Income and costs attributable to completed services rendered or subcontracted assignments are reported as revenue or expense respectively in relation to the stage of completion of the assignment at the balance sheet date (percentage of completion). The stage of completion of an assignment is determined through expenditures made at the balance sheet date relative to estimated overall expenditures. If a service rendered or subcontracted assignment cannot be measured reliably, revenue is recognised only to the extent the expenses recognised are recoverable. An assignment likely to make a loss is immediately reported as an expense.

Other operating income and operating expenses

Other operating income and operating expenses include income and costs from activities outside ordinary operations. See Note 12.

Finance income and expenses

Finance income and expenses consist of interest income and interest costs, income from dividends and realised and unrealised exchange losses and gains.

Interest income on receivables and interest costs on liabilities are calculated using the effective interest rate method. Interest costs are recognised in the period they occur regardless of how the borrowed funds are used. Interest costs include transaction costs for loans which have been recorded over the term of the contract, which is also valid for any difference between received funds and repayment amounts. Interest from dividends is recorded when the dividend has been adopted and distribution is assured.

Borrowing costs

Borrowing costs that are directly attributable to the production of an asset for which borrowing costs can be included as part of the cost shall be capitalised during the period of time that it takes to complete the work and prepare the asset for its intended use. Other borrowing costs are expensed in the period in which they occur.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method or the weighted average cost method if this is a good estimate of FIFO. The net realisable value is the estimated sales price in the operating activities, with a deduction for applicable variable sales costs. The value of finished goods and work-in-progress includes raw materials, direct work, other direct costs and production-related overheads. Obsolescence is depreciated separately. When assessing net realisable values, consideration is given to the age and turnover rate for the items in question. The change between the opening and closing provision for obsolescence for the year affects operating profit in its entirety.

Translation of foreign currencies

Functional and presentation currencies

Items in the financial statements for the various Group entities are valued in the currency used in the economy in which each company primarily operates (functional currency). Swedish crowns are used in the consolidated financial statements and are the parent company's functional and presentation currencies.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency using the exchange rate on the balance sheet date. Exchange gains and losses that are generated through payment of such transactions and from translation of monetary assets and liabilities in foreign currency at balance date rates are reported in the income statement. The exception is when the transactions are hedges that qualify for hedge accounting of the cash flows or net investments where gains/losses are recognised in equity.

Translation differences for non-monetary items, such as shares that are valued at fair value through the income statement are recognised as part of the fair value gain/loss. Translation differences for non-monetary items such as shares that are classified as available-for-sale financial assets are recognised as reserves for fair value in equity.

Group companies

The result and financial position for all Group companies (none of which have a high inflation value) that have a different functional currency than presentation currency are translated to the Group's presentation currency according to the following:

- assets and liabilities for each balance sheet is recalculated to the balance date rate,
- revenue and expenses for each income statement are recalculated at the average exchange rate (unless the average rate is a reasonable approximation of the accumulated effect of the rates on the transaction date, in which case revenue and expenses are recalculated at the transaction date rate), and
- all exchange differences are recorded as a separate portion of equity.

Upon consolidation, exchange differences arising from the translation of net investments in foreign operations, loans and other currency instruments that are identified as hedges of such investments are taken to equity. When a foreign operation is sold, such exchange differences are reported in the income statement as a part of capital gains/losses.

Goodwill and adjustments in fair value that arise when acquiring a foreign company are treated as assets and liabilities in that operation and are converted at the balance date rate.

Property, plant and equipment

Buildings and land largely comprise factories, warehouses and offices. Property, plant and equipment are booked as cost less depreciation. Cost includes expenses directly related to the acquisition of the asset.

Costs after acquisition are added to the asset's carrying amount or are reported as a separate asset, depending on what is appropriate, only when it is probable that any future economic benefit associated with the asset will flow to the Group and the asset's cost can be measured with reliability. All other repairs and maintenance are recognised as costs in the income statement in the period in which they occur.

Assets are depreciated on a straight-line basis according to plan over the estimated useful life as follows:

Buildings	25-50 years
Land improvements	10-20 years
Machinery	5-10 years
Vehicles and computers	3-5 years
Other inventories	5-10 years

The residual values and useful lives of the assets are assessed on every balance date and adjusted as needed.

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount exceeds its estimated recoverable amount.

Profits and losses in divestitures are determined by comparing sales revenue and carrying amount and are reported in the income statement.

Intangible assets

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's or associated company's identifiable net assets on the date of acquisition. Goodwill on the acquisition of subsidiaries is reported as intangible assets. Goodwill on the acquisition of associated companies is included in the value of the holding in the associated company.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill impairment is not reversed. Profit or loss when a unit is sold include the continuing carrying amount of the goodwill related to the divested entity.

Goodwill is allocated to cash generating units when an impairment test is carried out.

Trademarks and licenses

Trademarks and licenses are reported at cost. Trademarks and licenses have a limited useful life and are reported at cost less accumulated amortisation. Trademarks and licenses are amortised on a straight-line basis in order to spread the cost over their estimated useful life (5-20 years).

Impairment losses

Assets that have an undefined useful life period are not written down but are tested annually for impairment. The value of depreciated assets is tested for impairment whenever there are indications that the carrying amount is possibly not recoverable. The asset is written down by the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less sales costs and value-in-use. When testing for impairment the assets are grouped in the smallest cash-generating units. An impairment test is performed on every balance sheet day on assets, other than financial assets and goodwill, which have previously been written down, to determine whether or not they should be recovered.

Research and development

Expenses for research are recognised when they are incurred. Expenses for development are capitalised to the extent they are expected to yield economic benefits in the future. The carrying amount includes expenses for materials, direct costs for wages and salaries and indirect expenses attributable to the asset in a reasonable and consistent manner. Other expenses for development are recognised in the income statement as costs when they are incurred.

Note 2 cont.

Financial instruments

Financial instruments recognised in the balance sheet include accounts receivable, securities, loan receivables and derivatives. Accounts payable, any issued debt or equity instruments, loan liabilities and derivatives are recorded as liabilities and equity.

Financial instruments are initially recognised at cost equal to the fair value of the instrument including transaction costs for all financial instruments except those categorised as Financial assets recognised at fair value through the income statement. Recognition then takes place on the basis of classification as specified below.

A financial asset or financial liability is recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument. Accounts receivable are recorded in the balance sheet when an invoice has been sent. Liabilities are recorded when an item has been delivered and a contractual obligation to pay exists, even if an invoice has not yet been received. Accounts payable are recorded when an invoice has been received.

A financial asset is derecognised from the balance sheet when the rights in the contract are realised, mature or the company loses control over them. The same holds true for part of a financial asset. A financial liability is derecognised from the balance sheet when the commitment in the contract is met or otherwise extinguished. The same holds true for part of a financial liability.

Acquisitions and divestitures of financial assets are recognised on the transaction date. This is the date on which the company pledges to acquire or sell the asset.

Fair value of listed financial assets is the equivalent of the asset's listed purchase price on the balance sheet date. Fair value on unlisted financial assets is determined by using valuation techniques such as recent transactions, the price of a similar instrument or discounted cash flows. For further information see Note 35.

Financial assets are controlled at every external reporting instance to determine whether or not there are objective indications that one or a group of financial assets should be written down. In the case of equity instruments classified as Available-for-sale financial assets, there must be a significant or prolonged decline in the fair value of an instrument below its cost before it can be written down. When an asset classified as available-for-sale is impaired, the cumulative amount of any fair value adjustments previously recognised directly in other comprehensive income are transferred to the income statement. Impairment losses on equity instruments recognised in the income statement are not subsequently reversed in the income statement.

Financial instruments are grouped into categories based on how the company intends to use the acquired financial instrument. Executive management determines classification at the time of acquisition.

The categories are as follows:

Financial assets valued at fair value via profit and loss

This category has two subgroups; financial assets held for trading and those that the company chose initially to designate to this category. A financial asset is classified in this category if the intention is to sell in the short term (for example listed shares, trading, see Note 30). Derivatives are classified as financial assets held for trading if they are not used for hedge accounting. Assets in this category are recognised continuously at fair value and changes in value are recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables arise when the company provides money, goods and services directly to a customer without any intention to conduct trading in the receivables. This category also includes acquired receivables. Assets in this category are measured at amortised cost. Amortised cost is determined based on the compound interest calculated at the time of acquisition.

Available-for-sales financial assets

This category includes financial assets that are not classified in any other category or financial assets designated on initial recognition as available for sale (for example, listed shares and other long-term securities holdings). Assets in this category are valued at their current fair value and changes in value are recognised in other comprehensive income. The cumulative gain or loss that was recognised in equity is recognised in profit or loss when an available-for-sale financial asset is derecognised.

Other financial liabilities

Financial liabilities not held for trading are initially valued at fair value, net after transaction costs, and thereafter at amortised cost. Amortised cost is determined based on the compound interest calculated at the time the liability was recognised. This means that surpluses or deficits as well as direct issue costs are distributed over the lifespan of the liability.

Derivatives used in hedge accounting

Derivative instruments are recognised in the balance sheet on the contract date and are valued at fair value, both initially and in subsequent remeasurements. The method of recognising the profit or loss arising from remeasurement is determined depending on whether the derivative is identified as a hedging instrument and, if so, the characteristics of the item hedged. The Group identifies certain derivatives as either: a hedge of a very probable forecast transaction (cash flow hedge); or a hedge of a net investment in a foreign operation.

When a transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item as well as the purpose of the risk management and strategy in

order to take different hedging measures. The Group also documents its assessment when initiating the hedge and continuously thereafter to see if the derivative instruments used in hedging transactions are effective in terms of evening out changes in fair value or cash flows in hedged items.

Cash flow hedges

The effective portion of changes in fair value of derivative instruments identified as cash flow hedges, and which qualify for hedge accounting, are recognised in equity.

The gain or loss associated with the ineffective portion is recognised directly in the income statement.

The cumulative profit or loss in equity is recycled into the income statement in the same period in which the hedged item affects profit or loss (e.g. when the forecast hedged sale takes place).

When a hedging instrument matures or is sold or when the hedge no longer qualifies for hedge accounting and cumulative profits or losses relating to the hedge are recognised in equity, these profits/losses remain in equity and are recorded as income/costs at the same time as the forecast transaction is finally recorded in the income statement. When a forecast transaction is no longer assessed as probable, the cumulative profit or loss recognised in equity is transferred directly to the income statement.

Hedge of net investment

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Gains or losses attributable to the hedging instrument associated with the effective portion of the hedge are recognised in equity. Gains or loss associated with the ineffective portion are transferred directly to the income statement.

Any cumulative gain or loss in equity is recognised in the income statement when the foreign operations are sold.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of these derivative instruments are recognised directly in the income statement under other income alternately other costs.

Cash

Cash consists of cash and cash equivalents and immediately available balances in banks and similar institutions as well as short-term liquid investments with a term of less than three months that run no real risk of fluctuations in value.

Long-term receivables and other current receivables

Long-term receivables and other current receivables are receivables that arise when the company supplies money without intending to trade on the receivable rights. If the expected holding time of the receivable is longer than one year it is a long-term receivable and if it is shorter it is another receivable. These receivables belong to the category Loans and receivables.

Taxes on income

Recorded taxes on income include taxes paid or recovered for the current year, adjustments for previous years' taxes and changes in deferred taxes.

Evaluation of all tax liabilities/prepayment is made on the basis of nominal amounts and according to tax regulations and fixed or announced, and likely to be stipulated, tax rates.

Tax is reported in the income statement except when the underlying transaction is recognised directly against equity, in which case the tax impact is also recognised against equity.

Deferred tax is calculated using the balance sheet method on all temporary differences arising between book and taxable values for assets and liabilities.

Deferred tax assets pertaining to future tax deductions are recorded to the extent it is likely that the deduction can be set off against a surplus on future taxation.

Untaxed reserves including deferred tax liabilities are reported in legal entities.

Deferred tax is not calculated on temporary differences in interests in subsidiaries and associates where the date for the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not be recovered in the foreseeable future.

From a fiscal perspective, Investment AB Latour is an investment company. Profits on sales of shares are not liable to tax and losses are not deductible. The company must however declare 1.5 per cent of the market value of all shareholdings at the beginning of the year as standard taxable income. However this is only valid for listed shares where the share of votes is under 10 per cent. Dividends received are taxable and dividends paid are deductible. Interest income is taxable while administration costs and interest expenses are deductible.

Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions involving inflows and outflows of cash. Cash includes, besides cash and bank account balances, current financial investments with a maturity period of less than three months.

Leases

A lease is classified either as a finance lease or as an operating lease in the consolidated financial statements. Leased fixed assets, where the Group essentially faces the same risks and enjoys the same benefits as direct ownership, are classified as finance leases. The leased asset is then reported as a fixed asset and future lease payments as interest-bearing debts. A leased asset is

Cont.

Note 2 cont.

classified as an operating lease if the lessor essentially retains ownership of the asset and the rental is charged on a straight-line basis over the lease term.

The parent company classifies all leases as operating leases.

Government grants

Government grants are reported in the income statement and balance sheet when it is reasonably certain that the conditions associated with the grant will be satisfied and it is likely that the grant will be obtained. Grants are systematically distributed in the same manner and over the same periods as the costs such grants are intended to compensate. Grants pertaining to investments in property, plant and equipment have reduced the carrying amounts of the assets in question.

Provisions

Provisions are recorded when the Group/company has a formal or informal obligation as a consequence of an event and it is likely that resources must be expended to regulate the obligation and a reliable estimation of the amount can be made.

Provisions for warranties are based on the previous years' actual costs.

Pensions

The Group has several defined contribution and defined benefit pension plans. In Sweden, Germany, Switzerland and Italy, employees are covered by defined benefit, alternatively defined contribution, pension plans. In other countries they are covered by defined contribution plans.

In defined contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay any additional fees. Group profit is charged with costs as the benefits are earned.

In defined benefit plans, remuneration to employees and ex-employees is paid on the basis of salary at the point of retirement and the number of years of service. The Group bears the risk for payment of the pledged remuneration.

The liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The pension cost and the pension obligation of defined benefit plans are calculated using the Projected Unit Credit Method. The method allocates the cost for pensions at the same rate as employees carry out services for the company which increase their right to future remuneration. The calculation is made annually by independent actuaries.

The company's obligations are valued at the present value of anticipated future payments by using a discount rate. The Group primarily determines this rate using the interest rate for high-quality government bonds measured in the currency in which the benefits are to be paid. For obligations in Sweden, the Group uses the interest rate for 12-year mortgage bonds which are then extrapolated with the growth rate estimate for the 23-year government bond rate to correspond to the remaining maturity period as the obligations in question.

The most important actuarial assumptions are set out in Note 37.

The net interest amount is calculated by applying the discount rate to the defined benefit plans and to the fair value of plan assets. This cost is recognised as personnel costs in the income statement.

Prior service costs are recognised directly in the income statement. Other pension expense items are charged to comprehensive income.

Actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they occur.

Contingent liabilities

A contingent liability is reported when an obligation may result from events that have occurred and its existence is only confirmed by one or several uncertain future events or when an obligation is not recorded as a liability or provision because it is improbable that an expenditure of resources will be required to regulate it.

Segment reporting

The Group's operations are managed and organised in the Industrial operations and Investment portfolio. The Industrial operations are in turn divided into four (five) business areas. These business lines and the investment portfolio make up the Group's operating segments. Income, operating profit, assets and liabilities pertaining to the segments include directly attributable items together with items that can reliably be allocated to the segment in question. Non-allocated items generally comprise interest-bearing assets and liabilities, interest income and expenses, costs common to the Group and taxes.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell. These measurement provisions do not apply to deferred tax assets, assets arising from employee benefits, financial assets, management properties and contractual rights under insurance contracts.

Assets within a disposal group classified as held for sale are presented separately from other assets in the balance sheet. The liabilities associated with a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business. The profit or loss of discontinued operations is presented separately in the income of statement.

Parent company accounting policies

The parent company follows the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. RFR 2 requires the parent company to follow IFRS/IAS as far as possible. Differences between parent company and Group accounting policies are primarily due to the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen) and, in certain cases, special tax regulations. In the following case the parent company's accounting policies are not consistent with the IFRS.

Payments to employees/defined benefit pensions

The parent company's defined benefit pension plans have been calculated according to the Pension Obligations Vesting Act (Tryggandelagen) and the Swedish Financial Supervisory Authority's regulations since this is a prerequisite for fiscal deductions.

NOTE 3 Segment reporting

DEVELOPMENT BY BUSINESS AREA 1 JAN 2016–31 DEC 2016

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
REVENUE							
External sales	1,698	1,662	927	3,912	145		8,344
Internal sales		9		1			10
INCOME							
Operating profit	264	167	270	351	-31		1,021
Income from portfolio management						2,761	2,761
Finance income							83
Finance expense							-111
Taxes							-267
Earnings from disposal groups held for sale							183
Profit for the year							3,670
OTHER DISCLOSURES							
Assets	1,535	2,713	1,265	3,728	1,019	13,424	23,684
Unallocated assets							364
Total assets							24,048
Liabilities	258	382	140	813	44	4	1,641
Unallocated liabilities							3,088
Total liabilities							4,729
Investments in:							
property, plant and equipment	20	72	59	88	24		263
intangible assets		762	66	252	285		1,365
Depreciation/amortisation	15	33	25	76	18		167

DEVELOPMENT BY BUSINESS AREA 1 JAN 2015–31 DEC 2015

SEK m	Industrial operations					Portfolio management	Total
	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other		
REVENUE							
External sales	1,549	1,283	796	3,558			7,186
Internal sales		6	1	1			8
INCOME							
Operating profit	218	176	236	270	4		904
Income from portfolio management						3,430	3,430
Finance income							111
Finance expense							-146
Taxes							-230
Earnings from disposal groups held for sale							48
Profit for the year							4,117
OTHER DISCLOSURES							
Assets	1,482	1,685	1,100	3,021	550	11,918	19,756
Assets in a disposal group held for sale							867
Unallocated assets							652
Total assets							21,275
Liabilities	238	243	118	729	15	8	1,351
Liabilities in a disposal group held for sale							203
Unallocated liabilities							3,641
Total liabilities							5,195
Investments in:							
property, plant and equipment	11	46	35	54	28		174
intangible assets		369	156	16			541
Depreciation/amortisation	15	24	21	80	18		158

Executive management has determined the operating segments based on the reports reviewed by Latour's Board of Directors that are used to make strategic decisions. The Board primarily assesses the business areas from an operational perspective but also on the basis of geographic area of interest.

The operations can largely be divided into two main areas: wholly-owned industrial operations and equity management. The industrial operations are grouped into four business areas: Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. Specma was also previously part of the operations but it was decided to sell the business area in the autumn of 2015.

The equity management primarily consists of portfolio management of long-term holdings where Latour owns at least 10 per cent of the votes.

Segment revenue, segment assets and segment liabilities include amounts of such items that are directly attributable to a segment and amounts of such items that can be allocated to a segment on a reasonable and reliable basis. Segment assets and segment liabilities do not include tax assets and tax liabilities (deferred and current), nor do they include interest-bearing assets and liabilities. The segments' investments in property, plant and equipment and intangible assets include all investments, except for investment in expendable equipment and low-value equipment.

NOTE 4 Geographic markets

Breakdown of sales by geographic markets:

	2016	2015
Sweden	2,329	2,105
Nordic countries, excluding Sweden	1,546	1,334
Europe, excluding Nordic countries	3,373	2,662
Other markets	1,096	1,085
Total	8,344	7,186

Breakdown of assets by geographic markets:

	2016	2015
Sweden	21,079	16,286
Nordic countries, excluding Sweden	938	1,057
Europe, excluding Nordic countries	1,759	2,623
Other markets	272	438
Assets in a disposal group held for sale	–	871
Total	24,048	21,275

Breakdown of investment by geographic markets:

	2016	2015
Sweden	943	137
Nordic countries, excluding Sweden	61	367
Europe, excluding Nordic countries	600	134
Other markets	24	77
Investments in a disposal group held for sale	–	22
Total	1,628	737

Historically, the Group's domestic market has been the Nordic countries, with the majority of production located in Sweden. Today, the Group's main area of expansion is Europe although it is expanding in other parts of the world too. Based on the size criteria, no specific countries are deemed large enough to be reported separately.

NOTE 5 Related party transactions

The Douglas family has a controlling influence over Investment AB Latour. Privately and through companies, the Douglas family controls 80.1 per cent of voting rights in Latour. Through companies, the Douglas family has acquired 54,525 class A shares and 75,000 class B shares during the year. The family has received board representation fees of SEK 800,000.

