



2017
AT A GLANCE

Latour reports continued strong growth

Our strategy to be a long-term, active owner of the holdings continues to yield results. During the year, our net asset value increased by 11.6 per cent, the total return on the investment portfolio exceeded that of the Stockholm Stock Exchange, and the industrial operations' growth and profitability outperformed the record highs of 2016 by a clear margin.



We can report a robust performance in our wholly-owned industrial operations and in the investment portfolio throughout the year, which led to a 11.6 per cent increase in Latour's net asset value and offers further scope for stable dividend growth. Total operating profit in the wholly-owned industrial operations reached SEK 1,181 billion, and organic growth accounted for 6 per cent of the 19 per cent sales increase.

The total return on the investment portfolio was 12 per cent, which once again was better than that of the Stockholm Stock Exchange's total return index (SIXRX). We became a new, long-term principal owner of Alimak Group during the year through our acquisition of a 26.7 per cent shareholding, representing an investment of almost SEK 2 billion.

LONG-TERM AND ACTIVE OWNER

Our strategy to be an active owner working towards long-term, profitable growth in our holdings continues to produce results. Our portfolio comprises 19 holdings, 8 of which have been held for more than 20 years and today account for 78 per cent of the net asset value.

We always take a long-term view with respect to new product development, technologies and investment in sales and new markets. The management teams make the decisions that are most important for creating long-term value, whether they concern development strategies to improve organic growth or decisions on growth through acquisitions. The acquisitions that are undertaken also bring new know-how and products into our business and help us to expand into new markets or segments.

ACQUISITIONS FOR HIGHER GROWTH

The acquisitions in 2017 were no exception, but we refrained from purchasing in several cases due to inflated prices. Acquisitions in the industrial operations that have been undertaken have, however, resulted in additional sales of SEK 750 m.

Hultafors Group has complemented its range of workwear with the acquisition of the Swedish company Puvab. In addition, the Solid Gear and Toe Guard safety footwear brands, acquired in 2015, have continued to develop successfully, reporting 44 per cent sales growth in 2017.

Swegon is accelerating its growth in the fire safety sector in the UK and Irish markets through the acquisition of the Irish company Safeguard, which complements the acquisition of the British company Ruskin Air Management in 2016.

Latour Industries continues to invest in the areas of Mobility and Accessibility in Europe through the acquisitions of the Italian company VIMEC, which manufactures platform lifts, and the German company AAT, a leading supplier of powered stair climbing solutions and add-on drive products. As a result of these acquisitions and the previous acquisitions of Aritco Group and REAC, Mobility and Accessibility now account for more than 50 per cent of Latour Industries' sales, and are driven by strong, long-term global trends, such as a rapidly ageing population with increased demands for improved accessibility and mobility.

Nord-Lock Group did not make any acquisitions in 2017, but is now realising significant gains from its acquisition of the Swedish company Expander in 2016.

In spring 2017, Nord-Lock Group was first in the world to introduce a lifetime warranty across all of its technologies.

In the investment portfolio, Norderman acquired the Norwegian company NEO Monitors, which is a key addition to the operations of Digital Solutions. Fagerhult finalised the acquisition of the German company WE-EF, thereby enhancing its position in the market for professional outdoor lighting. TOMRA Systems further expanded its global operations through acquisitions in New Zealand.

INTERNATIONAL EXPANSION

A key criterion when investing in acquisitions is that they exhibit the potential to expand outside the Nordic region. In 2017, 57 per cent of sales in the industrial operations came from markets outside the Nordic region. On the other hand, non-European markets accounted for just 14 per cent of sales.

Our exposure in Europe has been positive for development during the year but, in the long term, it is inevitable that both North America and Asia will become increasingly important parts of our business. Furthermore, most of the companies in the investment portfolio are active worldwide. TOMRA Systems' powerful international expansion in the waste recycling and sorting sector over the past year is, for example, the result of a long-term presence and activity in different regions. As the market-leading company for deposit return and recycling systems, TOMRA has become a go-to provider, now that more and more countries are rapidly planning for deposit return schemes.

