



2016

AT A GLANCE

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 industrial operations' growth and profitability passed the record high levels of 2015 by a clear margin. And once more, the focus was on acquisitions.

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 8 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 value in

the long term. 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 that organic growth in the investment portfolio 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 the ageing population that 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



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.

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.

GROWTH IN THE INVESTMENT PORTFOLIO

Several of our companies in the investment portfolio already hold a solid position in both North America and Asia. They are good at making acquisitions and creating long-term, sustainable, profitable growth, which continued to be proved by the performance of 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 standing out slightly more.

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 had risen by as much as 194 per cent since the IPO in March 2015, when we entered as the 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 thus still see ourselves as the principal owner of the company. Furthermore, we increased our shareholding in the Norwegian group 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 are now established at a 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 which is large enough to become a separate business area directly.

It would also be interesting to add another one or more leading companies to the investment portfolio, 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.

Göteborg, 2017

Jan Svensson
President and CEO

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; a wholly-owned industrial operation 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	NEDERMAN
DIAMORPH	SECURITAS
NEUFFER	SWECO
OXEON	TOMRA
TERRATECH	TROAX

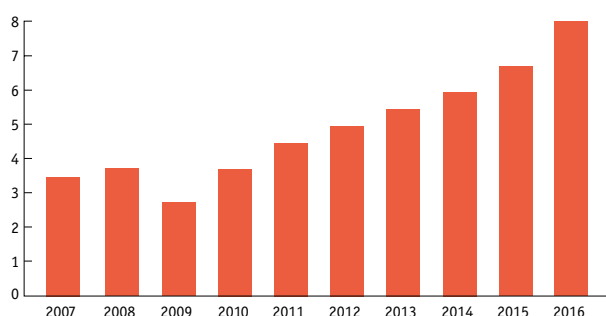
Financial targets for wholly-owned industrial operations

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

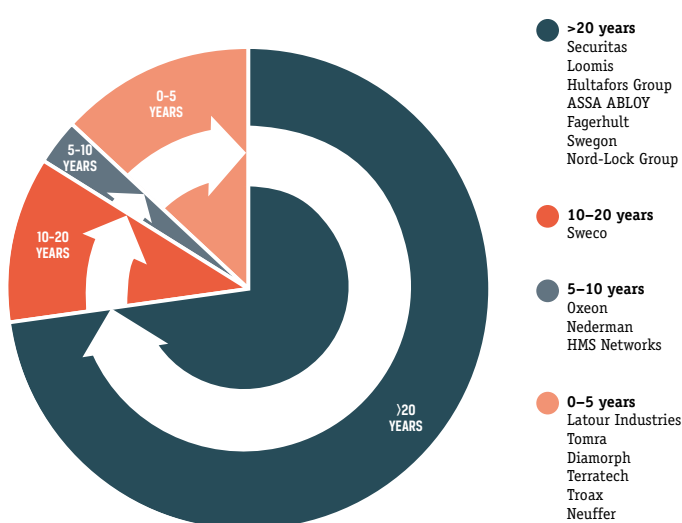
Further payment of dividend from listed holdings	100 per cent
Profit after tax in wholly-owned companies	40–60 per cent

Dividend growth, SEK/share



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.



Low debt

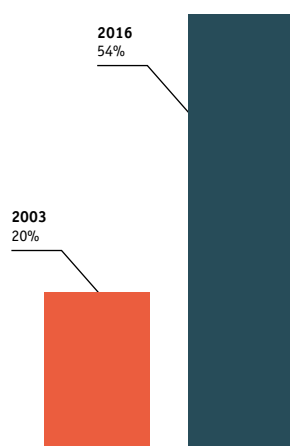
Latour's total debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and divestitures.

Corporate governance worth its price

Latour operates an active corporate governance programme for a management fee of approximately 0.1 per cent of the managed market value.

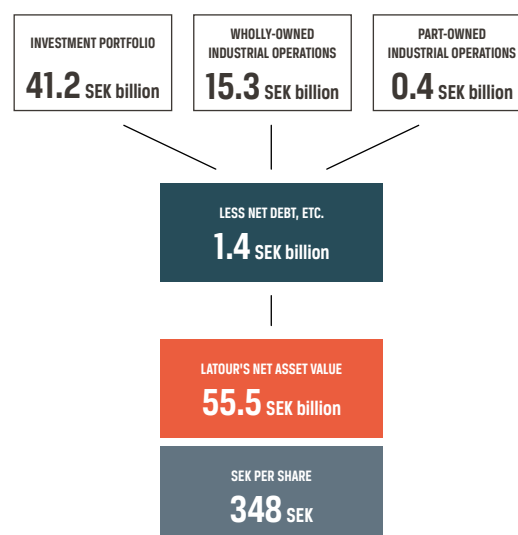
Growing internationally

Latour's holdings have a solid foundation on which to grow with proprietary 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.