Investment AB Latour has previously held 402,500 repurchased shares. In 2016, 201,000 of these shares were sold and a further 122,000 shares were repurchased. This gave Investment AB Latour a holding of 323,500 shares at the end of the period. The total number of call options issued to senior executives in the Latour Group is 612,500. The Board was authorised by the Annual General Meeting on 3 May 2016 to resolve on the repurchase and transfer of the company's own shares. The options are based on market-competitive terms. For information concerning salaries and other remuneration to the Board, the Chief Executive Officer and other senior executives, see Note 9.

Purchasing and sales for the year between Group companies in the Latour Group totalled SEK 3,367 m (3,128). There were no purchases or sales with the parent company.

In the first quarter, a transaction of the parent company's shareholding in Loomis was carried out at market value to the subsidiary Latour Förvaltning AB.

There have been no transactions with other related parties or other companies during the year.

NOTE 6 Breakdown of expenses by type of cost

GROUP	2016	2015
Change in the stock	3,865	3,293
Remuneration to personnel	2,326	2,060
Depreciation/amortisation	167	158
Other costs	965	771
Total	7,323	6,282

NOTE 7 Exchange rate differences

Operating profit includes exchange rate differences relating to operating receivables and liabilities as follows:

GROUP	2016	2015
Net sales	11	–4
Cost of goods sold	–2	–
Sales costs	–	12
Other operating income	–	3
Other operating expenses	–3	–10
Total	6	1

NOTE 8 Remuneration to auditors

GROUP	2016	2015
PwC		
Audit assignment	6	6
Audit-related activities	0	0
Tax advisory services	1	0
Other services	4	3
Other auditors		
Audit assignment	3	2
Other services	1	1
Total	15	12

Remuneration to auditors for auditing services in the parent company amounted to SEK 88,000 (93,000) and for other services SEK 116,000 (0,000).

NOTE 9 Personnel

Salaries, other remuneration and social costs

	2016		2015	
	Salaries and other remuneration	Social costs (of which pension costs)	Salaries and other remuneration	Social costs (of which pension costs)
Parent company	4	1	4	1
Subsidiaries	1,787	543	1,828	582 (154)
Group	1,791	544	1,832	583 (154)

Of the Group's pension costs, SEK 16 m (15) relate to boards and managing directors.

Salaries and other remuneration broken down by country and between board members and others, and employees:

	2016		2015	
	Board and CEO		Board and CEO	
	(of which bonus)	Other employees	(of which bonus)	Other employees
Parent company				
Sweden	4 (0)	—	4 (0)	—
Subsidiaries				
Sweden	41 (11)	737	36 (10)	858
Italy	7 (0)	93	5 (0)	90
Finland	4 (0)	90	6 (0)	94
Germany	7 (0)	148	6 (0)	122
UK	7 (2)	115	7 (1)	94
Norway	3 (0)	67	3 (0)	59
USA	2 (0)	90	3 (0)	86
Switzerland	4 (1)	45	4 (1)	47
Denmark	3 (1)	41	4 (0)	33
Poland	2 (2)	38	3 (2)	38
France	0 (0)	26	1 (0)	20
The Netherlands	1 (0)	9	2 (0)	8
Belgium	7 (0)	59	7 (1)	52
Romania	0 (0)	7	0 (0)	6
Other countries	6 (2)	110	11 (2)	106
Group total	98 (19)	1,675	102 (17)	1,713

Periods of notice within the Group are, depending on age and position, between 3 and 24 months.

Remuneration to senior executives

Policies

The Chairman of the Board and Board members receive the remuneration decided by the Annual General Meeting. They are not paid extra for committee work.

Remuneration to the Chief Executive Officer and other senior executives is comprised of basic salary, variable remuneration, other benefits and pension. Other senior executives are the members of Group management and business area managers, who report directly to the Chief Executive Officer.

The variable remuneration to the Chief Executive Officer is based on goals achieved during the year and was capped at 77 per cent of basic salary in 2016. Variable remuneration for other senior

executives is based on profits and return on operating capital. Under current agreements for the annual variable remuneration, the remuneration is capped at 20 and 50 per cent of the basic salary. In order to promote a long range perspective, the Board may, in addition to the annual variable remuneration, decide on compensation connected to the business areas' long-term value development over a period of three years.

The Board may also allow a supplemental remuneration to company management in the form of share-related incentive schemes (e.g. a call option programme) provided that they promote long-term commitment to the business and they are on market-based terms.

2016 Remuneration and other benefits during the year

(SEK '000)	Basic salary/ Board fees	Variable remuneration ¹⁾	Other benefits ²⁾	Pension costs	Total
Chairman of the Board	1,200	—	—	—	1,200
Other Board members (6 people) ¹⁾	2,400	—	—	—	2,400
Chief Executive Officer	5,001	3,672	131	1,689	10,439
Other senior executives (5 people)	12,049	5,106	402	3,835	21,392

¹⁾ Other Board members have received SEK 400,000 each.

²⁾ Other benefits relate mainly to car benefits.

³⁾ Variable remuneration to the Chief Executive Officer was equal to 73 per cent of his basic salary and to other senior executives it ranged from 0-50 per cent of their basic salary.

2015 Remuneration and other benefits during the year

(SEK '000)	Basic salary/ Board fees	Variable remuneration ¹⁾	Other benefits ²⁾	Pension costs	Total
Chairman of the Board	1,200	—	—	—	1,200
Other Board members (6 people) ¹⁾	2,400	—	—	—	2,400
Chief Executive Officer	4,495	3,555	105	1,582	9,737
Other senior executives (6 people)	13,300	3,875	594	3,659	21,428

¹⁾ Other Board members have received SEK 400,000 each.

²⁾ Other benefits relate mainly to car benefits.

³⁾ Variable remuneration to the Chief Executive Officer was equal to 79 per cent of his basic salary and to other senior executives it ranged from 0-50 per cent of their basic salary.

Cont.

Note 9 cont.

Pensions

The Chief Executive Officer may retire at the age of 62, whereupon a pension of 60 percent of his basic salary is paid for 3 years.

The retirement age for other senior executives is 65, whereupon a pension is paid in accordance with the defined-benefit ITP pension scheme or the equivalent. Premiums are paid on an ongoing basis.

Call options

Share option schemes from 2012 expired in 2016, whereupon 186,000 options were redeemed for shares at a redemption price of SEK 117.60 and 15,000 options were redeemed for shares at a redemption price of SEK 133.40.

The table below shows the option schemes outstanding at year-end.

GROUP	No. issued options	Option price	Redemption price
2013/2017	168,000	15.20	170.00
2014/2018	144,000	18.90	194.20
2015/2019	149,500	25.00	258.90
2016/2020	151,000	35.40	375.20

Severance payment

The period of notice between the company and Chief Executive Officer is 12 months. In the case of dismissal by the company, the Chief Executive Officer will receive severance pay amounting to 12 months' salaries. Severance pay is not set off against any other income. The Chief Executive Officer must give 6 months' notice and does not receive severance pay.

The period of notice between the company and other senior executives varies from 6 to 12 months. In the case of dismissal by the company, the senior executives receive their salary during their notice period. Senior executives must give 6 months' notice and do not receive severance pay.

Preparation and decision process

The policies for remuneration to senior executives are decided by the Annual General Meeting. The Chief Executive Officer's salary and employment terms are determined by the Board. The Board has given the Chairman the task of reaching an agreement with the Chief Executive Officer after contact with the Remuneration Committee. The Board is then informed of the outcome of the negotiations.

Remuneration to other senior executives is determined by the Chief Executive Officer in consultation with the Chairman of the Board.

Gender split in the Board and senior management

	2016		2015	
	Men %	Women %	Men %	Women %
Board members	71	29	71	29
Group management	100	0	100	0

Average number of employees

PARENT COMPANY	2016		2015	
	Number employees	Of which men %	Number employees	Of which men %
Sweden	—	—	—	—
SUBSIDIARIES				
Sweden	1,765	83	2,166	81
Italy	242	84	243	81
UK	321	70	234	68
Germany	277	74	230	76
Poland	377	78	362	74
USA	109	83	181	87
Finland	196	81	255	85
Norway	125	78	110	72
Romania	109	41	104	38
Latvia	74	30	71	28
Other countries	649	82	614	82
Total in subsidiaries	4,244	78	4,570	78
Total	4,244	78	4,570	78

OPERATING AREAS	2016	2015
Industrial operations	4,243	4,569
Portfolio management	1	1
Total	4,244	4,570

NOTE 10 Depreciation/amortisation

Amortisation of intangible fixed assets in the Group amounts to SEK 23 m (18) and depreciation of property, plant and equipment amounts to SEK 144 m (140). Depreciation/amortisation is allocated by function in the income statement as follows:

GROUP	2016	2015
Trademarks, licenses		
Cost of goods sold	3	4
Sales costs	9	7
Administrative costs	5	2
Research and development costs	6	5
Total	23	18
Buildings		
Cost of goods sold	14	15
Sales costs	2	2
Administrative costs	3	2
Total	19	19
Land and land improvements		
Cost of goods sold	—	—
Total	0	0
Machinery		
Cost of goods sold	57	59
Sales costs	5	1
Administrative costs	1	1
Research and development costs	2	2
Other operating expenses	0	1
Total	65	64
Equipment		
Cost of goods sold	16	20
Sales costs	13	10
Administrative costs	29	25
Research and development costs	2	2
Total	60	57
Total depreciation	167	158

NOTE 11 Leases

Lease costs for premises, machinery, computers and office equipment for the Group were SEK 89 m (74).

Future minimum lease payments in the Group for non-cancellable operating leases fall due as follows:

Year	Future minimum lease payments
2016	82
2017–2020	197
2021–	27
Total	306

The Group leases a building under a finance lease. This is recognised as a fixed asset at a book value of SEK 82 m (82). Future lease payments on this building are recognised as interest-bearing debt amounting to SEK 64 m (65). The term is until 2027. See Note 19. Finance lease payments of SEK 4 m (4) have been recognised in the income statement.

NOTE 12 Operating income and operating expenses

Other operating income		
GROUP	2016	2015
Capital gains on sales	2	6
Share of earnings in associated companies ¹⁾	21	21
Exchange rate differences	0	4
Adjustment of additional purchase price	23	–
Other income	60	60
Total	106	91

Other operating expenses		
GROUP	2016	2015
Acquisition costs	-21	-7
Impairment of goodwill	-24	–
Exchange rate differences	-3	–
Other costs	-15	–
Total	-63	-7

¹⁾ Relates to share of earnings from Oxenon at SEK -18 m (1), Diamorph at SEK 33 m (19), Terratech at SEK 13 m (0), Brickpack at SEK -4 m (1) and other companies at SEK -3 m (0).

NOTE 13 Income from interests in associates

GROUP	2016	2015
Income from interests after tax	1,756	1,645
Dilutive effect	30	6
Profit on sale of interests	890	301
Total	2,676	1,952

Individual holdings have affected results as follows:

	2016	2015
ASSA ABLOY	661	746
Fagerhult	199	133
HMS Networks	47	18
Loomis	932	108
Nederman	55	39
Securitas	290	267
Sweco	220	155
Tomra	222	158
Troax	50	27
Academic Work (capital gain)	–	301
Total	2,676	1,952

Since Latour normally cannot wait for the income statements from each associated company, Latour applies the principle of basing each company's quarterly financial report on the outcome of the previous quarter and then extrapolating an estimated outcome. The companies' results vary which means the reported profit share can deviate from the recorded outcome but this is corrected in the next quarterly financial report. The book value of interests in associates is compared with the market value, which is adjusted for impairment if necessary.

PARENT COMPANY

In the parent company, the dividend income from associates comprises SEK 565 m (499) and capital gains SEK 1,431 m (318).

NOTE 14 Income from portfolio management

GROUP	2016	2015
Income from fixed assets		
Dividends	12	40
Capital gains	–	1,452
	12	1,492
Income from current assets		
Dividends	4	1
Capital gains	85	2
Revaluation, booked in the income statement	–	-2
	89	1
Total portfolio management	101	1,493
PARENT COMPANY		
2016		
Income from fixed assets		
Dividends	–	39
Capital gains on sales	–	1,859
Other income	1	–
Total portfolio management	1	1,898

NOTE 15 Finance income

GROUP	2016	2015
Interest income	14	–
Exchange gains	65	105
Other finance income	4	6
Total	83	111
PARENT COMPANY		
Interest income from Group companies	–	28
Total interest income	0	28

NOTE 16 Finance expense

GROUP	2016	2015
Other cost interest	-49	-64
Exchange losses	-58	-80
Other finance expense	-4	-2
Total	-111	-146
PARENT COMPANY		
Interest expenses to Group companies	-1	-11
Other interest expenses	–	-1
Total	-1	-12

NOTE 17 Tax on profit for the year

GROUP	2016	2015
Current tax expense for the period	-236	-198
Deferred tax attributable to changes in temporary differences		
Deferred tax income	17	10
Deferred tax expense	-48	-42
Total	-267	-230

Difference between actual tax expense and tax expense based on the effective tax rate

GROUP	2016	2015
Profit before tax	3,754	4,299
Tax according to effective tax rate, 22%	-826	-945
Tax effect of special taxation rules for investment companies	437	450
Effect of associated company accounts	151	229
Tax effect of non-deductible costs	-42	-23
Tax effect of previous year adjustments	-12	-18
Tax effect of non-taxable income	20	68
Other tax effects	5	9
Tax on profit for the year according to the income statement	-267	-230
PARENT COMPANY		
2016		
Profit before tax	1,986	3,087
Tax according to effective tax rate, 22%	-437	-679
Tax effect of special taxation rules for investment companies	437	679
Tax on profit for the year according to the income statement	0	0

The effective tax rate for the Group and the parent company is 22 per cent. Investment companies are allowed a tax deduction for the dividend approved at the subsequent Annual General Meeting. Capital gains are not taxable while capital losses are not deductible. Investment companies are taxed on a standardised basis. See Note 38.

NOTE 18 Intangible assets

GROUP	Goodwill	Trademarks, licenses	Total
<i>Accumulated cost</i>			
Opening balance 1 Jan 2015	3,506	202	3,708
Opening cost from acquisitions	0	2	2
Acquisitions for the year	489	60	549
Assets transferred to disposal groups held for sale and disposals	-179	-13	-192
Translation difference	-67	-2	-69
Closing balance 31 Dec 2015	3,749	249	3,998
Opening balance 1 Jan 2016	3,749	249	3,998
Opening cost from acquisitions	—	55	55
Acquisitions for the year	1,291	22	1,313
Translation difference	131	8	139
Closing balance 31 Dec 2016	5,171	334	5,505
<i>Accumulated amortisation</i>			
Opening balance 1 Jan 2015	0	-132	-132
Amortisation for the year	—	-18	-18
Amortisation transferred to disposal group held for sale and disposals	—	12	12
Translation difference	—	3	3
Closing balance 31 Dec 2015	0	-135	-135
Opening balance 1 Jan 2016	0	-135	-135
Amortisation for the year	—	-23	-23
Sales for the year	—	0	0
Translation difference	—	-4	-4
Closing balance 31 Dec 2016	0	-162	-162
<i>Accumulated impairment losses</i>			
Opening balance 1 Jan 2015	0	0	0
Impairment for the year	-47	—	-47
Closing balance 31 Dec 2015	-47	0	-47
Opening balance 1 Jan 2016	-47	0	-47
Impairment for the year	-53	—	-53
Closing balance 31 Dec 2016	-100	0	-100
Book value	5,071	172	5,243
Carrying amounts			
At 1 Jan 2015	3,506	70	3,576
At 31 Dec 2015	3,702	114	3,816
At 1 Jan 2016	3,702	114	3,816
At 31 Dec 2016	5,071	172	5,243

The effect of depreciation on results is detailed in Note 10.

All goodwill refers to the segment Industrial operations. An impairment test on goodwill for 2016 resulted in a SEK 53 m write-down.

Testing goodwill for impairment

Certain valuation assumptions, which are the basis of the evaluation, have been given for the Group's most significant goodwill items.

Group value of goodwill per business area

GROUP	Book value, SEK m
Hultafors Group	614
Latour Industries	1,759
Nord-Lock Group	580
Swegon	1,823
Neuffer	295
	5,071

Assumptions for the Group's significant goodwill items are given below

	Book value, SEK m	Growth assumption (forecast)	Margin assumption (forecast)
31 Dec 2016			
Snickers Workwear	366	3-5%	16.0-18.0%
Tradeport	217	5-27%	13.3-15.0%
Reac	213	4%	13.0-14.3%
Aritco	645	6-24%	11.2-18.0%
Neuffer	295	2-50%	0.0-8.0%
Nord-Lock Group	579	3-9%	26.0-28.5%
Produal	379	8-13%	19.6-22.0%
Light Commercial Swegon	687	2-15%	23.7-27.0%
Cooling Swegon	525	2-7%	5.4-10.0%
North America Swegon	176	2-23%	4.8-11.0%

	Discount rate (before tax)	Growth assumption (terminal)	Margin assumption (terminal)
31 Dec 2016			
Snickers Workwear	11.3%	2%	16.0%
Tradeport	12.3%	2%	15.0%
Reac	11.1%	2%	13.0%
Aritco	12.3%	2%	18.0%
Neuffer	11.2%	2%	8.0%
Nord-Lock Group	11.2%	2%	26.0%
Produal	11.2%	2%	22.0%
P. Lemmens	9.9%	2%	27.0%
Cooling	9.6%	2%	10.0%
Vibro-Acoustics	11.0%	2%	11.0%

	Book value, SEK m	Growth assumption (forecast)	Margin assumption (forecast)
31 Dec 2015			
Snickers Workwear	357	3-12%	15.0-17.0%
Tradeport	217	4-95%	10.4-15.0%
Reac	211	4-4.3%	14.0-14.5%
Kabona	120	2-26%	7.0-9.0%
Elvaco	139	5-13%	21.0-23.0%
Nord-Lock Group	497	3-8%	25.0-27.0%
Produal	362	3-4%	22.0-23.8%
P. Lemmens	656	2-15%	25.0-27.0%
Cooling	426	2-5%	3.8-10.0%
Vibro-Acoustics	158	2-25%	0.0-10.0%

	Discount rate (before tax)	Growth assumption (terminal)	Margin assumption (terminal)
31 Dec 2015			
Snickers Workwear	10.9%	2%	15.0%
Tradeport	11.5%	2%	15.0%
Reac	11.1%	2%	14.0%
Kabona	12.0%	2%	9.0%
Elvaco	11.8%	2%	21.0%
Nord-Lock Group	11.2%	2%	25.0%
Produal	11.3%	2%	22.0%
P. Lemmens	9.9%	2%	27.0%
Cooling	9.6%	2%	10.0%
Vibro-Acoustics	11.0%	2%	10.0%

All Group goodwill items have been evaluated as required by IAS 36 in order to determine the individual recoverable amount for all of the smallest cash generating units. The valuations are not market value. Individual assumptions regarding growth, profit margins, tied up capital and investment needs as a risk premium have been made for each of the Group goodwill items. The risk premium increment which has been added onto the risk free interest level is made up of a general risk premium for company investments and a specific risk premium for individual operations based on their circumstances.

Key assumptions

Impairment tests were performed with forecasts for five years (one or more years following individual testing). Estimations of future cash flows have been made based on the assets' existing structure and do not include future acquisitions. The required return after tax varies from 9.5 per cent to 12.2 per cent (9.4 to 11.8). The higher part of the interval has been used in most of the tests.

Note 18 cont.

Market, growth and margin

The forecasts are based on previous experience and external sources of information.

Personnel expenses

The forecast for personnel expenses is based on anticipated inflation, a certain real wage increase (historical average) and planned rationalisations in company production. The forecast concurs with previous experience and external sources of information.

Exchange rates

Exchange rate forecasts are based on current listed exchange rates and forward rates. The forecast concurs with external sources of information.

Exchange rate CAD	6.6
Exchange rate CHF	8.5
Exchange rate DKK	1.26
Exchange rate EUR	9.40
Exchange rate GBP	11.0
Exchange rate NOK	1.00
Exchange rate PLN	2.15
Exchange rate USD	8.40

The recoverable amount exceeds the carrying amounts by a good margin for all essential units. The effect of a minor change to a key assumption is not so great that the recoverable amount could fall below its carrying amount. This applies to all cash-generating units where significant value is created. However, the risk is greater for some of the smallest goodwill items because the margin is smaller. Yet they have no significant impact on the Latour Group. The greatest risk of the occurrence of impairment is when disruptive changes in an industry radically alter the position of a company in the market. Each company conducts an annual risk analysis to review and modify its operations in the light of such risks.