Nord-Lock Group is an excellent example in the industrial operations of how important international expansion is for long-term growth. 88 per cent of its sales are generated outside the Nordic region today, and it has been delivering steady year-on-year sales growth in Asia and North America.

STRONG INCREASE IN INVESTMENT PORTFOLIO VALUE

International expansion is a major factor in the listed companies' continued success in creating long-term, sustainable, profitable growth, which was confirmed by the performance in 2017. This development was further reflected in the continuing strong growth in value

of the portfolio, with 7 of the 10 holdings outperforming our benchmark index.

During the year, we made a major acquisition that gave us 26.7 per cent of the voting rights and capital in Alimak Group. Alimak Group is a world-leading provider of vertical access solutions for the construction and industrial sectors. As its principal owner, we will help the company continue its successful growth in the future. Furthermore, we increased our shareholding in TOMRA Systems.

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

The strong earnings performance in the portfolio as a whole means that we get a continuation of good dividend growth from the companies. This allows us to continue raising the dividend that we pay to our shareholders, this time by 12.5 per cent to SEK 2.25 (2.00) per share.

HIGH TOTAL RETURN

In 2017, the total return on the Latour share was 20 per cent, which was significantly better than that of the Stock Exchange. The higher level of profitability in the industrial operations is getting even more important for Latour.

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 continued to trade above or close to the net asset value during the year is a consequence of our determined and focused work, our low administrative costs, and that we have been very transparent for many years about how we evaluate our wholly-owned companies.

A SUSTAINABLE STRATEGY

Sustainability issues have always played a central role in the analysis of our investments, whether it has been stated or not. The set of investment criteria that we operate, with a strong focus on responding to long-term, global trends, basically makes it impossible for us not to be sustainable.

Along with the management teams in our companies, we have to think and act in a sustainable manner all the time if we are to be able to implement our strategy and achieve our goals. Our sustainability practices form an integral part of the companies' and our standard operating procedures and are fundamental to driving long-term, value-creating work that offers benefits to all stakeholders.

LEADERSHIP FOR FUTURE SUCCESS

It is largely thanks to our management teams that our companies are at the forefront of their fields. We operate with a clear delegation of operational responsibilities across all our companies and the leaders that we attract are often drawn to us by this philosophy.

The opportunity to act independently and operate with a long-term perspective, imbued with a spirit of entrepreneurship and supported by an active, professional board, has brought us some of the top leaders from the Swedish business community. I'm thinking of leaders who have accomplished so much during their tenure, such as Johan Mohlin in his twelve years or more with ASSA ABLOY, and Alf Göransson in his eleven years with Securitas. It has been fantastic to follow every step of these two journeys. I am sorry that they have decided to leave their positions, but would like to take this opportunity to thank them for those amazing years and wish them every success for the future.

The same thanks and wishes go to Tomas Carlsson after his five successful years with Sweco. At the same time, we continue to attract highly-talented leaders and, with our current portfolio management teams and healthy income statements, I remain very confident about the growth performance of all our holdings.

Göteborg, 2018

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 that, 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 supported by global megatrends and with good prospects for the future. The long-term vision is to create growth and added value in these 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.

A SUSTAINABLE STRATEGY

Sustainability is an integral part of Latour's investment strategy. Long-term values are created by developing sustainable operations. Latour has its greatest impact on sustainability by being an active and responsible owner. Through the work of Boards, Latour places high expectations on and drives the sustainable development of the holdings. Caring about the environment and fellow human beings is seen as essential to the positive development of Latour and the wider community.

Further details of Latour's sustainability commitments can be found in the sustainability report published in the 2017 Annual Report.

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 own 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, where the work of the Board is an important platform for the creation of value.

Leadership plays a central role in the 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.