The net asset value and its components

Latour's net asset value is dominated by the portfolio companies and the wholly-owned industrial operations.



Values as at 31 December 2016.

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. 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 can immediately 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's 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 'strong-holds'. 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. But 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 says.

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.

BALANCE IN THE PORTFOLIO

Latour strives to maintain a balance in its investment portfolio as a whole, which means not having too great a concentration in any one industry and/or geographic area.

The portfolio today contains a number of operations either partly or wholly aimed at companies in the construction and real estate sectors. It is important to point out that they are operating within selected niches in attractive parts of the value chain.

NUMBER OF ACQUISITIONS 2003–2016

78

NUMBER OF DISPOSALS 2003–2016

28

NET CONTRIBUTION SALES SEK BILLION

3.6

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, pursue greater resource efficiency, promote decent working conditions, take measures to prevent corruption and unethical business conduct and strive to ensure equal work opportunities at all levels in the companies.

RESOURCE EFFICIENCY INITIATIVES

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 resource efficiency initiative, 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 sharp focus on sustainability with leading solutions in many areas, for example in 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 our 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 who 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.

Organisation

Latour is a small, flexible organisation with short decision-making channels, which is reflected within its corporate culture.

ENGAGED PRINCIPAL OWNER

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 effi-

ciently 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. 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 overrid-

ing 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 and that contact with Latour is easy and straightforward.

LATOUR'S EMPLOYEES



From the left: Torbjörn Carlén (Cash Manager), Katarina Rautenberg (CEO Assistant), Mikael Johnsson (Business Development), Jan Svensson (President and CEO), Angelica Pavlic (Accounting), Anders Mörck (CFO), Jonas Davidsson (Group Controller).