NOTE 19 Buildings

GROUP	2016	2015
Opening cost	514	568
Opening cost from acquisitions	38	7
Purchases	9	2
Assets transferred to disposal groups held for sale and disposals	-18	-53
Reclassification	0	0
Translation differences	11	-10
Closing cost	554	514
Opening depreciation	-229	-243
Depreciation transferred to disposal group held for sale and disposals	10	28
Depreciation for the year	-18	-18
Translation differences	-4	4
Closing depreciation	-241	-229
Opening impairment	0	-11
Impairment for the year	-	-
Sales and reversals	-	11
Closing impairment	0	0
Book value	313	285

Depreciation for the year, see Note 10.

Building items include a property owned by the company through a finance lease with the following amounts:

	2016	2015
Cost - capitalised finance lease	109	104
Accumulated depreciation	-27	-22
Carrying amount	82	82

NOTE 20 Land and land improvements

GROUP	2016	2015
Opening cost	24	26
Purchases	2	0
Sales and disposals	-	-2
Translation differences	0	0
Closing cost	26	24
Opening depreciation	-8	-8
Depreciation for the year	-	0
Sales and disposals	-	0
Translation differences	0	0
Closing depreciation	-8	-8
Book value	18	16

Depreciation for the year, see Note 10.

NOTE 21 Machinery

GROUP	2016	2015
Opening cost	1,009	1,147
Opening cost from acquisitions	20	18
Purchases	93	66
Assets transferred to disposal groups held for sale and disposals	-26	-214
Reclassification	-31	-
Translation differences	18	-8
Closing cost	1,083	1,009
Opening depreciation	-792	-910
Depreciation transferred to disposal group held for sale and disposals	22	180
Depreciation for the year	-65	-65
Reclassification	32	-
Translation differences	-12	3
Closing depreciation	-815	-792
Book value	268	217

Depreciation for the year, see Note 10.

NOTE 22 Equipment

GROUP	2016	2015
Opening cost	588	633
Opening cost from acquisitions	21	16
Purchases	81	64
Assets transferred to disposal groups held for sale and disposals	-86	-117
Reclassification	0	-1
Translation differences	4	-7
Closing cost	608	588
Opening depreciation	-429	-473
Depreciation transferred to disposal group held for sale and disposals	68	95
Depreciation for the year	-60	-56
Reclassification	-	-
Translation differences	-4	5
Closing depreciation	-425	-429
Book value	183	159

Depreciation for the year, see Note 10.

NOTE 23 Construction work in progress and advances for property, plant and equipment

GROUP	2016	2015
Opening cost	27	12
Opening cost from acquisitions	4	-
Costs expended during the year	41	26
Completed facilities	-43	-11
Book value	29	27

NOTE 24 Interests in subsidiaries

	2016	2015
Opening cost	1,246	1,246
Change for the year	1,000	–
Closing cost	2,246	1,246

Company name	CRN	Domicile	No. shares	Share of equity (%)	Book value (SEK m)
Karpalunds Ångbryggeri AB	556000-1439	Stockholm	3,600	100	1
Latour Förvaltning AB	556832-2209	Stockholm	500	100	1,005
Latour-Gruppen AB	556649-8647	Gothenburg	400,000	100	1,049
Hultafors Group AB	556365-0752	Bollebygd	349,873	100	
Hultafors AB	556023-7793	Bollebygd	30,000	100	
Hultafors Group Finland OY	0664406-9	Finland	100	100	
Hultafors Group Norge AS	983513328	Norway	1,000	100	
Hultafors Group Danmark AS	14252533	Denmark	500,000	100	
Hultafors UMI S.R.L.	132/572/22.11.1996	Romania	78,661	100	
Hultafors Group Italy	1660130210	Italy	60,000	100	
Fisco Tools Ltd	755735	UK	200,000	100	
Hultafors Group NL BV	8054149	The Netherlands	25	100	
Hultafors Group Sverige AB	556113-7760	Bollebygd	1,000	100	
Snickers Workwear Ltd	01952599	UK	100,000	100	
Snickers Production SIA Latvia	40003077239	Latvia	100	100	
Hultafors Group Belgium NV	0444.346.706	Belgium	50,000	100	
Snickers Workwear France SARL	529,004,046	France	7,499	100	
Hultafors Group Poland Sp. z o.o.	146309299	Poland	100	100	
Snickers Workwear Switzerland AG	CH 036.3.044.124-4	Switzerland	1,000	100	
Hultafors Group Ireland Ltd	65695194	Ireland	15,700	100	
Hultafors Group Germany GmbH	147860778	Germany	50,000	100	
Snickers Workwear Austria GmbH	ATU 65856344	Austria	35,000	100	
Tradeport AB	556649-0230	Stockholm	1,000	100	
Latour Industries AB	556018-9754	Gothenburg	100,000	100	
LSAB Group AB	556655-6683	Hedemora	1,000	100	
Fortiva AB	556563-6742	Malmö	4,000	100	
Fortiva Danmark A/S	182650	Denmark	2,550	100	
Bergmans Chuck AB	556059-1736	Hässleholm	1,200	100	
LSAB Produktion AB	556456-8060	Laholm	400	100	
LSAB Norge AS	95882479	Norway	300	100	
LSAB Sverige AB	556222-1746	Hedemora	2,500	100	
LSAB Instrument Service	1089847103950	Russia	1	100	
LSAB Suomi OY	0140601-0	Finland	1,050	100	
LSAB Vändra AS	10120018	Estonia	6,000	100	
LSAB Latvia SIA	40003381260	Latvia	23,150	100	
LSAB Westlings AB	556442-0767	Vansbro	1,000,000	100	
MachToolRent	1107847394687	Russia	1	100	
Kabona AB	556609-1525	Borås	100	100	
Specma Seals AB	556198-5077	Gothenburg	10,000	100	
Specma Seals ApS	35645144	Denmark	500	100	
AVT Group AB	556863-5964	Gothenburg	500	100	
AVT Industriteknik AB	556596-5786	Alingsås	4,000	100	
KLT Fastighets KB	969674-4250	Alingsås	1	100	
Elvaco AB	556248-6687	Kungsbacka	800	80 ⁹	
Bastec AB	556346-6738	Malmö	114,200	100	
REAC AB	556520-2875	Åmål	20,000	100	
REAC A/S	19,353,508	Denmark	500,000	100	
REAC Poland Sp. z o.o.	0000444016	Poland	5,000	100	
REAC Components Sp. z o.o.	0000551205	Poland	3,000	100	
Bemsiq AB	559013-7351	Gothenburg	50,000	100	
Produal Holding Oy	2497873-2	Finland	5,400,027	100	
Produal Oy	0680909-7	Finland	33	100	
Produal Sverige AB	556538-4236	Stockholm	15,000	100	
Produal A/S	33378203	Denmark	700	100	
Produal S.A.S.	75264028400010	France	30,000	100	
All Sealing Solutions AS	997495365	Norway	3,695	100	
Aritco Group AB	556720-1131	Kungsängen	101,648	100	
Aritco Lift AB	556316-6114	Kungsängen	518,581	100	
Aritco DE GmbH	HRB 753033	Germany	25,000	100	
Brunna fastighetsmiljö AB	556344-2911	Kungsängen	50,000	100	
Gartec Ltd	02898632	UK	10,100	100	
Ecopilot AB	559080-5502	Gothenburg	50,000	100	
Nord-Lock International AB	556610-5739	Gothenburg	1,000	100	
Nord-Lock AG	CH-320.3.028.873-7	Switzerland	1,000	100	
Nord-Lock ApS	33,878,605	Denmark	100	100	
Nord-Lock Co. Ltd	310000400676819	China	1	100	

Note 24 cont.

Company name	CRN	Domicile	No. shares	Share of equity (%)	Book value (SEK m)
Nord-Lock AB	556137-1054	Åre	8,000	100	
Nord-Lock Inc.	38-3418590	USA	1,000	100	
Nord-Lock Australia Pty Ltd	602531279	Australia	10,000	100	
Superbolt Inc.	25-1478791	USA	12,000,000	100	
Nord-Lock Benelux BV	2050318	The Netherlands	180	100	
Nord-Lock Ltd	4117670	UK	100	100	
Nord-Lock Poland Sp. z o.o.	0000273881	Poland	10	100	
Nord-Lock France	439-251-901	France	1,000	100	
Nord-Lock Japan Co, Ltd	1299-01-047553	Japan	200	100	
Nord-Lock OY	0893691-1	Finland	100	100	
Nord-Lock s.r.o.	27294714	The Czech Republic	200,000	100	
Nord-Lock Holding GmbH	HRB 175392	Germany	1	100	
Nord-Lock GmbH	HRB 510204	Germany	1	100	
Nord-Lock Switzerland GmbH	CH 020.4.041.709-1	Switzerland	200	100	
Nord-Lock AS	895,421,812	Norway	100	100	
Nord-Lock Italy s.r.l	2,464,160,015	Italy	1	100	
Nord-Lock PTE. LTD.	20110682R	Singapore	50,000	100	
Boltight Ltd	03832926	UK	9	100	
Boltight Inc	03832926	UK	9	100	
Twin-Lock AB	559009-2614	Göteborg	1,000	100	
Nord-Lock Korea Co Ltd	606-86-01043	Korea	2	100	
Expander System Sweden AB	556392-6442	Sweden	30,000	100	
Expander Production Sweden AB	556366-5321	Sweden	1,000	100	
Expander America Inc	0967510-8	USA	1,000	100	
Swegon AB	556077-8465	Vara	400,000	100	
Swegon Sweden AB	559078-3931	Göteborg	50,000	100	
Swegon GmbH	HRB209158	Germany	25,000	100	
Swegon Climate Systems GmbH	HRB120490	Germany	2	100	
Econdition	HRB152462	Germany	2	100	
Swegon Latvia SIA	40103622444	Latvia	2,000	100	
Swegon A/S	247231	Denmark	5	100	
Swegon GmbH Austria	FN 229472	Austria	1	100	
Swegon Ltd	1529960	UK	50,000	100	
Swegon Cooling Ltd	01744381	UK	63,622	100	
Swegon Service Ltd	03443661	UK	1	100	
Swegon Hire Ltd	03284785	UK	1,000	100	
Swegon SARL	409-770-195	France	2,000	100	
Swegon SA	48-205-4517	Switzerland	100	100	
Swegon s.r.o.	275 90 071	The Czech Republic	1	100	
Swegon North America Inc	1916764	Canada	6,860,001	100	
Swegon Inc.	26-1934480	USA	1,000	100	
Swegon BVA System Inc	98-0149314	USA	100	100	
Swegon BVA System (Tennessee) Inc	98-0150566	USA	100	100	
Swegon BVA System (Texas) Inc	46-0524581	USA	1,000	100	
Swegon Eesti OU	11726958	Estonia	1	100	
Swegon Indoor Climate Systems Co. Ltd	310000400676739	China	1	100	
Swegon AS	933-765-806	Norway	1,500	100	
OY Swegon AB	240.505	Finland	20,000	100	
Lewaco Trading AB	556343-3423	Vara	1,000	100	
Berguven 2AB	556935-7782	Vara	500	100	
Swegon Sp.z o.o.	632031333	Poland	1,454	100	
Swegon BV	24408522	The Netherlands	100	100	
Swegon Belgium S.A.	893.224.696	Belgium	620	100	
Swegon P Lemmens Group SA	829.386.721	Belgium	22,142	90 ¹⁾	
P Lemmens Company SA	429.188.970	Belgium	100,000	90 ¹⁾	
Swegon S.A.	A-84244763	Spain	6,011	100	
Swegon ILTO OY	1615732-8	Finland	1,000	100	
Swegon BB s.r.l	03991770276	Italy	1	100	
Blue Box Group s.r.l	02481290282	Italy	1	100	
Aplicaciones Climaticas BBG SI	B 97613780	Spain	0.65	100	
Blue Box Air	U74210MH2008FTC189149	India	2,397,500	100	
Swegon Lidköping AB	556640-0346	Lidköping	9,230	100	
Swegon Air Management	00738495	UK	11,285,947	100	
bluMartin GmbH	HRB 187767	Germany	150,000	100	
Swegon Group AB	559078-3964	Göteborg	50	100	
Neuffer Fenster + Türen GmbH	HRB 4339	Germany	87,000	66.1	
Neuffer Fönster Skandinavien AB	556938-7151	Göteborg	50,000	100	
Skillers GmbH	HRB 755172	Germany	25,000	100	
FÖV Fodervävnader i Borås AB	556057-3460	Göteborg	60,000	100	
Nordiska Industri AB	556002-7335	Göteborg	840,000	100	191
Total book value					2,246

¹⁾ Consolidated to 100% due to holdings of call options for the rest of the shares.

Smaller inactive subsidiaries are not included above.

NOTE 25 Interests in associates

GROUP	2016	2015	PARENT COMPANY	2016	2015
Opening book value	11,727	9,917	Opening book value	5,332	4,721
Acquisitions during the year	261	691	Acquisitions during the year	138	691
Sold during the year	-349	-104	Sold during the year	-65	-80
Profit share for the year after tax	1,765	1,667	Closing value	5,405	5,332
Dilutive effect	30	6	ASSA ABLOY AB	1,199	1,199
Dividends received	-725	-631	AB Fagerhult	289	289
Impairment	-15	-	HMS Networks AB	250	250
Net change in capital	583	181	Loomis AB	0	65
Closing value	13,277	11,727	Nederman Holding AB	306	306
			Securitas AB	585	585
			Sweco AB	446	446
			Tomra Systems ASA	1,933	1,795
			Troax Group AB	397	397
			Closing value	5,405	5,332

GROUP	Description of business	Number of shares	Equity interest	Market value ¹⁾	Cost	Equity interest %	Voting rights %
ASSA ABLOY AB (CRN 556059-3575. Stockholm) ²⁾	See page 44	105,495,729	5,009	17,839	1,697	10	29
AB Fagerhult (CRN 556110-6203. Domicile Habo) ⁴⁾	See page 45	18,620,400	1,113	4,348	571	49	49
HMS Networks AB (CRN 556661-8954. Halmstad)	See page 46	3,027,322	343	920	250	26	26
Loomis AB (CRN 556620-8095. Stockholm) ²⁾	See page 47	2,528,520	203	685	44	3	24
Nederman Holding AB (CRN 556576-4205. Domicile Helsingborg)	See page 49	3,512,829	456	657	306	30	30
Securitas AB (CRN 556302-7241. Stockholm) ²⁾	See page 50	39,732,600	1,515	5,698	1,081	11	30
Sweco AB (CRN 556542-9841. Domicile Stockholm)	See page 51	32,622,480	1,538	5,879	480 ³⁾	27	21
Tomra Systems ASA (CRN 556542-9841. Domicile Stockholm)	See page 52	38,311,000	2,352	3,654	1,934	26	26
Troax Group AB (CRN 556916-4030. Domicile Hillerstorp)	See page 53	6,020,000	451	1,168	397	30	30
Diamorph AB (CRN 556647-5371. Domicile Stockholm)	See page 56	13,923,571	209	230	172	26	26
Oxeon AB (CRN 556614-1197. Domicile Borås)	See page 58	215,200	10	10	11	31	31
Terratech AB (CRN 556932-5102. Domicile Stockholm)	See page 59	1,128,967	48	45	45	22	22
LumenRadio AB (CRN 556761-7492. Domicile Gothenburg)		246,000	18	20	20	25	25
Other smaller holdings			12	13	16		
			13,277	41,166	6,986		

¹⁾ Listed holdings at purchase price. Unlisted holdings firstly at the last valuation, secondly at the last traded price and thirdly the acquisition price.

²⁾ Class A shares in ASSA ABLOY, Loomis and Securitas are unlisted. In this table they have been given the same listed price as corresponding class B shares.

³⁾ The cost of Sweco B is SEK 34 m higher in the Group due to the utilisation of a call option.

⁴⁾ At the end of 2016, 90,000 shares of Latour's holding in Fagerhult were on loan.

The following table summarises information from the balance sheet

	Fixed assets	Current assets	Total assets	Long-term liabilities	Current liabilities	Total liabilities	Net assets
2016							
ASSA ABLOY AB	69,257	26,025	95,282	25,945	22,112	48,057	47,225
AB Fagerhult	2,550	2,264	4,814	2,190	997	3,187	1,627
HMS Networks AB	1,073	329	1,402	522	244	766	636
Loomis AB	11,245	3,624	14,869	4,701	3,521	8,222	6,647
Nederman Holding AB	1,158	1,496	2,653	840	831	1,671	982
Securitas AB	27,549	20,853	48,401	16,231	17,662	33,893	14,508
Sweco AB	7,279	6,542	13,821	2,348	6,038	8,386	5,435
Tomra Systems ASA	3,893	3,222	7,115	857	1,888	2,745	4,370
Troax Group AB	1,163	488	1,651	763	257	1,020	631
Diamorph AB	751	317	1,068	551	81	632	435
Oxeon AB	24	8	32	0	13	13	19
Terratech AB	102	125	227	26	60	85	141
LumenRadio AB	6	32	38	2	4	5	32
2015							
ASSA ABLOY AB	62,847	23,330	86,177	24,166	20,432	44,598	41,579
AB Fagerhult	1,894	1,846	3,739	1,524	779	2,302	1,437
HMS Networks AB	660	171	831	230	145	375	456
Loomis AB	10,860	3,555	14,415	5,974	2,598	8,572	5,843
Nederman Holding AB	1,135	1,431	2,566	935	794	1,729	837
Securitas AB	23,378	17,283	40,661	15,470	12,662	28,131	12,530
Sweco AB	6,964	5,785	12,749	2,819	5,021	7,840	4,909
Tomra Systems ASA	3,866	3,129	6,995	1,272	1,798	3,070	3,925
Troax Group AB	937	380	1,317	590	179	769	548
Diamorph AB	832	307	1,139	554	69	623	516
Oxeon AB	19	23	43	0	12	12	31

Note 25 cont.

The following table summarises information from income and comprehensive income

	Income	Profit/loss	Other comprehensive income	Total comprehensive income	Dividends received
2016					
ASSA ABLÖY AB	71,293	6,653	1,975	8,628	280
AB Fagerhult	4,491	381	-61	320	65
HMS Networks AB	952	100	14	114	8
Loomis AB	16,800	1,258	61	1,319	18
Nederman Holding AB	3,107	172	31	203	18
Securitas AB	88,162	2,646	625	3,271	139
Sweco AB	16,531	931	9	940	114
Tomra Systems ASA	6,610	738	-178	560	66
Troax Group AB	1,097	154	-37	117	18
Diamorph AB	424	112	-145	-33	0
Oxeon AB	51	-11	0	-11	0
Terratech AB	263	15	0	15	0
LumenRadio AB	23	-6	0	-6	0
2015					
ASSA ABLÖY AB	68,099	7,693	260	7,953	200
AB Fagerhult	3,909	289	-70	219	45
HMS Networks AB	702	60	-1	59	7
Loomis AB	16,097	1,069	355	1,424	38
Nederman Holding AB	3,198	153	-5	148	14
Securitas AB	80,860	2,444	-142	2,302	119
Sweco AB	11,389	439	-29	410	94
Tomra Systems ASA	5,873	619	336	956	53
Troax Group AB	948	125	28	154	0
Diamorph AB	432	90	43	133	0
Oxeon AB	68	4	0	4	0

Summarised reconciliation of financial information¹⁾

	Opening net assets	Profit/loss	Changes in equity	Dividends	Closing net assets	Holdings in associates	Goodwill	Book value
2016								
ASSA ABLÖY AB	41,579	6,836	564	-2,944	46,035	4,372	637	5,009
AB Fagerhult	1,437	398	-34	-132	1,669	821	292	1,113
HMS Networks AB	455	100	109	-29	635	165	178	343
Loomis AB	5,843	1,266	-306	-527	6,276	203	0	203
Nederman Holding AB	837	151	14	-58	944	284	172	456
Securitas AB	12,530	2,592	101	-1,278	13,945	1,515	0	1,515
Sweco AB	4,907	835	-4	-419	5,319	1,451	87	1,538
Tomra Systems ASA	3,925	807	91	-273	4,550	1,180	1,172	2,352
Troax Group AB	548	129	-17	-60	600	181	270	451
Diamorph AB	515	113	-173	0	455	118	91	209
Oxeon AB	30	-11	0	0	19	6	4	10
Terratech AB	134	13	0	0	147	32	16	48
LumenRadio AB	38	-6	0	0	32	8	10	18
2015								
ASSA ABLÖY AB	36,098	7,573	676	-2,407	41,940	3,984	637	4,621
AB Fagerhult	1,329	283	-58	-113	1,441	709	292	1,001
HMS Networks AB	423	72	3	-28	470	126	178	304
Loomis AB	4,907	1,070	269	-451	5,795	533	0	533
Nederman Holding AB	733	121	5	-47	812	244	172	416
Securitas AB	11,299	2,373	27	-1,095	12,604	1,369	0	1,369
Sweco AB	1,888	454	1,134	-318	3,158	861	87	948
Tomra Systems ASA	3,534	626	-147	-205	3,808	942	973	1,915
Troax Group AB	448	91	0	-23	516	155	258	413
Diamorph AB	385	77	40	0	502	106	68	174
Oxeon AB	27	3	0	0	30	9	19	28

¹⁾ The carrying amounts are estimated full-year values, based on each company's Q3 report, which may include some differences from the actual results presented in previous tables (Summary of information from the balance sheet, income and comprehensive income statements).