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

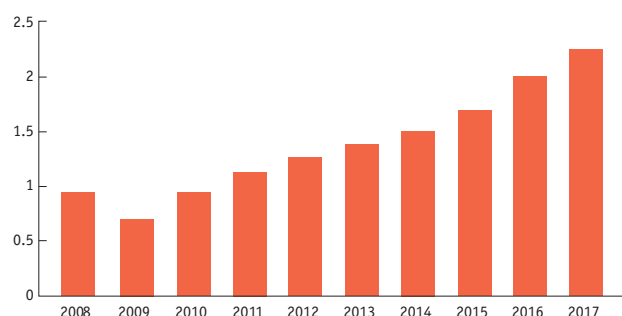
FINANCIAL TARGETS FOR INDUSTRIAL OPERATIONS

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

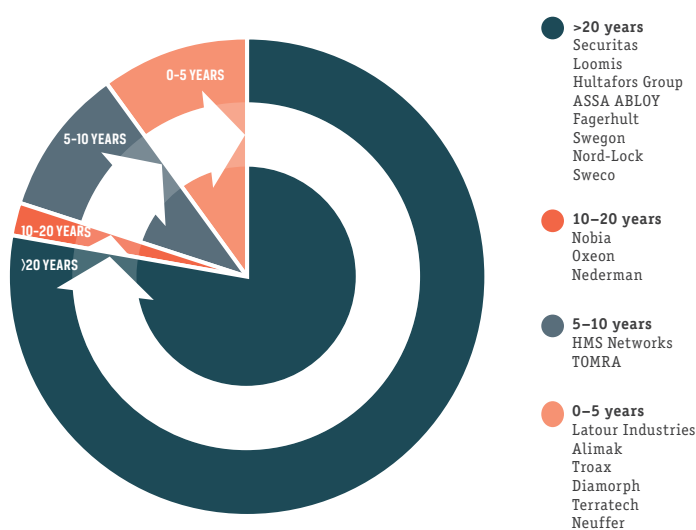
Further payment of dividend from listed holdings	100 per cent
Profit after tax in wholly-owned companies	40–60 per cent

DIVIDEND GROWTH, SEK/SHARE



CREATING LONG-TERM VALUE

Latour is a long-term investor. The diagram shows that 78 per cent of the total net asset value comes from companies that have been in the portfolio for more than 20 years.



LOW NET DEBT

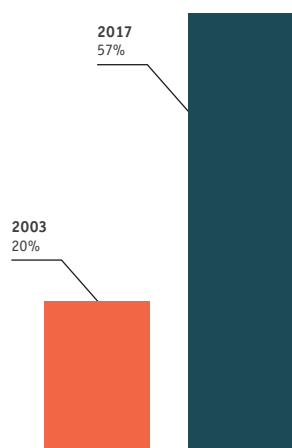
Latour's total net debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and divestitures.

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.

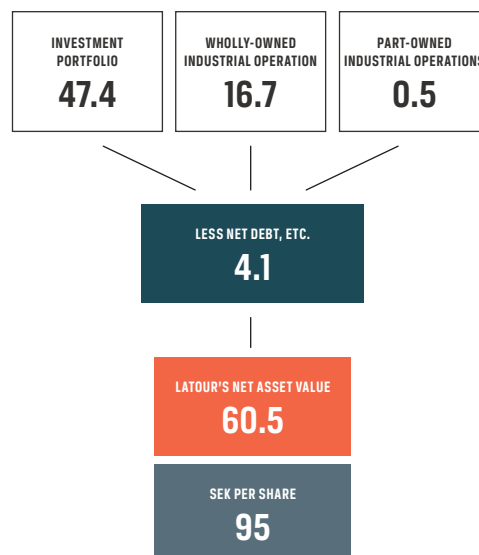
GROWING INTERNATIONALLY

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 57 per cent in 2017.



THE NET ASSET VALUE AND ITS COMPONENTS

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



Organisation

Latour is a small, flexible organisation with short decision-making channels.

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 efficiently by its own representatives and a network of experienced Board members.

CLEAR, 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 ten 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 manage-

ment, 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.