BOARD OF DIRECTORS

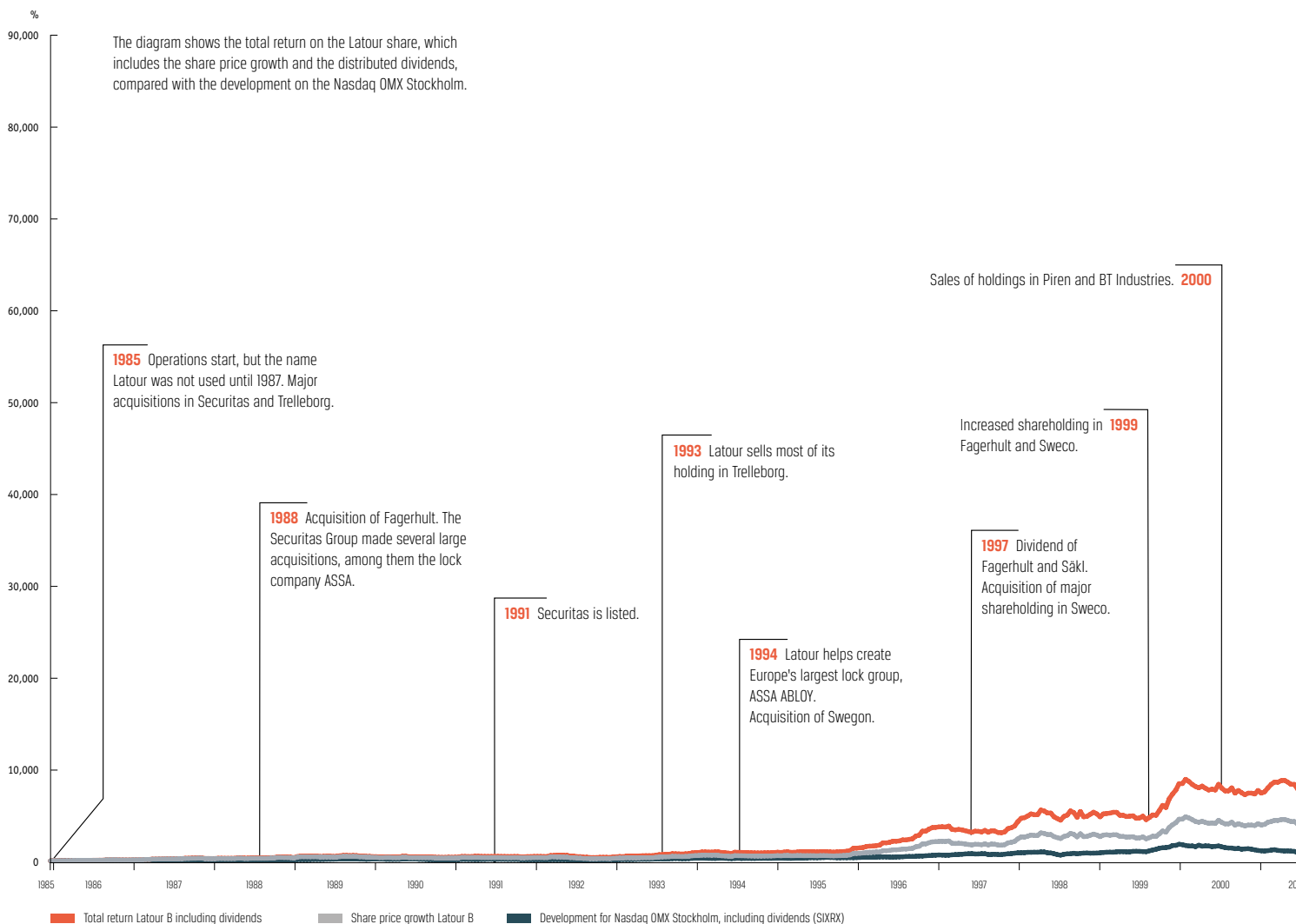


From the left: Anders G. Carlberg, Jan Svensson, Lena Olving, Olle Nordström, Anders Böös, Carl Douglas, Mariana Burenstam Linder, Eric Douglas.

The Latour share

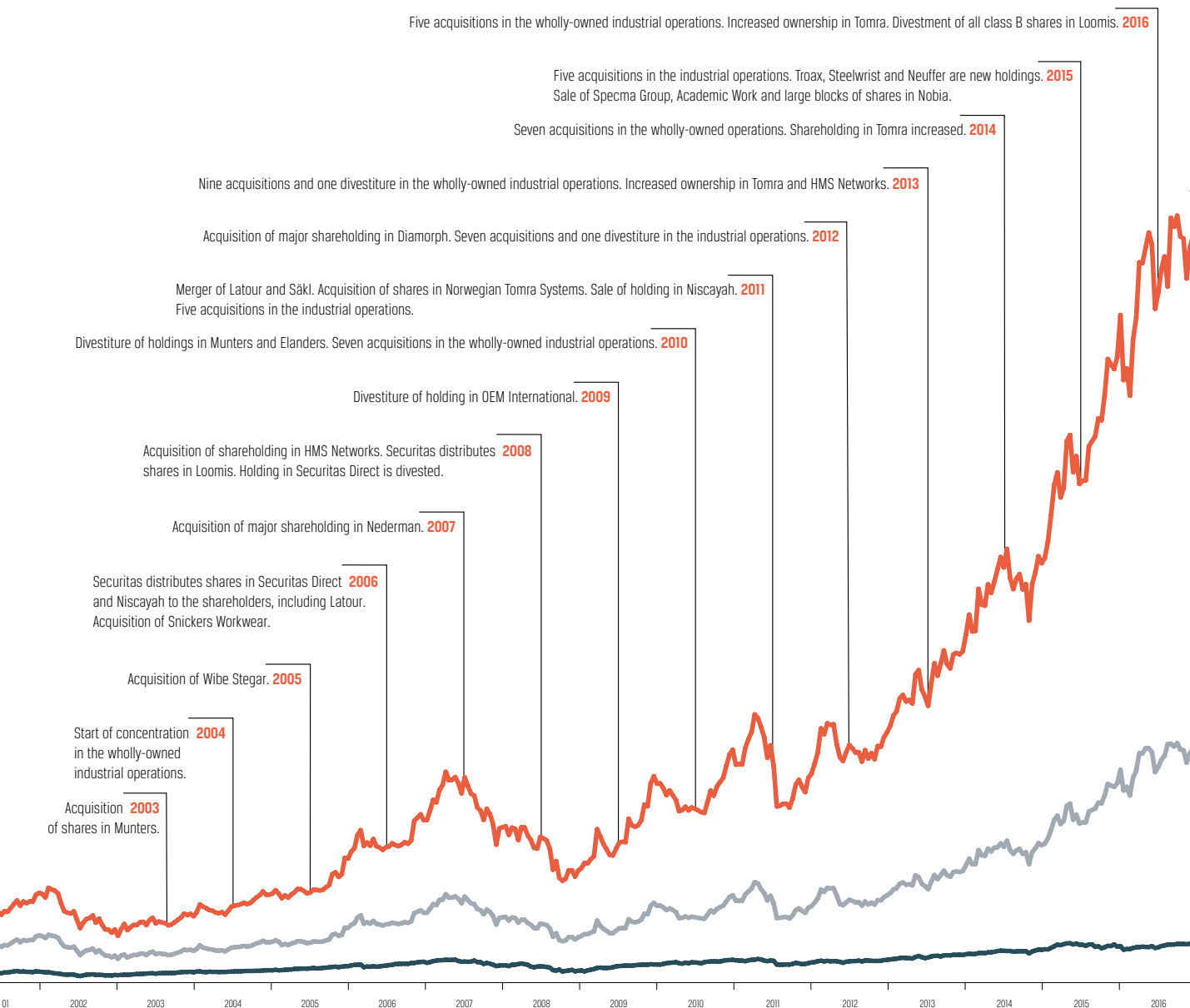
Share price continues strong growth

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. Latour's history stretches back to the end of 1985. Since then the total return, including share development and dividends, has been over 85,100 per cent.



LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2016

Shareholder, thousands	Number A shares	Number B shares	% of share capital	% of voting rights
Gustaf Douglas, family and companies	9,935,000	113,875,500	77.40	79.80
Fredrik Palmstierna, family and companies	1,602,160	1,953,901	2.22	6.73
Bertil Svensson, family and companies		1,866,615	1.17	0.70
SEB Investment Management		1,616,028	1.01	0.60
Lannebo Funds		1,325,000	0.83	0.50
Odin fonder		954,122	0.60	0.36
Handelsbanken fonder		836,736	0.52	0.31
Swedbank Robur Fonder		714,541	0.45	0.27
Skirner AB	200,000	423,880	0.39	0.91
Other	180,098	24,152,919	15.21	9.71
Investment AB Latour, share buyback		323,500	0.20	—
	11,917,258	148,042,742	100.00	100.00





Increased internationalisation and continued high rate of acquisition

In 2016, Latour's wholly-owned industrial operations comprised four business areas. The goal is to achieve profitable international growth with 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 12.5 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.

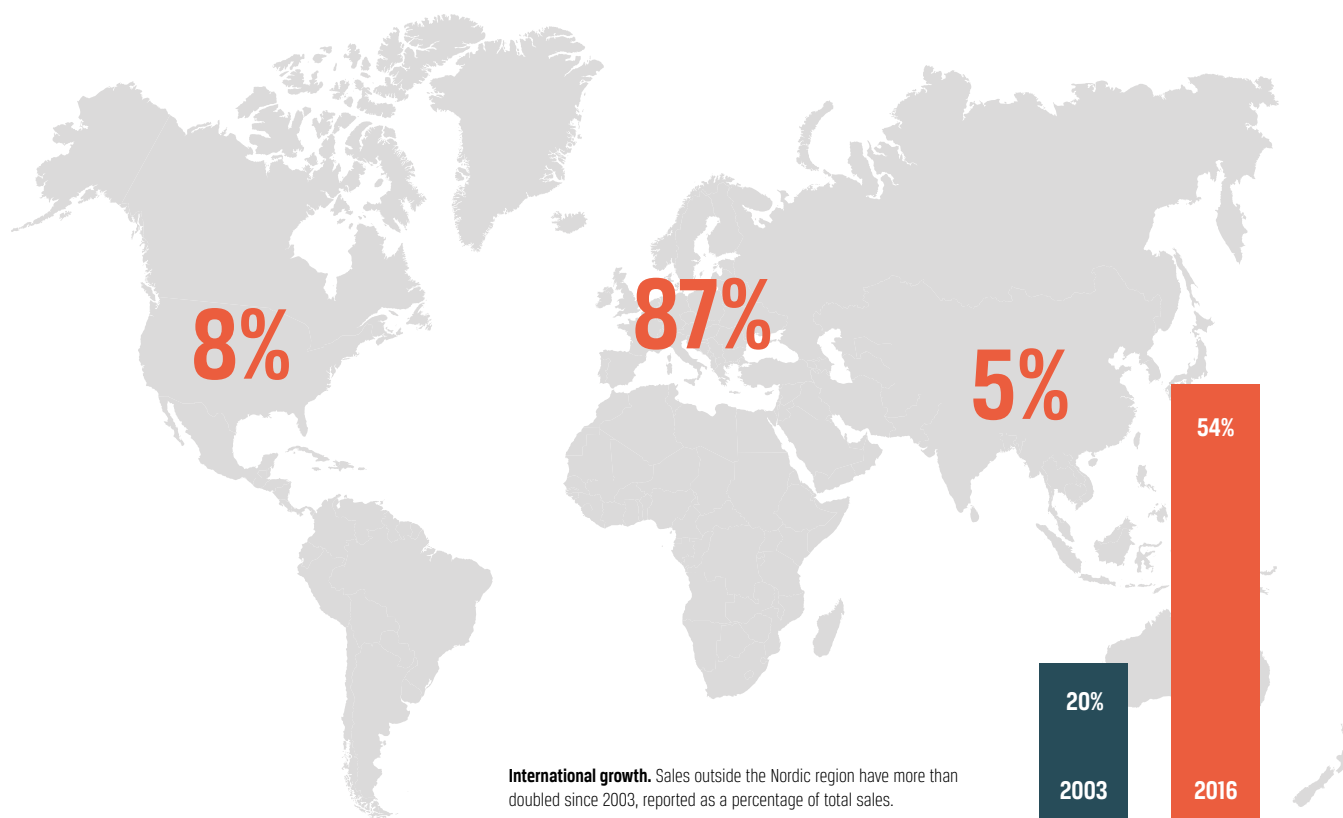
The operations' financial targets are to achieve a minimum of 10 per cent average annual growth and operating margin and 15 to 20 per cent return on operating capital over a business cycle.

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. 4 of the total 5 acquisitions made in the industrial operations in 2016 were companies with operations outside the Nordic region.





Hultafors Group offers professional users the very best when it comes to performance, safety and productivity.