NOTE 26 Listed shares

GROUP	2016	2015	PARENT COMPANY	2016	2015
Opening cost	94	469	Opening cost	0	438
Purchases	—	—	Purchases	—	—
Sale	—	-375	Sale	—	-438
Closing cost	94	94	Closing cost	0	0
Opening fair value reserve	399	1,136	Opening fair value reserve	0	1,091
Sale recognised in the income statement	—	-1,000	Sale recognised in the income statement	—	-1,091
Revaluation recognised in equity	-99	263	Revaluation recognised in equity	—	—
Closing fair value reserve	300	399	Closing fair value reserve	0	0
Book value	394	493	Book value	0	0

Specification of listed shares

Share	Number	Market value, SEK m	Listed price, SEK	Cost, SEK m	Share of votes, %	Share of equity, %
Nobia	4,649,894	394	85	94	3	3
Total		394		94		

NOTE 27 Other securities owned

GROUP	2016	2015
Opening cost	25	1
Purchases	—	24
Reclassification	-24	—
Closing cost	1	25
Opening impairment	-1	-1
Impairment for the year	—	—
Closing impairment	-1	-1
Book value	0	24

NOTE 28 Long-term receivables

GROUP	2016	2015
Opening cost	202	37
Increase for the year	1	179
Decrease for the year	-179	-14
Book value	24	202

The Group's interest-bearing receivables have an average interest rate of 0 per cent and run for an average period of 12 months.

NOTE 29 Inventories

The value of goods pledged as security for loans or other obligations is SEK 0 (0).

Inventory value:	2016	2015
<i>At net realisable value</i>		
Raw materials and consumables	57	8
Work-in-progress	3	2
Finished work and goods for resale	90	53
<i>At cost</i>		
Raw materials and consumables	318	298
Work-in-progress	101	79
Finished work and goods for resale	550	566
	1,119	1,006

NOTE 30 Listed shares – trading

GROUP	2016	2015
Book value at the beginning of the year	46	79
Acquisitions for the year	250	85
Sales at the actual cost	-256	-105
Revaluation, booked in the income statement	0	-13
Book value at the end of the year	40	46

GROUP	Number	Cost	Book value	Market value
H&M B	30,000	9	8	8
Investor	23,000	8	8	8
Netent	100,000	8	7	7
SCA	21,000	5	5	5
SKF B	14,000	2	2	2
Trelleborg	40,000	6	7	7
INSR Insurance Group	431,243	13	3	3
		51	40	40

NOTE 31 Accounts receivable

GROUP	2016	2015
Nominal value	1,456	1,207
Provision for bad debts	-44	-42
Net accounts receivable	1,412	1,165
Reserve for bad debts		
Opening reserve	-42	-46
Opening reserve for acquired companies	0	-1
Provisions for bad debts for the year	-2	-9
Realised losses during the year	1	4
Reversed unutilised amount	1	9
Exchange rate differences	-2	1
	-44	-42

Provisions for, and provisions from, bad debts are recognised in the income statement under Other operating expenses. Amounts recognised in depreciation and amortisation are normally written off when the Group does not expect to recover further amounts.

Apart from impairment losses made, the credit risk is deemed to be small since the receivables relate to bona fide, paying customers.

Age analysis of accounts receivable	2016	2015
Not past due	1,074	937
Past due but not impaired at 31 December		
Due less than 3 months	303	202
Due 3 to 6 months	15	13
Due more than 6 months	20	13
	1,412	1,165

NOTE 32 Derivative instruments

GROUP	2016	2015
Assets		
Forward exchange contracts – cash flow hedging	25	67
Liabilities		
Interest rate swaps	-20	-15

Forward exchange contracts

The nominal amount of outstanding forward exchange contracts on 31 December was SEK 93 m (171). See Note 35.

It is considered that the cash flow hedges meet the terms for effective hedge accounting and the change is therefore recognised in its entirety in other comprehensive income. The impact from the hedging on other comprehensive income during the year was SEK -42 m (20).

Hedges on net investments in foreign operations

Borrowing that has been identified as net investment hedging in Group subsidiaries is SEK 91 m (95) in Italy and SEK 146 m (152) in Finland.

The change in exchange rate on translation of borrowing into Swedish krona is SEK -27 m (SEK 10 m) at the close of the reporting period and is recognised in other comprehensive income.

Interest rate swaps

The gain or loss associated with the ineffective portion of an interest rate swap that hedges fixed-rate borrowing is recognised in other comprehensive income and in 2016 is SEK -6 m (-15).

NOTE 33 Cash and cash equivalents

Cash and cash equivalents comprise SEK 1,005 m (805) in bank balances and SEK 302 m (54) in short-term bank deposits. The Group receives interest on bank balances according to a floating interest rate based on the bank's daily rate.

NOTE 34 Assets held for sale

Specma Group was sold on 4 January 2016.

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

Earnings and cash flow from disposal groups held for sale

	2016	2015
Income	–	1,369
Expense	–	-1,298
Net financial items	–	-8
Tax	–	-15
Capital gains	183	–
Earnings from discontinued operations after tax	183	48
Net operating cash flows	–	103
Net investing cash flows	658	-37
Net financing cash flows	–	-25
Cash flows from discontinued operations for the period	658	41

NOTE 35 Financial instruments and financial risk management**Hedge accounting**

Latour uses hedge accounting on forward exchange contracts. Changes in market values of cash flow hedges are recognised in other comprehensive income when they are considered effective, otherwise directly in the income statement. Latour also uses interest rate swaps on the Group's short-term borrowing by converting the interest rates from variable to fixed and, like forward exchange contracts, the change is recognised in the market value in other comprehensive income if efficiency is achieved. Accumulated amounts in other comprehensive income are recycled to the income statement during the periods the hedged item affects results. Unrealised gains or losses that arise from market valuation of derivative instruments attributable to hedges of net investments, and which are attributable to exchange rate fluctuations, are recognised in other comprehensive income.

Book value and fair value of 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. 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 in 2016 compared with the 2015 annual accounts.

The Group 2016

<i>Financial assets</i>	Available-for-sale financial assets	Financial assets measured at fair value via the income statement	Derivatives used for hedging	Loans and receivables, cash and cash equivalents	Other liabilities	Total fair value
Listed shares management	394 ¹⁾					394
Other long-term securities holdings	0 ²⁾					0
Other long-term receivables				24 ³⁾		24
Listed shares – trading		40 ¹⁾				40
Unrealised gains, currency derivatives			25 ²⁾			25
Other current receivables				1,496 ³⁾		1,496
Cash				1,307 ³⁾		1,307
Total	394	40	25	2,827	–	3,286
<i>Financial liabilities</i>						
Long-term loans					696 ³⁾	696
Bank overdraft facilities					52 ³⁾	52
Current loans					1,990 ³⁾	1,990
Other current liabilities					858 ³⁾	858
Unrealised gains, currency derivatives			20 ²⁾			20
Total	–	–	20	–	3,596	3,616

¹⁾ Level 1 – fair value measurements are derived from quoted prices in active markets for identical assets.

²⁾ Level 2 – fair value measurements are derived from inputs other than quoted market prices included within Level 1 that are observable for the assets and liabilities.

³⁾ Level 3 – fair value measurements are derived from inputs for the assets and liabilities that are not based on observable market data.

The Group 2015

<i>Financial assets</i>	Available- for-sale financial assets	Financial assets measured at fair value via the income statement	Derivatives used for hedging	Loans and receivables, cash and cash equivalents	Other liabilities	Total fair value
Listed shares management	493 ¹⁾					493
Other long-term securities holdings	24 ²⁾					24
Other long-term receivables				204 ³⁾		204
Listed shares – trading		46 ¹⁾				46
Unrealised gains, currency derivatives			67 ²⁾			67
Other current receivables				1,473 ³⁾		1,473
Cash				934 ³⁾		934
Total	517	46	67	2,611	–	3,241
<i>Financial liabilities</i>						
Long-term loans					853 ³⁾	853
Bank overdraft facilities					43 ³⁾	43
Current loans					2,415 ³⁾	2,415
Other current liabilities					886 ³⁾	886
Unrealised gains, currency derivatives			15 ²⁾			15
Total	–	–	15	–	4,197	4,212

¹⁾ Level 1 – fair value is measured using quoted prices in an active market for identical assets.

²⁾ Level 2 – fair value is measured using inputs other than quoted market prices included within Level 1 that are observable for the assets and liabilities.

³⁾ Level 3 – fair value is measured using inputs for the assets and liabilities that are not based on observable market inputs.

Note 35 cont.

The basis of fair value for listed financial assets is the quoted market price on the balance sheet date. The basis of fair value for unlisted financial assets is determined using valuation techniques, such as recent transactions, the price of comparable instruments or discounted cash flows.

Currency derivatives comprise forward exchange contracts and are included in level 2. Valuation at fair value of forward exchange contracts is based on forward rates established by banks 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. It is not expected that the market interest rate for the non-current interest-bearing liabilities will deviate significantly from the discount rate. The carrying amounts are therefore deemed approximately equivalent to their fair values.

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.

Financial risk management

The Group's financing operations and management of financial risks is primarily centralised to Group staff. Operations are run according to the finance policy adopted by the Board and are characterised by a low level of risk. The purpose is to ensure the Group's long-term financing, minimise the Group's capital expense and effectively manage and control the Group's financial risks.

Currency exposure

The Group's operations face currency exposure in the form of exchange rate fluctuations. The Group's currency exposure consists partly of transaction exposure relating to purchases and sales in foreign currency, and partly to translation exposure relating to net investments in foreign subsidiaries and exchange rate fluctuations when the results from foreign subsidiaries are converted to Swedish crowns.

Transaction exposure

The Group's goal concerning transaction exposure is to hedge 50 per cent of the coming 12 months' budgeted cash flows. The impact of hedging transactions on income was SEK -33 m and is recognised in other comprehensive income. See Note 36.

The net currency flows for the year for Swedish units were distributed as follows:

Currencies (amounts in SEK m)	2016	2015
NOK	313	328
DKK	-7	165
GBP	125	64
USD	-335	-399
EUR	207	287
CHF	75	49
Total	378	494

+ = net inflow, - = net outflow

Assuming the same net transaction exposure as in 2016 and provided no hedging has been used, profit would have been positively impacted by SEK 4 m if the Swedish crown had increased by one percentage point against all transaction currencies.

At 31 December 2016, the Group had outstanding forward foreign exchange contracts as per the following currencies and due dates.

Amount in SEK m	2017	2018	Total
Sell EUR	102	–	102
Sell NOK	68	–	68
Sell DKK	77	–	77
Sell GBP	45	–	45
Sell CHF	27	–	27
Sell total	319	0	319
Buy EUR	-1	–	-1
Buy USD	-225	–	-225
Buy total	-226	0	-226
Net	93	0	93

The measurement of fair value of forward foreign exchange contracts is accounted for as derivative instruments and totals SEK 25 m (67), which is recognised in the consolidated balance sheet.

Translation exposure

The need to hedge net assets in foreign subsidiaries is decided on a case-to-case basis and hedges are based on the total Group net asset value. Hedging is conducted through loans in foreign currencies. Profit/loss from hedges in foreign operations was SEK -21 m (10). The amount is reported in other comprehensive income and in reserves in equity. See Note 36.

Net assets of the foreign subsidiaries are allocated as follows:

Currency	2016		2015	
	Amount SEK m	%	Amount SEK m	%
EUR	584	59	358	47
DKK	8	1	3	0
NOK	56	6	48	6
USD	164	16	121	16
GBP	-65	-7	70	9
RON	25	3	21	3
CAD	-27	-3	-26	-3
PLN	186	19	142	19
CHF	54	5	29	4
JPY	19	2	13	2
Other	-6	-1	-22	-3
Total	998	100	757	100

Exchange rate difference for the year from translation of foreign net assets was SEK -134 m (-77) and is reported in other comprehensive income and reserves in equity. See Note 36.

Financing risk and liquidity risk

The Group handles the more short-term liquidity risk within the framework of the financing risk. In a business like Latour's, where long-term financial resources are procured centrally, the short-term liquidity risk is automatically handled within long-term financing. Nonetheless, high demands are placed on the regular reporting of the cash flow situation in each of the individual business units.

In order to reduce the risk of difficulties in procuring capital in the future and refinancing of matured loans, the Group has the following contracted lines of credit:

		Of which has been used
Bank overdraft facility, etc.	200	52
Credits granted through 2017	917	654
Credits granted through 2018	1	1
Credits granted through 2019	1,566	825 ¹⁾
Credits granted through 2020	2,535	513 ¹⁾
	5,219	2,045

¹⁾ Promissory notes with maturities of up to 1 year are recognised in the balance sheet as current liabilities, even though they are included under long-term credit facilities.

At 31 December 2016, the Group's net financial liabilities, excluding shareholdings and other securities, was SEK 1,446 m. Most of the Group's loans are in SEK with a maturity period of less than one year, but within the framework for the long-term lines of credit presented above.

The non-current interest-bearing debt of SEK 696 m, due through 2020, is equivalent to a SEK 706 m cash outflow, of which SEK 10 m is accumulated interest.

Contracts for granted credits with terms longer than one year contain financial covenants, which state that net borrowing debt may not exceed a certain level in relation to the listed market value of the Group's listed securities. This condition was complied with in 2016.

Interest rate risk

The Latour Group's major source of financing is the cash flows from operating activities and the portfolio management as well as from loans. The loans are interest-bearing and thus expose the Group to interest rate risk. The Group uses interest rate swaps to minimise the interest rate risk. See Note 32.

Interest rate risk relates to the possibility of change in the interest rate level having an adverse impact on the Group's net interest and/or cash flows. The Group's financing policy establishes guidelines for setting fixed rates and average loan periods for borrowings. The Group strives to achieve a balance between the estimated cost of servicing loans and the risk that major interest rate fluctuations might adversely affect profits. At the end of 2016, the average fixed loan period was about 6 months.

If the interest rate level had been one percentage point higher, profit/loss for the year would have been impacted by SEK -25 m.

Cont.

Note 35 cont.

The average cost for outstanding long and short term borrowing on the balance sheet date (for long-term borrowing also see Note 40):

	Debt in 2016		Debt in 2015	
	%	SEK m	%	SEK m
Long-term borrowing SEK	0.4	100	1.4	339
Long-term borrowing EUR	1.3	303	1.1	243
Long-term borrowing PLN	—	—	1.5	92
Long-term borrowing GBP	1.0	190	—	—
Long-term borrowing CAD	2.0	93	—	—
Long-term borrowing DKK	—	—	1.0	2
Long-term borrowing other	2.0	10	—	—
	1.2	696	1.3	675
Short-term borrowing SEK	1.2	1,079	1.6	1,235
Short-term borrowing EUR	1.1	778	1.1	999
Short-term borrowing USD	1.4	138	2.0	125
Short-term borrowing GBP	—	—	1.2	95
Short-term borrowing PLN	2.0	47	—	—
	1.2	2,042	1.4	2,455

Capital management

The Group's long-term capital structure goals are to ensure that the Group is able to continue developing its operations, so that it can generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep capital expenses low. The Group is able to change the dividend that is paid to the shareholders or sell assets to reduce debt in order to maintain or adjust the capital structure. The Group assesses its capital adequacy by reference to its debt levels. Latour's Board of Directors has set limits on debt levels. The Group's debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and divestitures. The debt has always been well below this threshold.

Credit risk

The Group has limited exposure to credit risks. These risks are primarily related to outstanding accounts receivable. Losses on accounts receivable arise when customers become insolvent or for other reasons fail to meet their payment obligations. The risks are limited through credit insurance policies. Certain businesses even require payment in advance. Group management is of the opinion that there is no significant credit risk concentration in relation to any specific customer or counterparty or in relation to any specific geographic region.

Price risk

The Group is exposed to a price risk concerning shares due to investments held by the Group and which, in the Group's balance sheet are classified either as available-for-sale financial instruments or assets valued at fair value via profit or loss. The price risk on shares consists of share price risks, liquidity risks and counterparty risks. Share price risk is the risk of value loss due to changes in prices on the stock market. This is the greatest risk in Latour's business and occurs primarily in the valuation of the investment portfolio companies. If the market value of holdings in the investment portfolio changed by 5 per cent, it would affect comprehensive income and equity by SEK 20 m (25). Share prices are regularly analysed and monitored by Latour's group management. Latour has an influence on the companies' strategies and decisions through its active ownership, which is in part manifested through board participation. Liquidity risk can occur if a share, for example, is hard to sell. However, liquidity risk is limited. Counterparty risk is the risk that a party in a transaction with a financial instrument cannot fulfil its obligations and thereby creates a loss for the other party.

The Group is not exposed to any price risk concerning raw materials or commodities.

Operational risks

Operational risk is the risk of loss due to inadequate or failed internal processes and systems.

A number of internal guidelines and regulations as well as policies adopted by the Board are the basis of Latour's risk management. Legal reviews of contracts and relations are performed regularly. The Group also has a system of continuous controls that regulate and ensure responsibility and authority in operating activities.

Insurance risks in the Group are managed according to the assessed need for insurance. Matters concerning confidentiality and information security are highly prioritised at Latour and are regulated by internal guidelines. Latour also continuously controls and develops its systems and procedures for IT security.

NOTE 36 Equity

Reserves GROUP	Hedging reserve	Translation reserve	Fair value reserve	Total
Opening balance 1 Jan 2015	3	60	1,133	1,196
Translation differences for the year		-77		-77
Available-for-sale financial assets:				
Revaluation recognised directly in other comprehensive income			264	264
Recognised in the income statement upon sale			-1,000	-1,000
Cash flow hedges	20			20
Interest rate swaps	4			4
Net asset hedge, currency effects	10			10
Closing other reserves 31 Dec 2015	37	-17	397 ¹⁾	417
Opening balance 1 Jan 2016	37	-17	397 ¹⁾	417
Translation differences for the year		134		134
Available-for-sale financial assets:				
Revaluation recognised directly in other comprehensive income			-98	-98
Recognised in the income statement upon sale				0
Cash flow hedges	-33			-33
Interest rate swaps	-5			-5
Net asset hedge, currency effects	-21			-21
Closing other reserves 31 Dec 2016	-22	117	299	394

¹⁾ The investment portfolio has a fair value of SEK 299 m and issued call options have a fair value of SEK 0 m.

Note 36 cont.

Share capital

The parent company's share capital. The par value of each share is SEK 0.83.

Other contributed capital

Refers to equity contributed by the shareholders. Contributed capital is included here as a form of issue in kind and a new issue at a rate exceeding the par value.

Repurchased shares

Repurchased shares comprise the cost of the company's shares held by the parent company and are recognised as a deduction from equity. Consideration received for the sale of own shares is recognised as an increase in equity and transactions costs are recognised directly in equity.

Reserves

Translation reserve

The translation reserve includes all exchange rates differences that occur when the currencies of the financial statements of foreign operations are translated into the presentation currency of the consolidated financial statements. The parent company and the Group present their financial statements in Swedish krona (SEK).

Hedging reserve

The hedging reserve consists of exchange rate differences that occur when translating debts, derivatives classified as hedging instruments of net investments in a foreign operation and interest rate swaps.

Fair value reserve

The fair value reserve includes the accumulated net change of the fair value of available-for-sale financial assets until the asset is derecognised in the balance sheet.

Profit brought forward including part of comprehensive income for the year

Profit brought forward including part of comprehensive income for the year contains profits earned in the parent company, its subsidiaries and associates. Previous provisions to the statutory reserve, not including transferred share premium reserves, are incorporated in this equity item.