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.

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 tradesmen. 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

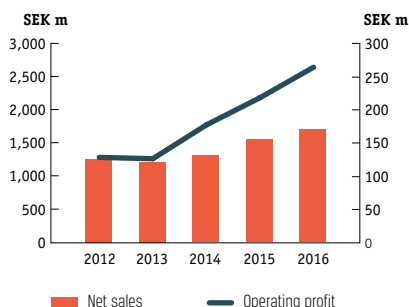
- High organic growth in all product areas and on main markets, and profitability continued to improve.
- Increased market investments drove sales, with launches of new, innovative products, etc.

- Robust sales growth for the new generation of work trousers from Snickers Workwear and for Solid Gear and Toe Guard safety footwear in Europe.

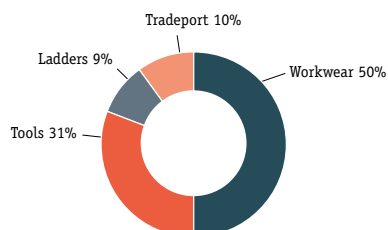
STRATEGY FOR PROFITABLE EXPANSION

- Create organic growth through expanded product lines, more efficient use of sales and distribution channels, increased investment in marketing and stronger relationships with end users.
- Make complementary acquisitions of brands with strong positions among distributors and end users.

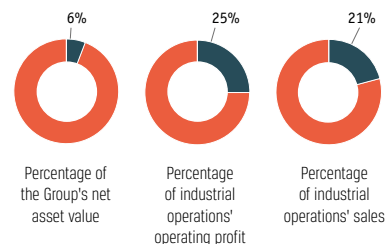
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES





In 2016 Latour Industries acquired Aritco Group, a leading manufacturer of home lifts and platform lifts.

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. The goal is for them to be able to become independent business areas within Latour at some point in the future.

LATOUR INDUSTRIES AT A GLANCE

Latour Industries consists of nine business units with their own products with high technology content and major potential for growth. Each has its own business concept and business model.

IMPORTANT EVENTS IN 2016

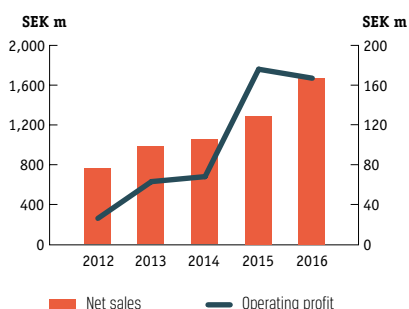
- Sharp rise in net sales, mainly as a result of acquisitions.
- Major investments in marketing and product development in a number of holdings had a negative impact on the operating margin.
- Acquisition of Aritco Group, a leading manufacturer of home lifts and platform lifts.

- Acquisition of 24.6 per cent of the shares in LumenRadio AB, manufacturer of state-of-the-art equipment for wireless radio communication.

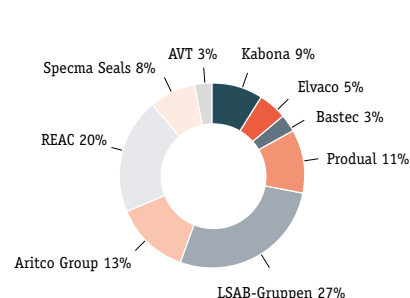
STRATEGY FOR PROFITABLE EXPANSION

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

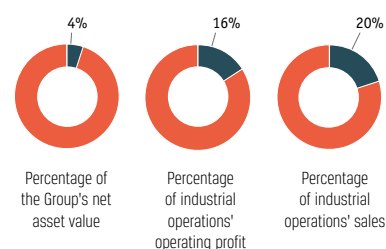
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES





Nord-Lock Group's unique combination of innovative products and expertise solves the toughest bolting challenges.

Nord-Lock Group

Nord-Lock is a world leader in bolt securing solutions. With innovative products and expertise Nord-Lock has contributed to reliable and effective bolted connections to customers in all major industrial sectors for more than 35 years.

NORD-LOCK GROUP AT A GLANCE

Nord-Lock Group focuses on customers in all major industries with high demands on quality and where the consequences of bolt failure would be costly and could result in serious accidents. Over 90 per cent of sales is exported. Sales are conducted through own companies and through a global network of distributors.

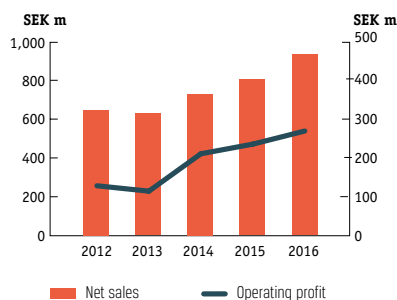
IMPORTANT EVENTS IN 2016

- Strong growth in order intake.
- Continued robust sales growth and good profitability.
- Acquisition of Expander, which specialises in an expandable pivot pin system to eliminate pivot wear in heavy machinery and equipment.

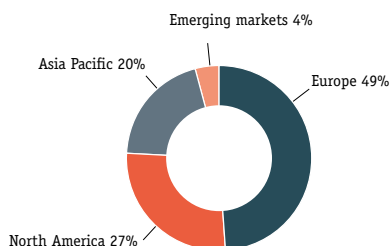
STRATEGY FOR PROFITABLE EXPANSION

- Innovative product development to consolidate the leading position in the niche of secure bolting solutions.
- Strengthen sales and distribution channels. Own sales companies in key markets.
- Further development of capacity and efficiency in production and logistics processes to meet the demand in a cost-effective manner.
- Acquisitions and partnerships to complement the current product offering.

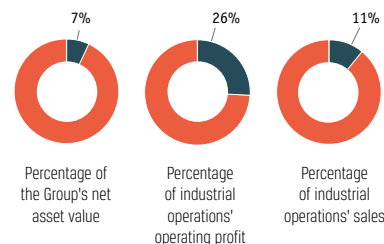
SALES AND EARNINGS



BREAKDOWN OF SALES BY MARKET



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES





Swegon supplies the market with the optimal indoor climate solutions with the lowest possible life cycle costs.

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.

SWEGON AT A GLANCE

Swegon supplies the market with products and intelligently-designed 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 sales companies in 16 countries and through distributors to other markets. The company has production units in Europe, North America and India.

IMPORTANT EVENTS IN 2016

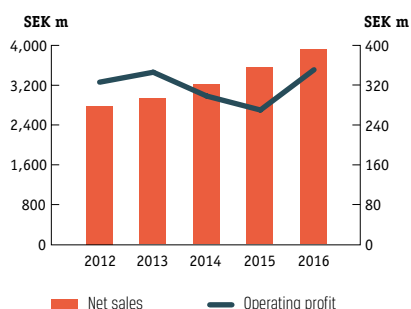
- Strong organic growth in both order intake and sales.
- Positive growth in most markets, especially the Nordic countries and Germany.

- Successful product launches, including the new wireless demand controlled ventilation system "nya WISE".
- Acquisition of bluMartin, a niche player in the residential ventilation sector in Germany.
- Acquisition of Ruskin Air Management, a leading UK manufacturer of air distribution and fire damper products.

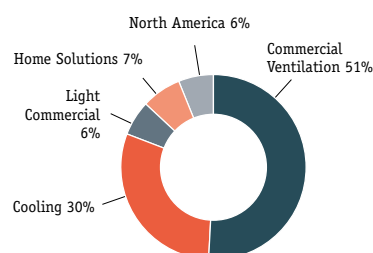
STRATEGY FOR PROFITABLE EXPANSION

- Differentiation through market-leading, innovative system solutions for the indoor climate sector.
- Continue to develop its strong position in the domestic Nordic markets.
- Consolidate its position in key European markets through acquisitions and the development of existing operations.
- Develop its presence in North America.

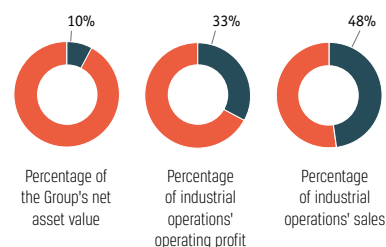
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES





Active owner in nine companies

in a portfolio worth more than SEK 41 billion

Latour's investment portfolio consists of 9 companies where Latour is the principal owner or one of the principal owners and where Latour controls at least 10 per cent of the votes. The work is goal-oriented and 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).

INVESTMENT PORTFOLIO

Share	Market value, SEK m ¹	Share of votes, % ²	Share of equity, % ³
ASSA ABLOY	17,839	29.5	9.5
Fagerhult	4,348	49.1	48.3
HMS Networks	920	25.9	25.9
Loomis	685	23.8	3.4
Nederman	657	30.1	30.0
Nobia ⁴	395	2.8	2.7
Securitas	5,698	29.6	10.9
Sweco	5,879	21.0	26.7
Tomra	3,654	26.0	25.9
Troax	1,168	30.1	30.1
Total	41,243		

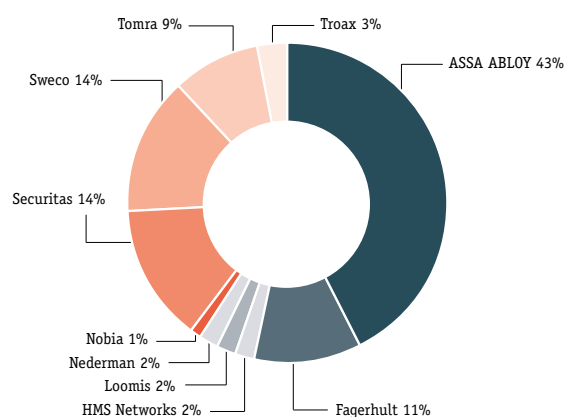
¹ The last price paid is used as the listed share price.