Non-controlling interests

Non-controlling interests comprise the share of equity not owned by the parent company.

Dividends

Dividends are proposed by the Board in accordance with the Swedish Companies Act and are approved by the Annual General Meeting. The dividend proposed, but not as yet approved, for 2016 is SEK 1,277 m (SEK 8.00 per share). The amount has not been reported as a liability.

Earnings per share

GROUP	2016	2015
Profit for the year	3,673	4,117
Average number of shares outstanding basic share	159,603,650	159,530,816
Average number of shares outstanding diluted share	160,198,254	160,179,053

	2016	2015
Earnings per share related to profit attributable to parent company shareholders		
Basic share	SEK 23.01	SEK 25.81
Diluted share	SEK 22.93	SEK 25.70

Outstanding shares

	Class A	Class B	Total
Number of shares at 1 January 2016	11,918,648	147,638,852	159,557,500
Repurchase		79,000	79,000
Conversion	-1,390	1,390	0
Total outstanding shares at 31 December 2016	11,917,258	147,719,242	159,636,500

Own shareholding

	Class A	Class B	Total
Shares held at 1 January 2016	–	402,500	402,500
Repurchase during the year	–	122,000	122,000
Divestiture	–	-201,000	-201,000
Total own shareholding at 31 December 2016	0	323,500	323,500
Total number of shares at 31 December 2016	11,917,258	148,042,742	159,960,000

Own shares

	2016		2015	
	Number	Expense	Number	Expense
Accumulated at the beginning of the year	402,500	58	467,000	38
Repurchase during the year	122,000	43	152,500	37
Divestiture	-201,000	-29	-217,000	-17
Accumulated at the end of the year	323,500	72	402,500	58

The par value of own holdings that were repurchased was SEK 0.4 m at 31 December 2016. This represents 0.3 per cent of the share capital. The transaction costs in connection with the shares bought back are reported as a deduction from equity. These costs have not affected recognised tax

expenses. Group own shares have been repurchased to create added value for continuing shareholders in Latour. Call options have been issued to senior executives on all of the repurchased shares.

NOTE 37 Retirement benefit obligations

Nearly all employees in the Latour Group are covered by either defined benefit or defined contribution pension plans. Defined benefit pension plans mean that the employee is guaranteed a pension corresponding to a certain percentage of his or her salary. The pension plans comprise retirement pension, sickness pension and family pension. The pension obligations are secured through provisions in the balance sheet and through premiums to insurance companies which thereby assume the obligations towards the employees. The Group's employees outside of Sweden, Italy, Germany and Switzerland are covered by defined benefit pension plans. Payments for these plans normally constitute a percentage of the employee's salary.

Obligations for retirement and family pensions for white-collar workers in Sweden are largely secured through insurance with Alecta. Since Alecta is unable to provide sufficient information to report the ITP plan as a defined benefit plan it is reported as a defined contribution plan. Payments for pension insurance policies with Alecta for the year are SEK 45 m. Alecta's surplus can be divided amongst the insurance policy holders and/or the insured. At the end of 2016, Alecta's surplus in the form of the collective consolidation level was 149 per cent. Pension plans for blue-collar workers in Sweden are defined contribution plans.

The company's costs and the value of outstanding obligations for defined benefit plans are calculated using actuarial calculations which aim to establish the present value of the obligations.

GROUP

Defined benefit obligations	2016	2015
Present value at the beginning of the periods	83	77
Acquisitions	5	0
Interest	0	3
Pension payments	0	—
Actuarial result	-2	2
Translation difference	1	1
Closing balance	87	83
Plan assets		
Opening balance	51	47
Change in reserves	-3	4
Closing balance	48	51
Net defined benefit obligations	39	32

Defined benefit obligations per country	Sweden	Switzerland	2016 Germany	Italy	Total
Present value of obligations	6	36	34	11	87
Fair value of plan assets	0	-25	-23	0	-48
Total	6	11	11	11	39

Defined benefit obligations per country	Sweden	Switzerland	2015 Germany	Italy	Total
Present value of obligations	1	42	30	10	83
Fair value of plan assets	0	-29	-22	0	-51
Total	1	13	8	10	32

At the last measurement date, the present value of the defined benefit obligation of approximately SEK 31 m was attributable to active employees and SEK 1 m to retired employees.

Amount reported in the income statement	2016	2015
Interest on pension provision	0	3
Cost of defined benefit plans	0	3
Pension costs, defined contribution plans	143	127
Special employer's tax and taxes on return	3	2
Total pension costs	146	132

The actuarial calculation of pension obligations and pension costs is based on the following key assumptions:

%	2016		
	Switzerland	Germany	Italy
Discount rate ¹⁾	0.7	1.5	1.3
Inflation	1.0	1.8	1.0
Pay increases	1.0	2.5	—
Pension indexation	0.0	2.0	0.0

%	2015		
	Switzerland	Germany	Italy
Discount rate ¹⁾	0.7	2.1	2.3
Inflation	1.0	1.8	1.5
Pay increases	1.0	2.5	—
Pension indexation	0.0	2.0	0.0

¹⁾ See policies in Note 2 page 73.

If the discount rate is lowered by 0.5 per cent, the present value of the obligations increases by 7.1 per cent. If the interest rate is raised by 0.5 per cent, the present value of the obligations decreases by 6.5 per cent.

NOTE 38 Taxes**Deferred tax in the balance sheet**

Temporary differences exist where the carrying amount and taxation value differ for a given asset or liability. Temporary differences have resulted in total deferred tax assets and deferred tax liabilities for the Group as follows:

GROUP	2016	2015
Deferred tax assets		
Intangible assets	5	5
Buildings and land	0	1
Machinery and equipment	3	3
Inventories	40	26
Current receivables	4	3
Provisions	16	11
Current liabilities	11	6
Other items	9	9
	88	64
Deferred tax liabilities		
Intangible assets	-37	-32
Buildings and land	-4	-3
Machinery and equipment	-3	-2
Inventories	0	0
Current receivables	-5	-15
Untaxed reserves	-194	-152
Provisions	-3	-2
	-246	-206

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax system. Deferred tax recognised in other comprehensive income amounts to SEK -20 m (-10).

The SEK 2,229 m (1,507) tax loss carryforward with an unlimited carryforward period in the parent company has not taken deferred tax into account.

NOTE 39 Other provisions

GROUP	Guarantee provisions	Other provisions	Total
Opening value 1 Jan 2015	56	18	74
Divestiture (company)	-5	—	-5
Provisions for the year	16	7	23
Amounts claimed during the year	-19	-6	-25
Exchange rate difference	—	-1	0
Closing value 31 Dec 2015	48	18	66
Acquisition (company)	30	19	49
Provisions for the year	13	7	20
Amounts claimed during the year	-13	-8	-21
Exchange rate difference	1	—	1
Closing value 31 Dec 2016	73	36	115
The provisions consist of:	2016	2015	
Long-term part	101	50	
Current part	14	16	
	115	66	

Other provisions primarily consist of provisions for restructuring costs.

NOTE 40 Long-term liabilities

GROUP	2016	2015
Liabilities to credit institutions falling due in 1-5 years	634	606
Liabilities to credit institutions falling due in >5 years	1	7
Liabilities referring to finance leases	61	62
Other long-term liabilities	0	0
Total	696	675

For other details concerning long-term liabilities see Note 35.

NOTE 41 Bank overdraft facilities

The bank overdraft facility available to the Group is SEK 200 m (200), of which SEK 52 m (40) has been used.

NOTE 42 Accrued expenses and deferred income

GROUP	2016	2015
Accrued interest expenses	1	5
Accrued social security fees	90	65
Accrued other pay-related costs	202	174
Other items	287	230
Total	580	474

NOTE 43 Pledged assets

GROUP	2016	2015
For own liabilities and provisions		
Relating to pension obligations		
– Floating costs	—	—
– Other securities	2	2
Shares as collateral for net loans ¹⁾	3,034	2,786
Other		
– Floating costs	3	3
– Property mortgages	2	2
– Other securities	0	0
Total	3,041	2,793
PARENT COMPANY	2016	2015
For the Group's liabilities		
Shares as collateral for net loans ¹⁾	590	1,219
Total collateral pledged	590	1,219

¹⁾ 47,400,000 ASSA ABLOY B and 21,400,000 Securitas B shares have been pledged as collateral for loans from credit institutions at a market value of SEK 10,969 m and a book value in the Group of SEK 3,034 m and in the company of SEK 590 m. The collateral is for the duration of the loan.

NOTE 44 Contingent liabilities

GROUP	2016	2015
Underwriting agreements	—	—
Other obligations	12	13
Total	12	13
PARENT COMPANY	2016	2015
Guarantees for subsidiaries	1,372	3,090
Total	1,372	3,090

The parent company has pledged to assume certain obligations that may befall Group companies.

NOTE 45 Business combinations

	2016	2015
Intangible assets	97	169
Property, plant and equipment	76	31
Financial assets	5	182
Inventories	65	36
Accounts receivable	132	36
Other current receivables	13	2
Cash	221	68
Deferred tax liability	-16	0
Long-term net borrowing	-20	-1
Current liabilities	-162	-39
Net identifiable assets and liabilities	411	484
Non-controlling interests	-105	—
Group goodwill	1,248	332
Total purchase price	1,554	816
Previously settled purchase price	-179	—
Additional purchase price	-77	-1
Cash settlement purchase price	1,298	815
Acquisition of non-cash items	21	0
Cash in acquisitions	-221	-68
Effect on Group cash	1,098	747

Neuffer

On 1 January 2016, the Group acquired 66.1 per cent of the shares in Neuffer Fenster + Türen GmbH. The acquired operations contributed SEK 145 m in revenues and SEK -5 m in net profit/loss for the period 1 January to 31 December 2016. An estimated additional purchase price has been reserved. The final price is based on performance over the next years and may amount to as much as SEK 30 m. This sum has also been reserved. Goodwill is attributable to the earning capacity the company is expected to deliver. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 2 m.

Intangible assets	3
Financial assets	4
Accounts receivable	4
Other receivables	2
Cash	73
Current liabilities	-41
Net identifiable assets and liabilities	45
Non-controlling interests	-106
Group goodwill	283
Previously settled purchase price	-179
Additional purchase price	-30
Acquisition of non-cash items	5
Cash in acquisitions	-73
Change in Group cash at acquisition	-54

Cont.

Note 45 cont.

All Sealing Solutions AS

On 15 January 2016, the Group acquired the entire shareholding of All Sealing Solutions AS. The acquired operations contributed SEK 28 m in revenues and SEK -1 m in net profit/loss for the period 15 January to 31 December 2016. If the acquisition had been made on 1 January 2016, the company's revenues and profit would have been the same. An estimated additional purchase price has been reserved. The final price is based on performance over the next years and may amount to as much as SEK 19 m. This sum has also been reserved. Goodwill is attributable to the synergies that will be created when the manufacturing and sales organisations are merged with Latour Industries' existing operations. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 1 m.

Intangible assets	1
Inventories	7
Accounts receivable	4
Current liabilities	-7
Net identifiable assets and liabilities	5
Group goodwill	47
Cash settlement purchase price	52
Additional purchase price	-28
Change in Group cash at acquisition	24

Aritco

On 31 May 2016, the Group acquired the entire shareholding of Aritco Group AB. Apart from the parent company, the Aritco Group comprises Aritco Group AB, the wholly-owned companies Aritco Lift AB, Aritco DE GmbH, Brunna fastighetsmiljö AB and Gartec Ltd. The acquired operations contributed SEK 222 m in revenues and SEK 15 m in net profit for the period 31 May to 31 December 2016. If the acquisition had been made on 1 January 2016, the company's revenues would have been SEK 372 m and profit for the year would have been SEK 29 m. Goodwill is attributable to the earning capacity the company is expected to deliver. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 2 m.

Intangible assets	88
Property, plant and equipment	41
Inventories	23
Accounts receivable	49
Other receivables	9
Cash	25
Deferred tax liability	-16
Current liabilities	-59
Net identifiable assets and liabilities	160
Group goodwill	609
Additional purchase price	-19
Cash settlement purchase price	750
Acquisition of non-cash items	-16
Acquired cash	-25
Change in Group cash at acquisition	741

bluMartin

On 21 April 2016, the Group acquired the entire shareholding of bluMartin GmbH. The acquired operations contributed SEK 21 m in revenues and SEK 3 m in net profit for the period 21 April to 31 December 2016. If the acquisition had been made on 1 January 2016, the company's revenues would have been SEK 25 m and profit for the year would have been SEK 2 m. Goodwill is attributable to the synergies that will be created when the manufacturing and sales organisations are merged with Swegon's existing operations. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 1 m.

Intangible assets	
Property, plant and equipment	1
Inventories	4
Accounts receivable	1
Long-term net borrowing	-10
Current liabilities	-3
Net identifiable assets and liabilities	-7
Group goodwill	27
Cash settlement purchase price	20

Expander Group

On 5 July 2016, the Group acquired the entire shareholding of Expander System Sweden AB. Apart from the parent company, the Expander Group comprises Expander System Sweden AB, the wholly-owned companies Expander Production Sweden AB, Expander America Inc., Expander Deutschland GmbH and Expander UK Ltd. The acquired operations contributed SEK 33 m in revenues and SEK 0 m in net profit for the period 5 July to 31 December 2016. If the acquisition had been made on 1 January 2016, the company's revenues would have been SEK 75 m and profit for the year would have been SEK 6 m. Goodwill is attributable to the earning capacity the company is expected to deliver. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 3 m.

Property, plant and equipment	15
Financial assets	1
Inventories	9
Accounts receivable	9
Cash	10
Long-term net borrowing	-10
Current liabilities	-9
Net identifiable assets and liabilities	25
Group goodwill	65
Cash settlement purchase price	90
Acquired cash	-10
Change in Group cash at acquisition	80

Ruskin Air Management Ltd

On 30 September 2016, the Group acquired the entire shareholding of Ruskin Air Management Ltd. The acquired operations contributed SEK 68 m in revenues and SEK 7 m in net profit for the period 30 September to 31 December 2016. If the acquisition had been made on 1 January 2016, the company's revenues would have been SEK 303 m and profit for the year would have been SEK 31 m. Goodwill is attributable to the earning capacity the company is expected to deliver. Transaction costs for the acquisition, that were charged to the income statement for the period, amounted to SEK 6 m.

Intangible assets	6
Property, plant and equipment	18
Financial assets	
Inventories	22
Accounts receivable	65
Other receivables	2
Cash	113
Current liabilities	-43
Net identifiable assets and liabilities	183
Group goodwill	217
Cash settlement purchase price	400
Acquired cash	-113
Change in Group cash at acquisition	287

Please turn to the Director's Report on page 62 for more information about business combinations.

NOTE 46 Government grants

Government grants have affected the Group's income statement and balance sheet as follows:

GROUP	2016	2015
Grants that affected income for the year	2	2
Grants that affected assets	5	5

Grants consist primarily of development and investment aid.

NOTE 47 Events after the reporting period

On 13 February, Swegon acquired the Irish company Safegard Systems Ltd. On 8 March, Hultaforss Group acquired the Swedish company Puvab AB. The ownership stake in Diamorph has increased from 26.4 per cent to 28.2 per cent. An additional 340,000 shares in Tomra have been acquired, giving an ownership stake of 26.1 per cent in the company's capital. Otherwise, there were no material events subsequent to the end of the reporting period.

NOTE 48 Significant estimates and judgements

To be able to prepare the financial statements in accordance with Generally Accepted Accounting Practice, Executive management and the Board of Directors must make judgements and assumptions that affect the asset and liability items, and revenue and expense items reported in the annual accounts, as well as other disclosures, for example contingent liabilities. These judgements are based on historic experience and the various assumptions that the management and the Board of Directors consider reasonable in the current circumstances. In cases where it is not possible to ascertain the carrying amounts of assets and liabilities through information from other sources these estimations and assumptions form the basis of the valuation. Actual outcomes could differ from these estimates if other assumptions are made or other circumstances arise.

The assumptions can have a significant effect on Latour's result and financial position especially in the areas of income accounting and uncertain receivables, measurement of intangible and fixed assets, restructuring measures, pension obligations, taxes, disputes and contingent liabilities (see each respective note).

Executive management and the audit committee have discussed the development, the selection and the disclosures concerning the Group's critical accounting policies and estimations, and the application of these policies and estimations.

Testing goodwill for impairment

Each year, the Group tests goodwill for impairment according to the accounting principle described in Note 2.

The recoverable amount for cash generating units is determined by calculating value-in-use. These calculations require certain estimations to be made (Note 18).

Pension obligations

The present value of pension obligations depends on a number of factors that are established on an actuary basis with the help of a number of assumptions. Discount interest is included in the assumptions used to determine the net cost (income) of pensions.

The Group establishes appropriate discount interest rates at the end of every year. This is the interest used to determine the present value of estimated future payments that are assumed necessary to pay for pension obligations. See Accounting Policies Note 2 for information on how the Group determines an appropriate discount rate.

Other important actuarial assumptions concerning pension obligations are based in part on current market conditions. Further details are given in Note 37.

Warranties

The management of each subsidiary estimates necessary reserves to guarantee future warranty demands based on information concerning historical warranty demands as well as current trends which indicate that historical information can differ from future demands.

The factors that may affect the information about warranty demands include the success of the Group's productivity and quality initiative as well as the cost of labour and material.

NOTE 49 Definitions

Return on equity	The amount of net income returned as a percentage of shareholders' equity.
Return on operating capital	Operating profit as a percentage of average operating capital
Return on total capital	Profit/loss after net financial items plus financial costs in relation to the average balance sheet total.
Direct return	Dividends as a percentage of the share purchase price.
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 profit (EBIT)	Earnings before interest and taxes.
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 margin (EBIT) %	Operating profit divided by net sales.
EBIT multiple	Operating profit in relation to market value adjusted for net debt.
EV (Enterprise Value)	The company's market value plus net debt.
Adjusted equity	Equity and the difference between book value and fair value in associated companies.
Adjusted equity ratio	Equity and the difference between book value and fair value in associated companies in relation to adjusted total assets.
Net debt/equity ratio	Interest-bearing liabilities and interest-bearing provisions less cash and cash equivalents in relation to adjusted equity.
Net borrowings	Interest-bearing liabilities plus interest-bearing provisions less cash and interest-bearing receivables.
Operating capital	Total assets less cash and cash equivalents and other interest-bearing assets and non interest-bearing liabilities.
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.
P/E ratio	The share purchase price in relation to profit after paid tax.
Basic earnings per share	Profit for the period divided by the number of outstanding shares in the period. Calculations: Jan-Dec 2016: 3,670/159,603,650 x 1,000=23.01 Jan-Dec 2015: 4,117/159,530,816 x 1,000=25.81
Diluted earnings per share	Calculations: Jan-Dec 2016: 3,670/160,198,254 x 1,000=22.93 Jan-Dec 2015: 4,117/160,179,053 x 1,000=25.7
Equity ratio	Equity in relation to total assets.
Net asset value	The difference between the Group's assets and liabilities, when the investment portfolio (including 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.
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.
Profit margin	Profit after net financial items plus finance expense as a percentage of invoiced sales.
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.

Proposed allocation of profits

SEK 0 m of parent company equity on the balance sheet date was attributable to assets and liabilities valued at fair value in accordance with Chapter 4, paragraph 14a of the Swedish Annual Accounts Act. Group equity includes changes in value for the net sum of SEK 299 m.

The following profits in the parent company are at the disposal of the Annual General Meeting:

Profit brought forward	SEK 8,093.2 m
Profit for the year	<u>SEK 1,986.3 m</u>
	SEK 10,079.5 m

At 16 March 2017, the number of shares entitling the holder to receive dividends was 159,636,500 after the exclusion of repurchased shares. The Board of Directors proposes the following allocation:

A dividend payment to shareholders of SEK 8.00 per share	SEK 1,277.1 m
To be carried forward	<u>SEK 8,802.4 m</u>
	SEK 10,079.5 m

The Board of Directors is of the opinion that the proposed dividend payment is justified in view of the demands that the operations place on the amount of equity, taking into consideration the scope and risks of the business and the company's and Group's consolidation requirements, liquidity and overall position.

The income statement and balance sheet will be presented for approval by the Annual General Meeting on 2 May 2017.

The Board of Directors and the Chief Executive Officer declare that the consolidated financial reports have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and that they give a true and fair view of the Group's financial position and performance. The Annual Report has been prepared in line with generally accepted accounting practice in Sweden and gives a true and fair view of the parent company's financial position and performance. The Directors' Report for the Group and the parent company gives a true and fair view of the development of Group and parent company operations, financial positions and performance and describes the principal risks and uncertainties faced by the parent company and the Group's companies.

Gothenburg, 16 March 2017

Olle Nordström
Chairman

Mariana Burenstam Linder
Board member

Anders G. Carlberg
Board member

Anders Böös
Board member

Jan Svensson
Board member

Carl Douglas
Board member

Eric Douglas
Board member

Lena Olving
Board member

Our independent Auditor's Report was given on 17 March 2017

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Principal Auditor

Inger Kollberg
Authorised Public Accountant

Auditor's report

To the General Meeting of Shareholders of Investment AB Latour (publ), corporate registration number 556026-3237

Statement on the Annual Report and the consolidated financial statements

Opinion

We have conducted an audit of the Annual Report and consolidated financial statements of Investment AB Latour (publ) for 2016. The company's Annual Report and consolidated financial statements are presented on pages 61–98 of this document.

In our opinion, the Annual Report has been prepared as required by the Swedish Annual Accounts Act and presents fairly, in all material respects, the financial position of the parent company at 31 December 2016, and its financial performance and cash flows for the year, in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared as required by the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group at 31 December 2016, and its financial performance and cash flows for the year, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other sections of the Annual Report and the consolidated financial statements.

We therefore recommend that the General Meeting of Shareholders adopts the income statement and the balance sheet of the parent company and the Group.

Basis for opinion

We conducted our audit in line with International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibility under these standards is described in more detail in the section "Responsibilities of the auditors". We are independent from the parent company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise executed our audit responsibilities in compliance with professional ethics as required by these standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit

Scope and approach of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Chief Executive Officer and the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As with all audits, we also addressed the risk of the Board of Directors and the Chief Executive Officer overriding internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, accounting processes and controls, and the operations of the Group.

Investment AB Latour is an investment company that manages an investment portfolio and wholly-owned investments in industrial businesses that are grouped into four business areas. The Latour Group comprises a large number of companies. None of the individual companies have been individually assessed as significant for the Group audit. In addition to the local audit of each company, we have conducted an audit of consolidation as well as analytical assessments at Group level to obtain a reasonable basis for our Group audit. For the entities selected for Group auditing, we issued detailed instructions, obtained reports and followed up the review conducted by means of discussions and meetings with local teams to ensure that sufficient and appropriate audit evidence has been obtained to provide a basis for our opinion on the auditor's report.

Materiality

The scope and approach of our audit was influenced by our application

of materiality. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. They are considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of the users of the financial statements.

Based on professional judgement, we set certain quantitative thresholds for materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>VALUATION OF GOODWILL</p> <p><i>For disclosures relating to this matter, please see Note 18 in the Annual Report.</i></p> <p>At 31 December 2016, the Group's intangible assets were SEK 5,243 m, of which SEK 5,071 m was goodwill.</p> <p>Under IFRS, the Group tests goodwill for impairment at least once a year by means of impairment tests.</p> <p>An impairment review requires assumptions to be made with a considerable element of subjective judgements, particularly those concerning the Group's expectations of market growth and the entity's ability to generate cash flows.</p> <p>Impairment review of goodwill is a key matter for our audit due to the material values represented by the assets and the inherent uncertainty in the estimates and assessments.</p>	<p>Our assessment and audit procedures for the impairment testing of goodwill includes the following areas of audit.</p> <p>We have assessed the Group's valuation models together with valuation and accounting experts and have determined that these are consistent with generally accepted valuation techniques.</p> <p>We have examined whether the assumptions used in the model are reasonable. These are described in Note 18. In our assessment of assumptions concerning future cash flows, we have compared these with business plans and other information about future developments.</p> <p>We have assessed the company's analysis of the sensitivity of estimates to changes in significant assumptions and the risk that changes could result in impairment.</p> <p>We have also independently undertaken a sensitivity analysis and evaluated the differences in this year's tests compared with last year's assumptions for comparable entities to confirm the accuracy of the Group's underlying data for the forecast period.</p>
Key audit matter	How our audit addressed the key audit matter
<p>VALUATION OF INVENTORIES</p> <p><i>The Group's principles for measurement of inventories and recognition of obsolescence are presented in Note 2 and Note 29 in the Annual Report.</i></p> <p>At 31 December 2016, the Group reports inventories of SEK 1,119 m.</p> <p>Inventory valuation is significant to our audit because the valuation includes a number of estimates and judgements, and the inventories held have considerable value.</p> <p>Executive Management's valuation of inventories needs to assess the ability of the Group to sell its products in stock at a price that exceeds acquisition cost and, in this context, take into account the risk of obsolescence.</p> <p>In order to identify and consistently calculate the risk of obsolescence, each business area management team has established a process to identify and calculate any obsolescence. The obsolescence process takes into account inventory content, which differs from one business area to the next, the length of time individual items are in inventory (slow-moving inventory), which together with actual and expected future sales volumes provide management with a basis for setting a reasonable obsolescence reserve.</p>	<p>Our audit procedures included an evaluation of the Group's processes to calculate inventory obsolescence.</p> <p>To assess the plausibility of the company's obsolescence reserve, we have instructed our entity auditors to examine and report back to the Group team on any deviations from the calculated obsolescence in accordance with the processes established for the business areas.</p> <p>We have held discussions with the management team and reviewed minutes of Board meetings and other important management meetings and reporting in order to identify forecasted changes in the company's sales that could result in inventory becoming obsolete.</p> <p>We have concluded that the Group describes its principles for valuation of inventory in a satisfactory manner in the Annual Report at 31 December 2016.</p>
<p>INFORMATION OTHER THAN THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS</p> <p>This document also contains other disclosures than the Annual Report and the consolidated financial statements and can be found on pages 1–60 and 106–113. The Board of Directors and the Managing Director are responsible for the other disclosures.</p> <p>Our opinion on the Annual Report and Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the Annual Report and Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Report and Consolidated Financial Statements. In this procedure, we also take into account the knowledge we have otherwise</p>	<p>obtained in the audit and assess whether the information otherwise appears to be materially misstated.</p> <p>If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p> <p>Responsibilities of the Board of Directors and the Chief Executive Officer</p> <p>The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Annual Report and the consolidated financial statements and for ensuring that they give a fair presentation in accordance with the Swedish Annual Accounts Act and, concerning the consolidated financial statements, in accordance with the International Financial Reporting Standards</p>

(IFRS), as approved by the European Union. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine necessary to enable preparation of an Annual Report and consolidated financial statements that are free from material misstatement, whether caused by fraud or error.

In preparing the Annual Report and the consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters that can impact the ability to continue as a going concern and to use the going concern basis of accounting. The Board of Directors and the Chief Executive Officer cannot use the going concern basis of accounting, however, if they intend to liquidate the company, cease trading or have no realistic alternative but to do so.

The Board's Audit Committee must oversee the company's financial reporting activities, without it affecting the responsibilities and duties of the Board.

Auditor's responsibility

The objectives of our audit are to obtain reasonable assurance that the Annual Report and the consolidated financial statements as a whole are free from material misstatement, whether caused by fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could, individually or collectively, reasonably be expected to influence the economic decisions of users taken on the basis of the Annual Report and the consolidated financial statements.

A more detailed description of our responsibilities for the audit of the Annual Report and the consolidated financial statements is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is a part of the audit report.

STATEMENT ON OTHER LEGAL AND STATUTORY REQUIREMENTS

In addition to our audit of the Annual Report and the consolidated financial statements, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Investment AB Latour (publ) for the year 2016 and the proposed appropriations of the company's profit or loss.

We recommend that the General Meeting of Shareholders appropriate the profit as proposed in the Directors' Report and grant the members of the Board and the Chief Executive Officer discharge from liability for the financial year.

Basis for opinion

We conducted the audit in line with generally accepted auditing practice in Sweden. Our responsibility under this practice is described in more detail in the section "Responsibilities of the auditors". We are independent from the parent company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise executed our audit responsibilities in compliance with professional ethics as required by these standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. A proposal for a dividend payout includes an assessment of whether the dividend is justifiable considering the requirements placed by the company's and the Group's type of operations, size and risks on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board is responsible for the company's organisation and management of the company's affairs. This involves regularly assessing the company's and the Group's financial situation and ensuring that the company's organisation is structured to allow satisfactory controls of its accounts, funds management and financial affairs in general. The Chief Executive Officer is in charge of day-to-day management in accordance with guidelines and instructions from the Board of Directors and is responsible for taking necessary measures to ensure that the company's accounts are prepared in accordance with legal requirements and that funds management is controlled in a satisfactory manner.

Auditor's responsibility

Our objective concerning the audit of the management of the company's affairs, and thereby our opinion about discharge from liability, is to obtain audit evidence to ascertain, with a reasonable degree of assurance, whether any Board member or the Chief Executive Officer, in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company,
- in any other way has acted in non-compliance with the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion on this, is to ascertain, with a reasonable degree of assurance, whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

A more detailed description of our responsibilities for the audit of the management of the company's affairs is available on the website of the Supervisory Board of Public Accountants: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description is a part of the audit report.

Gothenburg, 17 March 2017

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Principal Auditor

Inger Kollberg
Authorised Public Accountant

Corporate Governance

Investment AB Latour (publ) is a Swedish public limited company whose shares are listed on the Nasdaq OMX Stockholm Large Cap list. Latour's corporate governance is based on laws, listing agreements, guidelines and best practice. This corporate governance statement has been prepared in accordance with the provisions of the Swedish Corporate Governance Code ("the Code"), and chapter 6, sections 6-9 of the Swedish Annual Accounts Act and chapter 9, section 31 of the Swedish Companies Act and is applicable to the 2016 financial year. The auditor is of the opinion that the corporate governance statement has been prepared and that disclosures according to chapter 6, paragraph 6 second paragraph 2-6 of the Swedish Annual Accounts Act (for example, the most important parts of the company's system for internal control and risk management pertaining to financial reporting) are consistent with other parts of the Annual Report.

Latour's Articles of Association and further information about Latour's corporate governance practices can be found on the website www.latour.se under Corporate Governance.

ANNUAL GENERAL MEETING

The Annual General Meeting must be held within six months of the end of the financial year. The Annual General Meeting may be held in Gothenburg or Stockholm. All shareholders recorded in the registered list of shareholders before the Annual General Meeting who have announced their intention to attend have the right to participate and vote for their entire shareholdings.

The 2016 Annual General Meeting authorised the Board to decide on the acquisition of Latour shares on one or more occasions until the next Annual General Meeting. Both class A and class B shares may be acquired and the total number of shares may be such that, after acquisition, the company does not hold more than ten (10) per cent of all shares issued in the company.

NOMINATION PROCESS

Board members are elected by the Annual General Meeting to serve for one year. At the 2016 Annual General Meeting, the Nomination Committee presented proposals for election of the Chairman and other members of the Board, remuneration to the Board and possible remuneration for committee work. The Annual General Meeting decided that the Nomination Committee until the 2017 Annual General Meeting shall be comprised of Gustaf Douglas and at least two representatives for other major shareholders. Since then the following members have been appointed to the Nomination Committee: Gustaf Douglas (chairman, majority owner), Fredrik Palmstierna (the Palmstierna family, including companies), Björn Karlsson (Bertil Svensson's family and foundation) and Johan Strandberg (SEB Funds). None of them has received any remuneration for their work in the Nomination Committee.

BOARD OF DIRECTORS

Latour's Board of Directors is comprised of eight members, including the Chief Executive Officer (see page 106). There are no deputies. All members are elected for a one-year term. The secretary of

the Board is the Chief Financial Officer of the Group. Olle Nordström was elected Chairman of the Board by the 2016 Annual General Meeting. Two members of Latour's Board, Eric Douglas and Carl Douglas, are not independent from the company's principal owner. Together with the family, they control 80 per cent of the voting shares in the company and 77 per cent of the share capital. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly-owned companies in the industrial operations. They are therefore not represented in the investment company's board.

Each year, the Board establishes written rules of procedure that regulate the Board's meetings, the business of these meetings, the division of responsibilities among Board members and the Chief Executive Officer and certain other matters. The Board issues instructions for the Chief Executive Officer that regulate his work tasks and reporting obligation to the Board of Directors.

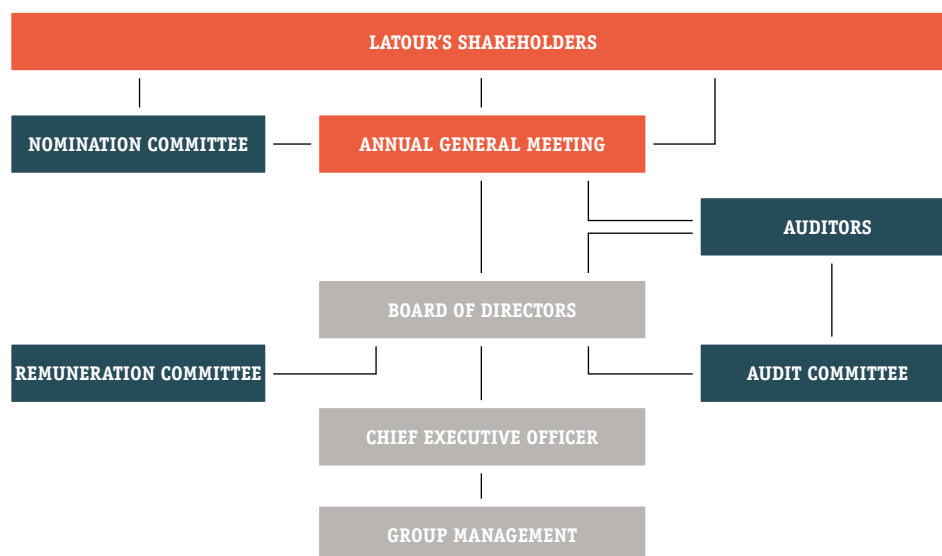
The present Board has had four ordinary meetings to date, not including the inaugural meeting and three additional Board meetings. Two of the Board members were unable to attend on two occasions and one of the Board members was unable to attend on three occasions. Otherwise there has been full attendance. The company's auditor attended two Board meetings and presented reports and observations from the audits performed. Matters dealt with by the Board include strategic changes in portfolio investments, acquisitions and sales of subsidiaries, the company's risk exposure, budgets and forecasts for the subsidiaries as well as a financial review of operations.

Under the direction of the Chairman, the Board has evaluated its work and all Board members have presented their views. The purpose of the evaluation is to develop the day-to-day work of the Board and establish the direction of its work in the future. It also acts as a check to ascertain that the Board has the requisite skills and competencies and to analyse the Board's current set of skills. The Chairman has compiled the comments that were submitted and reported them to the Board for discussion. The evaluation also serves as a basis for the Nomination Committee's task of proposing new Board members, which means that the results of the evaluation have been presented to the Nomination Committee.

THE COMPOSITION OF THE BOARD OF DIRECTORS, THE NUMBER OF MEETINGS AND ATTENDANCE TO DATE IN THE 2016/2017 FINANCIAL YEAR

Name	Board meetings ¹⁾	Remuneration, SEK'000
Mariana Burenstam Linder	5 of 8	400
Anders Böös	8 of 8	400
Anders G. Carlberg	8 of 8	400
Carl Douglas	6 of 8	400
Eric Douglas	8 of 8	400
Olle Nordström	8 of 8	1,200
Lena Olving	6 of 8	400
Jan Svensson	8 of 8	0

¹⁾ Of which one was the inaugural Board meeting.



Latour's corporate governance process from owner to Group management. The Annual General Meeting is the highest decision-making body in the Group where the company's Board of Directors is elected.

COMMITTEES

The Board has appointed a Remuneration Committee and an Audit Committee. The Remuneration Committee consists of Olle Nordström (chairman), together with Anders G. Carlberg and Eric Douglas. Chief Executive Officer Jan Svensson participates as an additional member. The Audit Committee is comprised of the entire Board except the Chief Executive Officer.

The Remuneration Committee has held one meeting and all members were present. The Committee presents proposals to the Board concerning remuneration to the Chief Executive Officer and supports him in determining remuneration to the other senior executives. The Board then decides on these matters.

The Chief Executive Officer receives fixed and variable remuneration. Variable remuneration is based on the achievement of individual goals. Remuneration to other senior executives consists of a basic salary and variable remuneration based on a fixed key ratio. The variable remuneration is capped at a certain number of monthly salaries.

The Audit Committee has met twice. All members and the company's auditor were present. The business of the meetings has included financial risks and the focus of auditing. The auditor also presented observations made during the audit.

AUDITORS

The 2016 Annual General Meeting elected Öhrlings PricewaterhouseCoopers to serve as auditors. Bo Karlsson is the principal auditor. Bo Karlsson has worked at the auditing firm since 1991 and has served as the principal auditor for the audit of Latour's financial statements since 2015. Apart from Latour, he also performs auditing services for ASSA ABLOY, SKF and Scania.

The auditors presented oral and written reports at the Board meetings in December 2016 and March 2017 concerning auditing and internal control, to the extent that it is relevant to the Group's financial reporting.

GROUP MANAGEMENT

Latour's industrial operations are grouped into four business areas. The investment portfolio is managed by the parent company, Investment AB Latour. The subsidiary Latour-Gruppen AB is the parent company for all the business areas that are part of the wholly-owned industrial operations.

The Group management consists of the Chief Executive Officer and the Chief Financial Officer. The business area managers lead operations in the operative parent companies that own shares in the underlying companies and are responsible for business areas' performance and management. The Group's business organisation is built on decentralised responsibility and authority. The business areas are responsible for developing their own operations and for meeting financial targets that include return on operating capital, tied up capital, operating margins and growth.

INTERNAL CONTROL RELATING TO FINANCIAL REPORTING

Internal control relating to financial reporting is based on a control environment that includes the organisation, decision-making channels, authorisation and responsibilities documented and communicated in steering documents, such as the delegation of duties between the Board and the Chief Executive Officer, and instructions for authorisation, accounting and reporting. The risks identified concerning financial reporting are managed by the Group's control structure.

Steering documents have been distributed to the appropriate staff to support complete and correct financial reporting. Follow-up of efficiency and compliance is conducted through programmed controls and manual procedures. All reporting is done in the Group's common reporting system. The Group management conducts regular reviews of the subsidiaries' performance and growth. The financial review of their operations is an important part of this process. It also actively participates in the subsidiaries' boards where it reviews financial reporting.

The Board of Latour receives monthly financial reports and the Group's financial situation is discussed at every Board meeting.

A review of the Group's internal control of essential processes was carried out. The majority of the companies have presented a self-assessment concerning the reliability of their procedures. The inadequacies that were noted did not affect the reliability of control over reporting but necessary measures are being taken. This is followed up throughout the year.

The above information concerning internal control has not been reviewed by an auditor.

STRUCTURED PROCESS FOR RISK MANAGEMENT

Latour makes an annual structured analysis of the risk exposure in the company and the aggregate investment portfolio. This analysis assesses each business area on the basis of a number of external and internal factors. External factors are business cycles, environmental impact and political decisions. Internal factors are financial risk and risks connected to IT structure and management as well as customer, competition and supplier trends and developments, and analysis of alternative technologies that may pose a risk in the future.

Latour's investment portfolio companies are analysed from financial, industrial and geographic perspectives. When both the portfolios have been analysed, a balanced risk assessment is made for Latour's aggregate investment portfolio.

An important risk exposure that was identified from an investment portfolio perspective is the fact that many holdings have customers in construction-related sectors. However, construction-related sectors have multiple dimensions as described in the Directors' Report.

From a financial perspective, another potential risk is the need for new share issues in the larger listed holdings. However, the risk for defensive new share issues or crisis issues is considered low at present. Offensive new share issues for expansion are not considered a risk. They are considered the same as any other investment opportunity.

An account of how Latour manages financial risks is presented in Note 35 on pages 90–92.

Latour's policy concerning wholly-owned operations is that Latour will own high-quality companies with long-term, sound profitability, and minimise risks by investing in product development, focusing on quality in internal processes, maintaining cost awareness and ensuring access to competent employees and managers.