² Share of votes calculated after deduction of treasury shares.

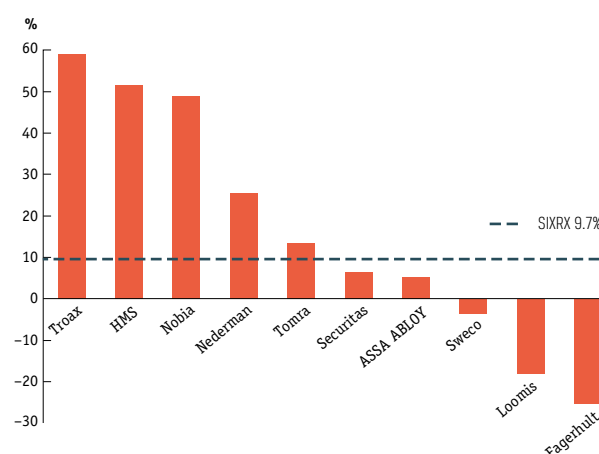
³ Share of equity calculated based on total number of shares issued.

⁴ The majority of the shareholding in Nobia was sold in December 2015, and Latour is therewith no longer a principal owner.

BREAKDOWN OF INVESTMENT PORTFOLIO'S VALUE



TOTAL RETURN OF THE PORTFOLIO COMPANIES FOR 2016

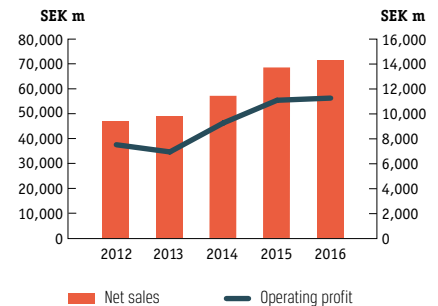


The total return, including share price growth and dividend, for each portfolio company compared with the SIXRX benchmark index in 2016.

ASSA ABLOY



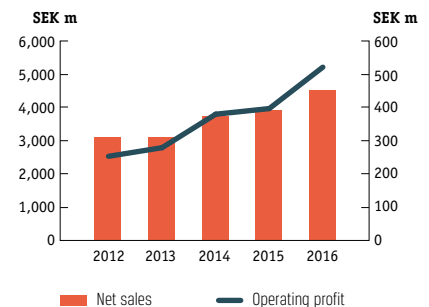
ASSA ABLOY is the world's largest supplier of intelligent lock and security solutions. State-of-the-art technologies and tried-and-tested methods are used to develop innovative solutions that create added value for the customers through enhanced security, reliability and user-friendliness.



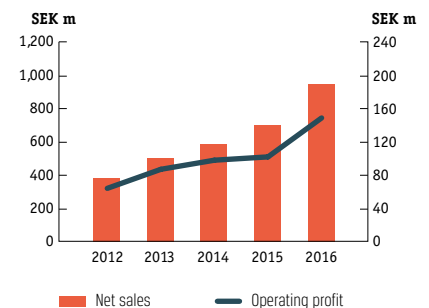
FAGERHULT



Fagerhult is one of Europe's leading lighting companies with subsidiaries in more than 20 countries in four geographic business areas. The company develops, manufactures and markets innovative and energy-efficient lighting solutions for professional indoor, retail and outdoor settings.

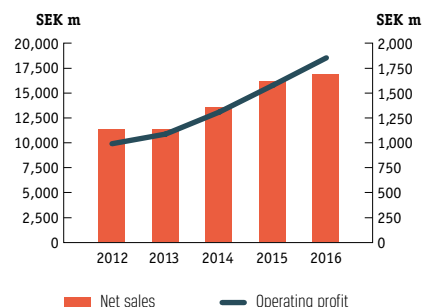


HMS Networks is a world-leading supplier of communication solutions for industrial automation. Over 90 per cent of its sales are outside of Sweden to some 60 countries in all. Its development operations and some of its production are located at the head office in Halmstad in Sweden.





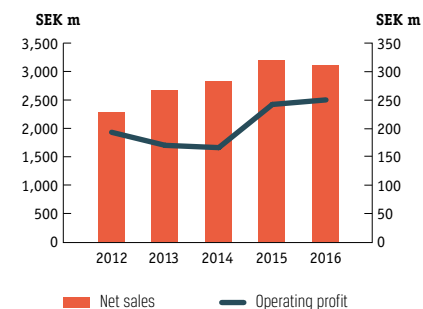
Loomis offers secure and efficient end-to-end solutions for the distribution, management, storage and recycling of cash and other valuables. Its customers are mainly banks and retailers. The company has a strong international presence, with approximately 400 local offices in over 20 countries.