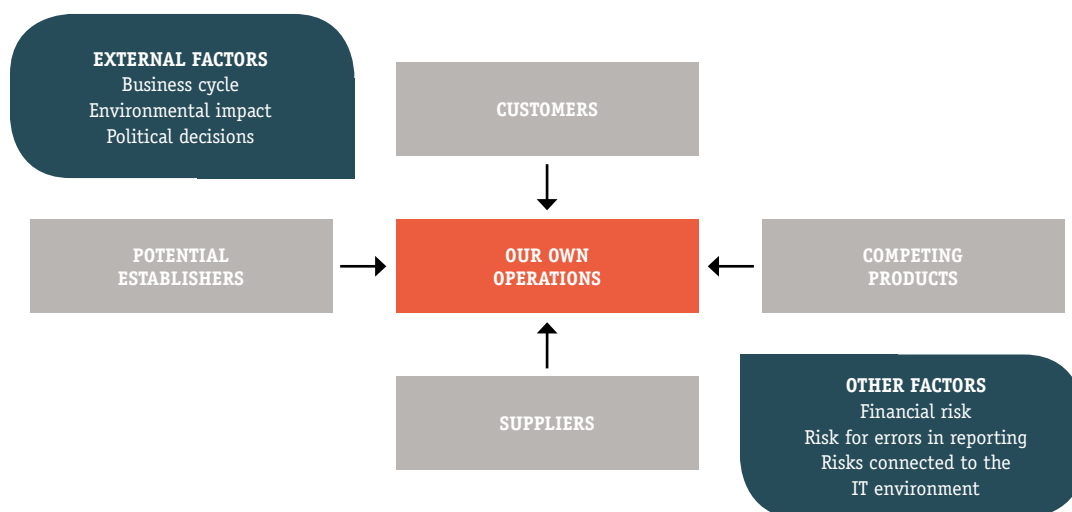
The Board is of the opinion that, from a business perspective, the Group has a well-balanced spread of risk in line with the comprehensive and communicated company policy.

APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

Latour applies the Swedish Code of Corporate Governance with the following exceptions.

The special auditing function in the form of internal auditing does not exist in the Latour Group. Discussions with the company's external auditors concerning the focus of auditing, together with the controls performed by Group management and existing control functions in the various business areas, are considered to be of an acceptable level.

Gothenburg, 16 March 2017
Board of Directors
Investment AB Latour (publ)



Latour analyses risk exposure in the company and the investment portfolio every year.

The assessment of each business area is based on a number of critical factors shown in the diagram.

Auditor's report on the Corporate Governance Statement

To the Annual General Meeting of shareholders of Investment AB Latour (publ) Corporate identity number 556026-3237

DUTIES AND RESPONSIBILITIES

The Board of Directors is responsible for the Corporate Governance Statement for 2016 on pages 102-104 and for ensuring that it has been properly prepared in accordance with the Swedish Annual Accounts Act.

SCOPE AND APPROACH OF THE REVIEW

We conducted our review in accordance with FAR's auditing standard RevU 16 Review of the Corporate Governance Statement Performed by the Auditor. This means

that our review of the Corporate Governance Statement has a different approach and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and Generally Accepted Auditing Practices in Sweden.

We believe that this review provides sufficient appropriate evidence on which to base our opinion.

OPINION

A Corporate Governance Statement has been prepared. Disclosures in accordance with Chapter 6 Section 6 Paragraph 2 Items 2-6 of the Swedish Annual Accounts Act and Chapter 7 Section 31 Paragraph 2 of the same Act are consistent with the Annual Report and the consolidated financial statements, and are in compliance with the Swedish Annual Accounts Act.

Gothenburg, 17 March 2017
Öhrlings PricewaterhouseCoopers AB

Bo Karlsson
Authorised Public Accountant
Principal Auditor

Inger Kollberg
Authorised Public Accountant

Board of Directors



From the left: Anders G. Carlberg, Jan Svensson, Lena Olving, Olle Nordström, Anders Böös, Carl Douglas, Mariana Burenstam Linder and Eric Douglas.

Olle Nordström born 1958. Chairman of the Board since 2016. Bachelor of Science (Econ.). Chairman of the boards of Besqab AB, Skirner AB and Skirner Förvaltning AB. Member of the boards of SaltX Technology Holding AB, Teletec Connect Aktiebolag and The Swedish Corporate Governance Board.
Shares in Latour*: 200,000 class A and 434,330 class B (with family and companies).

Mariana Burenstam Linder born 1957. Board member since 2011. Bachelor of Science (Econ.). Chairman of the board of the Sweden America Foundation. Member of the boards of BTS AB and Resurs AB.
Shares in Latour*: 17,461 class B.

Anders Böös born 1964. Board member since 2005. Former CEO of H&Q AB and Drott AB and Chairman of the boards of IFS AB and Cision AB. Member of the boards of Securitas AB, Stronghold AB and others.
Shares in Latour*: 30,000 class B (through companies).

Anders G. Carlberg born 1943. Board member since 2011. Bachelor of Science (Econ.). Chairman of the boards of Herenco AB and Gränges AB. Member of the boards of Axfast, Recipharm, Beijer-Alma and Sweco AB.
Shares in Latour*: 29,100 class B (with family).

Carl Douglas born 1965. Board member since 2008. BA (Bachelor of Arts), D. Litt (h.c.) (Doctor of Letters). Entrepreneur. Vice chairman of ASSA ABLOY AB and Securitas AB.
Shares in Latour*: 384,000 class B and through related companies: 9,935,000 class A and 111,134,500 class B.

Eric Douglas born 1968. Board member since 2002. Economic college graduate and three years studies at the University of Lund in "Economy for Entrepreneurs". Entrepreneur since 1992. Chairman of Pod Investment AB and Sparbössan Fastigheter AB. Vice chairman of AB Fagerhult.
Shares in Latour*: 454,000 class B and through related companies: 9,935,000 class A and 111,134,500 class B.

Lena Olving born 1956. Board member since 2016. M.Sc. Engineering. President and CEO of Mycronic AB.
Shares in Latour*: 300 class B.

Jan Svensson born 1956. Board member since 2003. Mechanical engineer and Bachelor of Science (Econ.). President and CEO of Investment AB Latour. Chairman of the boards of AB Fagerhult, Nederman Holding AB, Tomra Systems ASA, Troax Group AB and Oxeon AB. Member of the boards of ASSA ABLOY AB and Loomis AB.
Shares in Latour*: 220,250 class B and 85,000 call options class B (with family).

Except for Jan Svensson, everyone is independent in relationship to the company and the company management.
All except Carl Douglas and Eric Douglas are independent from the company's principal owner.

*Ownership at the end of 2016

Latour



From the left: Torbjörn Carlén (Cash Manager), Katarina Rautenberg (CEO Assistant), Mikael Johnsson (Business Development), Jan Svensson (President and Chief Executive Officer), Angelica Pavlic (Financial Accountant), Anders Mörck (CFO), Jonas Davidsson (Group Controller).

CLEAR AND DELEGATED RESPONSIBILITIES

Just as Latour's principal owners are represented in Latour's Board, Latour is likewise an engaged principal owner in all of its investments. Corporate governance of the listed holdings is performed efficiently by its own representatives and a network of experienced Board members.

CLEAR AND DELEGATED RESPONSIBILITIES

The wholly-owned companies are managed with clear and delegated responsibilities. Leadership plays a central role in Latour's corporate governance and close collaboration with the management teams in the wholly-owned companies is of great importance. Latour's company culture is characterised by the fact that we are a small, flexible organisation with short decision-making channels. The parent company consists of seven employees and the aim is to

provide an attractive, stimulating and productive workplace.

The main functions in the parent company are business management, treasury and finance and business development. Group management has the overriding responsibility for management, business development, financial governance, follow-up of results and communication.

GOOD RELATIONSHIPS WITH STAKEHOLDERS

Latour is committed to maintaining good relationships with representatives in the company's network and other stakeholders with long-term, substantial influence on the company. External stakeholders should feel that the company's communication with the wider community is open and maintains a high standard of quality and that contact with Latour is easy and straight-forward.

GROUP MANAGEMENT

Jan Svensson born 1956

President and Chief Executive Officer since 2003.

Mechanical engineer and Bachelor of Science (Econ.).

Shares in Latour: 220,250 class B and 85,000 call options class B (with family).

Anders Mörck born 1963

CFO since 2008.

Bachelor of Science (Econ.).

Shares in Latour: 38,000 class B and 41,000 call options class B.

AUDITOR

Öhrlings PricewaterhouseCoopers AB

Bo Karlsson born 1966.

Authorised public accountant, Principal auditor.

Information by quarter

SEK m	Full year	Q4	2016 Q3	Q2	Q1	Full year	Q4	2015 Q3	Q2	Q1
INCOME STATEMENT										
Net sales	8,344	2,315	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030
Cost of goods sold	-4,859	-1,361	-1,182	-1,262	-1,055	-5,295	-1,417	-1,276	-1,339	-1,260
Gross profit	3,485	954	851	917	763	3,260	865	803	822	770
Costs etc. for the operation	-2,464	-723	-579	-606	-373	-2,285	-596	-544	-580	-565
Operating profit	1,021	231	272	311	390	975	269	259	242	205
Total portfolio management	2,761	526	579	385	1,271	3,430	1,543	463	759	665
Profit before financial items	3,782	757	851	696	1,661	4,405	1,812	722	1,001	870
Net financial items	-28	-18	15	-13	-12	-43	-11	-33	-18	19
Profit after financial items	3,754	739	866	683	1,649	4,362	1,081	689	983	889
Taxes	-267	-87	-72	-61	-47	-245	-56	-52	-81	-56
Profit for the period	3,670	652	794	622	1,602	4,117	1,745	637	902	833
KEY RATIOS										
Earnings per share, SEK	23.01	4.0	4.97	3.90	10.05	25.81	10.94	3.99	5.65	5.22
Cash flow for the period	420	206	203	-895	905	527	476	45	29	-23
Adjusted equity ratio, %	91	91	90	90	91	89	89	86	86	87
Adjusted equity	47,208	47,208	47,319	43,272	41,546	43,161	43,161	36,936	37,171	39,271
Net asset value	55,500	55,500	55,673	51,083	48,665	50,572	50,572	43,833	44,150	46,379
Net asset value per share	348	348	349	320	305	317	317	275	277	291
Listed price	342	342	351	314	337	312	312	265	228	247
NET SALES										
Hultafors Group	1,698	498	395	422	383	1,549	446	390	362	350
Latour Industries	1,671	477	419	421	354	1,289	377	311	311	290
Nord-Lock Group	927	240	229	234	224	797	193	198	197	208
Swegon	3,913	1,063	947	1,070	833	3,559	927	861	928	842
	8,209	2,278	1,990	2,147	1,794	7,194	1,943	1,760	1,798	1,690
Other companies and items	135	37	43	32	24	1,361	341	319	363	340
	8,344	2,315	2,033	2,179	1,818	8,555	2,284	2,079	2,161	2,030
OPERATING PROFIT										
Hultafors Group	264	95	56	60	52	218	75	54	48	42
Latour Industries	167	35	45	51	36	176	53	44	41	37
Nord-Lock Group	270	61	69	72	68	236	54	59	57	66
Swegon	351	81	101	124	45	270	78	74	80	39
	1,052	272	271	307	201	900	260	231	226	184
Gain/loss from sale/purchase of businesses	-21	-24	-4	-1	191	-2	-3	6	-3	-2
Other companies and items	-10	-17	5	5	-2	77	12	22	19	23
	1,021	231	272	311	390	975	269	259	242	205
OPERATING MARGIN (%)										
Hultafors Group	15.6	19.1	14.3	14.2	13.7	14.1	16.8	13.8	13.2	11.9
Latour Industries	10.0	7.2	10.7	12.2	10.3	13.6	14.1	14.1	13.3	12.7
Nord-Lock Group	29.2	25.6	30.1	30.9	30.1	29.7	27.9	30.0	28.9	31.6
Swegon	9.0	7.6	10.6	11.6	5.4	7.6	8.4	8.7	8.6	4.6
	12.8	11.9	13.6	14.4	11.3	12.5	13.4	13.1	12.6	10.6

Ten-year overview

SEK m	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
PARENT COMPANY										
Dividends paid	1,277 ¹⁾	1,077	957	877	796	957	491	360	491	458
Adjusted equity ratio ²⁾ (%)	100	99	95	95	96	96	100	98	98	95
GROUP										
Dividends received	737	671	606	560	499	430	279	292	320	274
Return on equity (%)	21	28	15	13	13	18	6	6	16	8
Return on total capital (%)	17	22	13	12	12	17	6	6	14	8
Adjusted equity ratio ²⁾ (%)	91	89	85	88	86	84	85	82	75	78
Adjusted equity ²⁾	47,208	43,161	33,015	26,830	20,223	16,709	13,783	11,051	8,524	12,003
Net debt/equity ratio ²⁾ (%)	3	5	11	7	8	7	2	7	15	15
Net asset value ²⁾	55,500	50,572	39,859	33,799	25,726	22,653	20,536	15,850	10,527	15,348
DATA PER SHARE										
Profit after tax ³⁾	23.01	25.81	11.75	9.31	8.47	14.13	5.37	4.21	11.14	8.54
Listed price 31 December	342	312	203	172	124	107	125	99	62	104
Net asset value per share ⁴⁾	348	317	250	212	162	142	157	122	80	117
Listed price as a percent of net asset value ⁴⁾ (%)	98	98	81	81	77	75	79	81	78	89
Basic earnings per share	23.01	25.81	11.75	9.31	8.47	14.13	5.37	4.21	11.14	8.54
Diluted earnings per share	22.93	25.70	11.70	9.28	8.45	14.10	5.36	4.21	11.14	8.54
Management cost as a percentage of portfolio value (%)	0.04	0.04	0.05	0.06	0.08	0.11	0.07	0.08	0.16	0.09
Operating cash flow per average number of shares	5.1	4.6	3.2	3.9	5.5	2.8	3.7	5.4	4.5	3.0
Equity ⁵⁾	121	101	85	73	68	66	94	76	60	77
Dividends paid	8.00 ⁶⁾	6.75	6.00	5.50	5.00	6.00	3.75	2.75	3.75	3.50
Direct return (%)	2.3 ⁷⁾	2.2	2.9	3.2	4.0	5.6	3.0	2.8	6.0	3.4
P/E ratio	15	12	17	18	15	8	23	24	6	15
Total outstanding shares (000)	159,636	159,558	159,493	159,378	159,263	159,500	131,000	131,000	131,000	131,000
Average number of shares outstanding	159,604	159,531	159,445	159,357	159,421	144,898	131,000	131,000	131,000	131,046
Average number of shares outstanding – diluted	160,198	160,179	160,121	159,987	159,923	145,224	131,173	131,067	131,000	131,000
Repurchase of own shares (000)	323	403	467	582	697	460	460	460	460	460
Average number of repurchased shares	363	429	515	630	539	460	460	460	460	460

¹⁾ Proposed dividend calculated on the number of shares outstanding at 16 February 2017.

²⁾ Incl. fair value gain in associates.

³⁾ Calculated on the average number of shares outstanding.

⁴⁾ Calculated on the average of the multiple span applied since 2006.


⁵⁾ Calculated on the number of shares outstanding at the balance sheet date.

⁶⁾ Proposed dividend.

⁷⁾ Calculated on the proposed dividend.


Addresses


 **Head Office**
Investment AB Latour
J A Wettergrens gata 7
Box 336
SE-401 25 Gothenburg Sweden
Tel +46 31 89 17 90
Fax +46 31 45 60 63
info@latour.se
www.latour.se


 **Grev Turegatan 19**
Box 7158
SE-103 88 Stockholm Sweden
Tel +46 8 679 56 00

HULTAFORS GROUP


 **Head Office**
Hultafors Group AB
Hultaforsvägen 21
Box 38
SE-517 21 Bollebygd Sweden
Tel +46 33 723 74 00
Fax +46 33 723 74 10
info@hultaforsgroup.com
www.hultaforsgroup.com

 **Hultafors Group Sverige AB**
Box 38
SE-517 21 Bollebygd Sweden
Tel +46 33 723 74 00
Fax +46 33 723 74 10
info@hultaforsgroup.se
www.hultaforsgroup.se

 **Hultafors AB**
Box 38
SE-517 21 Bollebygd Sweden
Tel +46 33 723 74 00
Fax +46 33 723 74 10

 **Delivery address:**
R Storage
Hultaforsvägen 21
SE-517 96 Hultafors Sweden
F Storage
Boråsvägen 14
SE-517 71 Olsfors Sweden

 **Wibe Stegar**
Hultafors AB
Box 145
SE-571 22 Nässjö Sweden
Tel +46 380 55 68 00
Fax +46 380 183 45
info@hultaforsgroup.com
www.hultaforsgroup.com
Delivery address:
Telegatan 6
SE-571 38 Nässjö Sweden

 **Hults Bruk**
Hultafors AB
SE-616 90 Åby Sweden
Tel +46 11 603 50
Fax +46 11 646 04

 **Hultafors Group AS**
Energivej 37
DK-2750 Ballerup
Denmark
Tel +45 44 86 06 00
Fax +45 44 86 06 06
info@hultaforsgroup.dk
www.hultaforsgroup.dk

 **Hultafors Group Finland Oy**
Konalantie 47 E
FI-00390 Helsinki
Finland
Tel +358 (0) 20 741 01 30
Fax +358 (0) 20 741 01 48
info@hultaforsgroup.fi
www.hultaforsgroup.fi

 **Hultafors Group Germany GmbH**
Im Meisenfeld 26
DE-32602 Vlotho
Germany
Tel +49 5228 9570
Fax +49 5228 9571 12
info@hultaforsgroup.de
www.hultaforsgroup.de

 **Hultafors Group Netherlands BV**
Postbus 20077
NL-7302 HB Apeldoorn
Jean Monnetpark 81
NL-7336 BB Apeldoorn
The Netherlands
Tel +31 55 599 98 60
Fax +31 55 599 98 70
info@hultaforsgroup.nl
www.hultaforsgroup.nl

 **Hultafors Group Norge AS**
Postboks 108, Kalbakken
Brobekkveien 80
NO-0902 Oslo
Norway
Tel +47 23 06 88 80
Fax +47 22 16 49 80
post@hultaforsgroup.no
www.hultaforsgroup.no

 **Hultafors Group Poland**
Sp. z o.o.
Nowogrodzka 50/515
PL-00-695 Warsaw
Poland
Tel +48 22 295 12 87
Fax +48 22 300 12 85
info@hultaforsgroup.pl
www.hultaforsgroup.pl

 **Hultafors UMI Srl**
P.O. no. 8 Box 830
RO-550510 Sibiu
Romania
Tel +40 269 21 37 71
Fax +40 269 21 37 29
info@hultafors.ro

 **Hultafors Group Switzerland AG**
Gaswerkstrasse 32
CH-4900 Langenthal
Switzerland
Tel +41 62 923 62 81
Fax +41 62 923 62 85
info@hultaforsgroup.ch
www.hultaforsgroup.ch

 **Hultafors Group Italy s.r.l. Via**
Luigi Negrelli 13
I - 39100 BOLZANO
Italy
Tel +39 0471 06 16 66
Fax +39 0471 06 16 69
info@hultaforsgroup.it
www.hultaforsgroup.it

 **Fisco Tools Ltd**
21 Brook Road
Rayleigh
Essex SS6 7XD
UK
Tel +44 1268 74 7074
Fax +44 1268 77 2936
info@fisco.co.uk
www.fisco.co.uk


 **Snickers Workwear**
Hultafors Group AB
Berga Backe 2
SE- Box 745
182 17 Danderyd
Tel +46 8 92 51 00
Fax +46 8 92 51 98
info@hultaforsgroup.com
www.hultaforsgroup.com

 **Hultafors Group Belgium NV**
Antwerpsesteenweg 285
BE-2800 Mechelen
Belgium
Tel +32 15 44 65 30
Fax +32 15 44 65 39
info@hultaforsgroup.be
www.hultaforsgroup.be


 **Hultafors Group Ireland Ltd**
Unit B5
Calmount Business Park
Ballymount
Dublin D12 FY84
Ireland
Tel +353 (0)1 409 84 00
Fax +353 (0)1 409 84 99
info@hultaforsgroup.ie
www.hultaforsgroup.ie

 **Hultafors Group France SARL**
59 Rue des Petits Champs
FR-75001 Paris
France
Tel +33 1 53 40 89 90
Fax +33 1 53 40 89 89
info@hultaforsgroup.fr
www.hultaforsgroup.fr

 **Hultafors Group UK Ltd**
Unit N3, Gate 4
Meltham Mills Ind Estate
Huddersfield
Holmfirth HD9 4DS
West Yorkshire
UK
Tel +44 (0) 1484 8544 88
Fax +44 (0) 1484 8547 33
info@hultaforsgroup.co.uk
www.hultaforsgroup.co.uk

 **Repr Office of Hultafors Group**
AB in HCMC
Unit 1202B, 12th floor
Saigon Trade Centre
37 Ton duc Thang street
Ben Nghe Ward
01st District
Ho Chi Minh city
Vietnam
Tel +84 83 91 05 139
Fax +84 83 91 05 136

 **Snickers Workwear**
Austria GmbH
Gierstergasse 6
AT-1120 Vienna
Austria
Tel +43 1 8101 728
Fax +43 1 8101 814
info@hultaforsgroup.at
www.hultaforsgroup.at

 **Snickers production Latvia**
Pasta Street 12
Tukums
Latvia

 **Tradeport**
Måtslingan 19A
SE-187 66 Täby Sweden
Tel +46 8 56 23 74 00
Fax +46 8 25 95 73
info@tradeport.se

LATOUR INDUSTRIES

 **Head Office**
Latour Industries AB
J A Wettergrens gata 7
Box 336
SE-401 25 Gothenburg Sweden
Tel +46 31 381 28 00
info@latourindustries.se
www.latourindustries.se

 **AVT Group AB**
Industrigatan 1
Box 20
SE-441 21 Alingsås Sweden
Tel +46 322 64 25 00
info@avt.se
www.avt.se

 **AVT Industriteknik AB**
Industrigatan 1
Box 20
SE-441 21 Alingsås Sweden
Tel +46 322 64 25 00
info@avt.se
www.avt.se


 **Bastec AB**
Hästvägen 4 A
SE-212 35 Malmö Sweden
Tel +46 40 38 15 00
info@bastec.se
www.bastec.se

 **Elvaco AB**
Kabelgatan 2T
SE-434 37 Kungsbacka Sweden
Tel +46 300 30 250
www.elvaco.com

 **Kabona AB**
Wieslanders väg 4
SE-504 31 Borås Sweden
Tel +46 10 219 36 90
Fax +46 33 10 32 01
info@kabona.se
www.kabona.se

 **Ecopilot AB**
J A Wettergrens gata 7
Box 336
SE-401 25 Gothenburg Sweden
Tel +46 31 395 98 00
www.ecopilot.com

 **LSAB Group AB**
Svinöhed 415
SE-770 70 Långshyttan Sweden
Tel +46 225 620 00
Fax +46 225 621 20
info@lsab.se
www.lsab.se


 **LSAB Växjö**
Rådjursvägen 15
SE-352 45 Växjö Sweden
Tel +46 470 74 88 90
Fax +46 470 74 88 99
vaxjo@lsab.se

 **LSAB Westlings**
Äppelbovägen 41
SE-780 50 Vansbro Sweden
Tel +46 281 758 00
Fax +46 281 717 44
vansbro@lsab.se

 **LSAB Trollhättan**
Kardanvägen 40
SE-461 38 Trollhättan Sweden
Tel +46 520 42 06 80
Fax +46 520 42 91 60
trollhattan@lsab.se

 **LSAB Hultsfred**
Träförädlings 6
N Oskarsgatan 66
SE-577 39 Hultsfred Sweden
Tel +46 495 23 515

 **LSAB Vistträsk**
Triangelgatan 1
SE-942 91 Vistträsk Sweden
Tel +46 929 571 00
Fax +46 929 570 97
visttraask@lsab.se

 **LSAB Laholm**
Repslagaregatan 21
SE-312 32 Laholm Sweden
Tel +46 430 313 10
Fax +46 430 313 29
laholm@lsab.se


 **Fortiva AB**
Box 21 007
SE-200 21 Malmö
Höjdrodergatan 22
212 39 Malmö Sweden
Tel +46 10 121 91 00
info@fortiva.se
www.fortiva.se


 **Fortiva Danmark A/S**
Teknikervej 16,
DK-7000 Fredericia
Denmark
Tel +45 7594 2122
fortiva@fortiva.dk

 **LSAB Vändra A/S**
Allikõnnu Küla
EE-87604
Vändra Vald
Estonia
Tel +372 44 269 60
Fax +372 44 269 60
info@lsab.ee
www.lsab.ee

 **LSAB Finland**
Montiskalakatu 7
FI-212 00 Raisio
Finland
Tel +358 2 273 5500
Fax +358 2 225 3255
info@lsab.fi


 **LSAB Norge AS**
Fossvegen 15
NO-2337 TANGEN
Norway
Tel +47 625 746 00
info@lsab.no

 **SIA LSAB Latvia**
Atmodas iela 61
Incukalna novads
LV-2141 Incukalna
Latvia

 **LSAB Russia**
LSAB Tool Service", LLC
Russia, 194.362 St.Petersburg,
Pargolovo,
Podgornaya st.39
Tel +7 812 677 2039
Mbl +7 921 634 5543
Fax +7 812 677 2039
andrey.s@lsab.ru


 **Produal Oy**
Keltakalliontie 18
FI-48770 Kotka
Finland
Tel. +358 10 219 9100
Fax. +358 5 230 9210
info@produal.fi

 **Produal Oy**
Teknobulevardi 3-5 A
FI-01530 Vantaa
Finland

 **Produal Oy**
Ohjelmakaari 10
FI-40500 Jyväskylä
Finland

 **Produal Oy**
ul.Plochocinska 19/111
03-191 Warsaw
Poland
Tel. +48 504 024 416
info@produal.pl

 **Produal Sverige AB**
Box 611
SE-135 26 Tyresö Sweden
Solkraftsvägen 16A
SE-135 70 Stockholm Sweden
Tel +46 8 555 985 80
Fax. +46 8 555 985 89
info@produal.se


 **Produal A/S**
Generatorvej 8H
DK-2860 Soeborg
Denmark
Tel. +45 7026 0304
bb@produal.dk

 **Produal SAS**
16, Rue Albert Einstein
77420 CHAMPS SUR MARNE
France
Tel. +33 1 71 40 50 49
info@produal.fr

 **Reac AB**
Box 103
SE-662 23 Åmål Sweden
Tel +46 532 78 50 00
Fax +46 532 169 04
info@reac.se
www.reac.se

 **Reac A/S**
Sandagervej 10
DK-7400 Herning
Denmark
Fax +45 97 22 02 21
info@reac.dk
www.reac.dk

 **Reac Poland Sp. z o.o.**
Ul. Sulejowska 45 Piotrków
Trybunalski
Poland
Tel +48 44 73 24 100


 **Reac Components Sp. z o.o.**
Ul. Lubska 17
68-320 Jasien'
Poland
Tel +48 515424732

 **DENSIQ AB (formerly Specma Seals)**
E A Rosengrens gata 18
SE-421 31 Västra Frölunda Sweden
Tel +46 31 89 16 00
info@densiq.com
www.densiq.com

 **All Sealing Solutions AS**
Luramyrvæien 13
NO-4313 Sandnes
Norway
Tel +47 53 00 97 70
www.allss.no
post@allss.no

 **Aritco Lift AB**
Energivägen 7
Box 18
SE-196 21 Kungsängen Sweden
www.aritco.com
info@aritco.com

 **Aritco Group AB**
Energivägen 7
Box 18
SE-196 21 Kungsängen Sweden
info@aritco.com

 **Brunna fastighetsmiljö Aktiebolag**
Energivägen 7
Box 18
SE-196 21 Kungsängen Sweden


 **Gartec Limited**
Unit 6, Midshires Business Park
Smeaton Close, Aylesbury
Buckinghamshire
HP19 8HL
UK
Tel +44 1296 390 100
sales@gartec.com
www.gartec.com
www.gartechome.com

 **Aritco UK Limited**
Unit 6, Midshires Business Park
Smeaton Close, Aylesbury
Buckinghamshire
HP19 8HL
UK
Tel +44 1296 390 100

 **Aritco Deutschland GmbH**
Stuttgarter Str 19
72 555 Metzingen
Germany
Tel +491728986658
jens.flegler@aritco.com

NORD-LOCK GROUP

 Head Office
Nord-Lock International AB
S:t Johannesgatan 1D
SE-211 46 Malmö Sweden
Tel +46 40 602 46 00
info@nord-lock.com
www.nord-lock.com

 **Nord-Lock International AB**
J A Wettergrens gata 7
Box 336
SE-401 25 Gothenburg Sweden
Tel +46 40,602 46 00
info@nord-lock.com
www.nord-lock.com

 **Nord-Lock AB**
Halabacken 180
SE-837 91 Mattmar Sweden
Tel +46 640 68 11 80
Fax +46 640 68 11 98
info@nord-lock.com
www.nord-lock.com

 **Nord-Lock ApS**
Abildvej 5E
DK-5700 Svendborg
Denmark
Tel +45 21 78 66 99
Fax +46 31 89 58 47
info@nord-lock.dk
www.nord-lock.dk

 **Nord-Lock Finland OY**
Eteläesplanadi 24
FI-00130 Helsinki
Finland
Tel +358 1 0327 5120
Fax +358 9 7001 7419
info@nord-lock.fi
www.nord-lock.fi

 **Nord-Lock France S.A.R.L.**
Parc Technoland
Zi Champ Dolin
3, Allée du Lazio
FR-69800 Saint-Priest
France
Tel +33 437 259 030
Fax +33 437 258 577
info@nord-lock.fr
www.nord-lock.fr

 **Nord-Lock S.r.l.**
Via Di Nanni, 1
I-10092 Beinasco (TO)
Italy
Tel +39 011 34 99 668
Fax +39 011 34 99 543
info@nord-lock.it
www.nord-lock.it

 **Nord-Lock Co, Ltd, Japan**
1-18-35 Saitoaminami,
Mihoh-shi
JP-Osaka 562-1069
Japan
Tel +81 07 2727 1069
Fax +81 07 2727 1072
nlj@nord-lock-jp.com
www.nord-lock-jp.com

 **Nord-Lock Korea Co., Ltd.**
Busan T-Plex, 3138-1
218 dong - 107 ho, 50
Yutongdanji 1-20, Gangseo-gu
KR-Busan 618-899
Republic of Korea
Tel +82 517 962 211
info@nord-lock.co.kr
www.nord-lock.co.kr

 **Nord-Lock (Shanghai) Co., Ltd.**
Room 1604A
No. 1158, Jiangning Road
Shanghai, 200060
China
Tel +86 21 52 04 56 71
Fax +86 21 52 04 69 77
info@nord-lock.com.cn
www.nord-lock.com.cn

 **Nord-Lock Benelux B.V.**
Kingsgate House
Newbury Road
UK-Andover SP10 4DU
UK
Tel +31 505 27 56 56
Fax +31 505 25 67 44
info@nord-lock.nl
www.nord-lock.nl

 **Nord-Lock AS**
Karenslyst Allé 16
NO-0278 Oslo
Norway
Tel +47 67 54 67 00
Fax +46 31 89 58 47
info@nord-lock.no
www.nord-lock.no

Addresses cont.

-  **Nord-Lock Poland Sp. z o.o.**
Ul. Ryzowa 49 lok. 208
PL-02-495 Warsaw
Poland
Tel +48 22 101 20 95
Fax +48 22 101 20 98
info@nord-lock.pl
www.nord-lock.pl
-  **Nord-Lock Ltd**
Kingsgate House
Newbury Road
UK-Andover SP10 4DU
UK
Tel +44 1264 35 55 57
Fax +44 1264 36 95 55
enquiries@nord-lock.co.uk
-  **Nord-Lock s.r.o.**
Špitálska 885/2a
CZ-19000 Praha 9
The Czech Republic
Tel +420 412 150 157
Fax +420 226 015 198
office@nord-lock.cz
www.nord-lock.cz
-  **Nord-Lock GmbH**
In der Waage 10
DE-73463 Westhausen
Germany
Tel +49 7363 9660 0
Fax +49 7363 9660 40
info@nord-lock.de
www.nord-lock.de
-  **Nord-Lock Inc. / Superbolt Inc.**
1000 Gregg St
Carnegie PA 15106
USA
Tel +1 412 279 1149
Fax +1 412 279 1185
bolting@nord-lock.com
-  **Nord-Lock Pte Ltd**
2 International Business Park
#03-36, The Strategy
Singapore 609930
Tel +65 6515 6658
Fax +65 6515 4485
info@nord-lock.com.sg
www.nord-lock.com
-  **Nord-Lock AG**
Rietwiesstrasse 2
CH-8735 St.Gallenkappel
Switzerland
Tel +41 55 284 6464
Fax +41 55 284 6469
info@nord-lock.ch
www.nord-lock.ch
-  **Boltight Ltd.**
Unit 2/Bentley Mill Way
GB-Walsall WS2 0LE
UK
Tel +44 1922 631 289
Sales@boltight.com
-  **Expander System Sweden AB**
Bäckgatan 7
SE-597 53 Åtvidaberg Sweden
Tel +46 120 299 00
info@expander.se
www.expandersystem.com
-  **Expander Americas Inc.**
223 Industrial Street
DeWitt, IA 52742
USA
Tel +1 563 659-3320
www.expandersystem.com
-  **SWEGON**
-  **Head Office**
Swegon Group AB
J A Wettergrens gata 7
Box 336
SE-401 25 Gothenburg Sweden
Tel +46 31 89 58 00
Fax +46 31 89 94 69
info@swegon.se
www.swegon.se
-  **Site office**
Swegon Sverige AB
Smedjebacken 2 C
SE-131 54 Nacka Sweden
Tel +46 8 617 15 00
-  **Frejgatan 14**
Box 300
SE-535 23 Kvänum Sweden
Tel +46 512 322 00
Fax +46 512 323 00
-  **Fallebergsvägen 17**
SE-671 34 Arvika Sweden
Tel +46 570 844 40
Fax +46 570 175 40
-  **Industrigatan 5**
SE-273 35 Tomelilla Sweden
Tel +46 417 198 00
Fax +46 417 198 99
-  **Swegon Lidköping AB**
Skepparegatan 6
SE-531 30 Lidköping Sweden
Tel +46 510 228 00
www.swegon.se
info@swegon.se
-  **P. Lemmens Company S.A.**
Parc Industriel de Sauvantière
102, Chaussée de Tirlemont
BE-5030 Gembloix
Belgium
Tel +32 81 2 52 50
Fax +32 81 62 52 53
sales@lemmens.com
www.lemmens.com
-  **BVA Systems (Tennessee) Inc.**
963 Esther Lane
Murfreesboro, TN
37129
USA
Tel +1 615 631 8991
Fax +1 615 849 7544
info@vibro-acoustics.com
www.vibro-acoustics.com
-  **BVA Systems Inc.**
2225 E. Greg Street
Sparks, NV
89431
USA
Tel +1 775 351 1195
Fax +1 775 351 1197
info@vibro-acoustics.com
www.vibro-acoustics.com
-  **Swegon A/S**
Klamsagervej 25
DK-8230 Åbyhøj
Denmark
Tel +45 86 17 00 11
Fax +45 86 17 01 70
swegon@swegon.dk
www.swegon.dk
-  **Swegon Esti OÜ**
Laki 34
EE-12915 Tallinn
Estonia
Tel +372 66 45 839
ingrid.salk@swegon.ee
www.swegon.ee
-  **Oy Swegon AB**
Bertel Jungs plats 7
FI-02600 Esbo
Finland
Tel +358 10 289 40 10
Fax +358 10 289 40 60
info@swegon.fi
www.swegon.fi
-  **Swegon ILTO Oy**
Asessorinkatu 10
FI-207 80 Kaarina
Finland
Tel +358 2 210 51 11
Fax +358 2 210 51 50
info@ilto.fi
www.swegon.com/casa
-  **Swegon SAS**
5 rue de Lombardie
FR-698 00 Saint Priest
France
Tel +33 437 25 62 10
Fax +33 141 30 87 99
info@swegon.fr
www.swegon.fr
-  **Blue Box Group Srl**
Via Valetta 5
IT-30010 Cantarana di Cona (VE)
Italy
Tel +39 0426 92 1111
Fax +39 0426 30 2222
info@bluebox.it
www.swegon.it
-  **Blue Box Air Engineering (India) Pvt. Ltd**
A793, TTC Industrial Area
Road No 4, MIDC Khairane
IN-Navi Mumbai - 400709
India
Tel +91 022 412 82 525
Fax +91 022 412 82 526
-  **Swegon AS**
Stanseveien 28
NO-0976 Oslo
Norway
Tel +47 23 33 82 00
Fax +47 23 33 82 50
firmapost@swegon.no
-  **Swegon Sp. z o.o.**
ul. Owocowa 23
PL-62-080 Tarnowo Podgórne
Poland
Tel +48 61 816 87 00
Fax +48 61 814 63 54
poznan@swegon.pl
www.swegon.pl
-  **Swegon AG**
Via Cantonale 2B
CH-6928 Manno
Switzerland
Tel +41 842 000 007
Fax +41 842 000 017
info@swegon.ch
www.swegon.ch
-  **Swegon S.A.U.**
c/Lope de Vega 2, 2a planta
ES-28231 Las Rozas, Madrid
Spain
Tel +34 91 634 76 19
Fax +34 91 640 82 45
info@swegon.es
www.swegon.es
-  **Swegon Germany GmbH**
Carl-von-Linde-Strasse 25
DE-857 48 Garching-Hochbrück
Germany
Tel +49 89 32 67 00
Fax +49 89 32 670 140
info@swegon.de
www.swegon.de
-  **Econdition GmbH**
Carl-von-Linde-Strasse 25
DE-857 48 Garching-Hochbrück
Germany
Tel +49 89 43 70 770
Fax +49 89 43 70 77 25
team@econdition.de
www.econdition.de
-  **Swegon Group UK**
Unit 7 Millstream Trading Estate
Ringwood, Hampshire
UK-BH24 3SD
UK
Tel +44 800 093 7929
Fax +44 1425 470 745
sales@coolmation.co.uk
www.coolmation.co.uk
-  **Swegon Air Management Ltd**
Joseph Wilson Industrial Estate
South Street
Whitstable, Kent
UK-CT5 3DU
UK
-  **Swegon Air Management Ltd**
Stourbridge Road
Bridgnorth, Shropshire
UK- WV15 5BB
UK
-  **Swegon North America Inc**
355 Apple Creek Blvd
Markham
ON L3R 9X7
Canada
Tel +1 800 565 8401
Fax +1 888 811 2264
info@vibro-acoustics.com
www.vibro-acoustics.com
-  **Swegon Belgium S.A.**
Rue de Huy 24
B-4280 Hannut
Belgium
Tel +32 19 51 93 20
Fax +32 19 51 93 21
info@swegon.be
www.swegon.be

Shareholder information

ANNUAL GENERAL MEETING

DATE AND LOCATION

The Annual General Meeting will be held at 5.00 p.m. on Tuesday 2 May 2017 at the Radisson Blu Scandinavia Hotel, Södra Hamngatan 59, Gothenburg, Sweden.

ATTENDANCE

Shareholders who wish to attend or vote at the Annual General Meeting must be entered in the share register held by Euroclear Sweden AB by Tuesday 25 April 2017, and must notify the company no later than 3.00 p.m. on Tuesday 25 April 2017.

NOTICE OF ATTENDANCE

Shareholders may notify the company of their intention to attend either by telephone +46 31 89 17 90, or in writing to Investment AB Latour (publ), Box 336, SE-401 25 Gothenburg, Sweden, or via Latour's website www.latour.se/en.

REGISTRATION

Shareholders who have their shares held in the name of a nominee must arrange in sufficient time before Tuesday 25 April 2017 to have the nominee temporarily register their shares in their own name in order to be able to participate in the proceedings at the Annual General Meeting.

DIVIDENDS

The Board of Directors recommends the payment of a dividend of SEK 8.00 per share and Thursday 4 May 2017 as the record date. Subject to shareholders approving this recommendation at the Annual General Meeting, the dividend is expected to be issued on Tuesday 9 May 2017 by Euroclear Sweden AB to shareholders on the share register on the record date.

INFORMATION DATES

28 April 2017	Interim report at 31 March 2017
2 May 2017	Annual General Meeting
22 August 2017	Interim report at 30 June 2017
7 November 2017	Interim report at 30 September 2017
February 2018	Year-end report 2017
March 2018	Annual report 2017

All new shareholders are sent a printed annual report the year they become shareholders, without any need to register.

After the first year, the annual report is distributed to those who notify the company that they wish to receive a printed copy. Please register for an electronic subscription to interim reports, year-end reports and press releases at www.latour.se. A hard copy of the Annual Report can be ordered via www.latour.se, by phone +46 (0)31-89 17 90, by email to info@latour.se, or upon request to Investment AB Latour (publ), Box 336, SE-401 25 Gothenburg, Sweden.