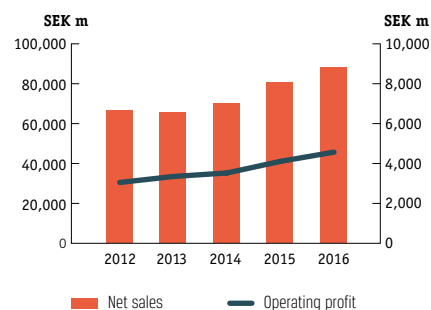
Nederman



Nederman is a world-leading supplier of environmental technology products and systems with a focus on air filtering and recycling. The company's solutions help reduce environmental impacts from industrial production, create a clean and safe work environment and improve production efficiency.

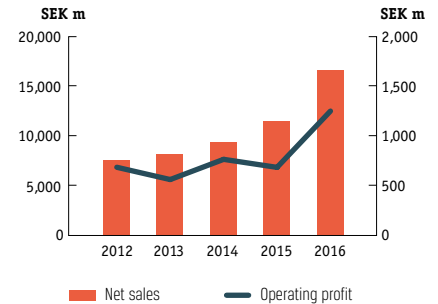


Securitas is a leading company in the security sector with operations in North America, Europe, Latin America, the Middle East, Asia and Africa. The organisation, which is flat and decentralised, has 330,000 employees in 53 countries. It has customers in many different industries and segments.

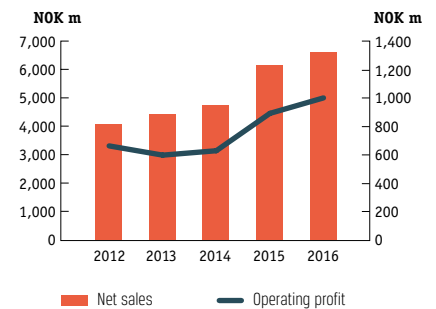




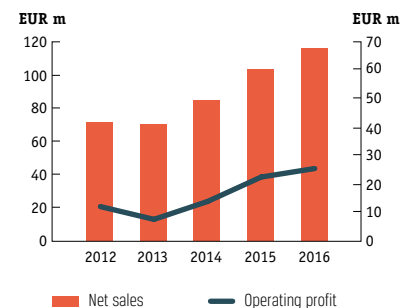
Sweco is Europe's leading engineering and architecture consultancy. Sweco has 14,500 employees and operates in some 70 countries. Its work produces sustainable buildings, efficient infrastructure and access to electricity and clean water.



Tomra is a world leader in sorting and recycling technologies. The company was founded in Norway in 1972 and today has about 2,600 employees and operations in 80 countries all over the world. Its products and services are offered in two business areas: Tomra Collection Solutions and Tomra Sorting Solutions.



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.



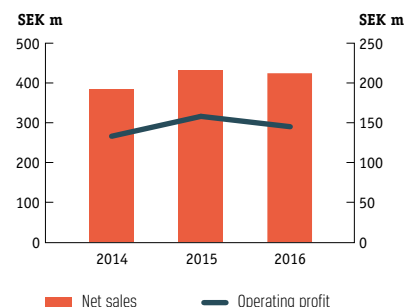
Part-owned companies

In addition to the investment portfolio and industrial operations, Latour has interests in a small number of unlisted shares, all of which stand out in their respective industries – Diamorph, Neuffer, Oxeon and Terratech.



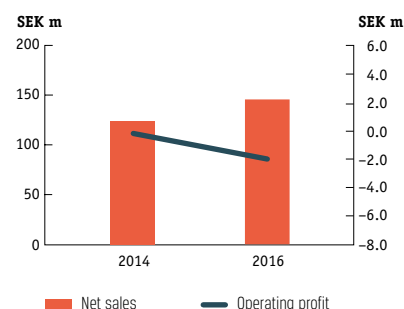
Diamorph supplies advanced material solutions for especially demanding industrial applications. Its vision is to be a global leading niche supplier of advanced material. Its head office is in Stockholm.

LATOUR'S SHARE
26.4%



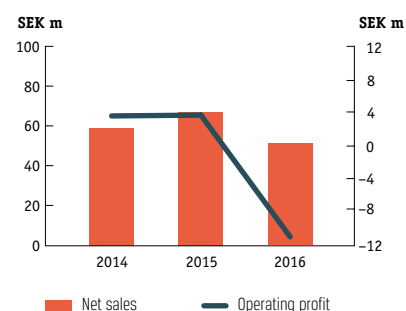
Neuffer Fenster+Türen markets and sells windows and exterior doors via its online sales platforms. The company is experiencing a period of strong growth and has a focus on international expansion. Its head office is in Stuttgart, Germany.

LATOUR'S SHARE
66.1%



Oxeon develops, manufactures and markets a spread tow fabric that consists of carbon fibre tows instead of threads. The company, with its head office in Borås in Sweden, has four patents in this field and a focus on international growth.

LATOUR'S SHARE
31.1%



Terratech is an industrial group, which today consists of the companies Steel-wrist and SVAB Hydraulik, focused on providing intelligent, safe and efficient products and services for excavators and other tool carriers.

LATOUR'S SHARE
21.6%