BOARD OF DIRECTORS



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

LATOUR'S EMPLOYEES



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

External developments and trends influence acquisitions

Latour's acquisition process is centred on long-term assumptions about which technologies and companies have the best prospects, based on the overall trends that are expected to lead to new and growing needs.



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.

Latour's business is based on identifying the best opportunities for creating long-term value and avoiding risks that might lead to diminished value. These opportunities and risks can be viewed on two levels – company-specific and market-related. Latour takes the company-specific opportunities and risks into account in its investment strategy and active corporate governance.

STRONG TRENDS

The market-related opportunities and risks build on general trends that have an impact on the long-term development of entire industries and niches. Consequently, they form the basis for attractive investment opportunities.

Latour uses a number of trends in its analysis, including demographic development, urbanisation, globalisation, sustainability and digitisation. It is becoming increasingly obvious that the trends are interrelated and shape one another. An aging population increases

the demand for healthcare and medical services, and puts pressure on finding ways of enabling people to remain in their own homes and have easy access to local facilities, which pose additional challenges for rapidly expanding cities around the world. The cities are also the hubs of the globalisation trend that is shaping different consumer behaviours and competition between companies. Efficiency throughout the entire value chain is a key element in this and digitisation plays a major role in cutting costs and reaching all end consumers in a simple way.

Long-term, sustainable solutions are needed to tackle environmental and social challenges, regardless of area or geographic location. Several of the acquisitions that Latour made in 2017 are clearly related to the demographic developments with a need for greater mobility and accessibility for the growing number of elderly people in cities around the world.

Latour's acquisition process creates long-term value

Latour continued its acquisition activity at a consistent level in 2017. The size of the acquisitions varied greatly but they all address important global trends and contribute to Latour's international expansion agenda.

The 7 acquisitions made in the wholly-owned industrial operations add approximately SEK 750 m in annual sales, representing just over 7.5 per cent growth on an annual basis. In addition, 26.7 per cent of the listed company Alimak was acquired for almost SEK 2 billion, making Latour the principal owner of the company. All acquisitions in the wholly-owned industrial operations and the investment portfolio are based on a proven and systematic process that aims to create long-term value.

"The companies that we acquire have a number of common denominators. They must have a range of strong proprietary products that are attractive in the market. They must be efficiently-run with a strong management team and there must be an opportunity for Latour to contribute, often by promoting and accelerating the growth process," says Jens Eriksson who, along with Mikael Johnsson, is responsible for acquisition processes and business development at Latour.

KEY TRENDS

It is crucial that the companies meet and take advantage of the strong global trends that Latour has identified as key to its business operations. The acquisition of Alimak is an excellent illustration of this. The company is a global leader in vertical transportation systems for the con-

struction and industrial sectors, with customers whose development is supported by urbanisation and a greater focus on safety and environmentally-friendly energy production.

"We have seen the global trends grow much stronger during the year and they feel right and relevant to Latour's companies. As well as globalisation being a driving force, we are also seeing an increase in regionalisation, driven by improved opportu-

nities to produce profitably at a regional level bearing in mind automation, increasing global concern, and risks and costs related to global logistics. A focus on sustainable solutions is another trend that has made a far greater impact in 2017, at all levels and in all sectors and industries," says Mikael Johnsson.



LONG-TERM APPROACH

For Latour, it goes without saying that sustainability is also an integral part of the acquisition process. Industrial thinking is applied to each new acquisition. What is essential is developing the operations, not creating value through financial structures. There is always a clear plan for the companies that Latour acquires. This plan is decided by the management team and owners before the acquisition process moves forward.

"Latour's long-term perspective is naturally a strength in acquisition talks and I believe it is clearly evident from our aggregate net asset value just how serious we really are. More than three quarters of it come from companies that have featured in Latour's portfolio for more than two decades and have, under the direction of Latour, delivered growth, both organically and through acquisitions," says Jens.

A successful and seamless integration process is key to this development. Latour's integration programme involves a specific agenda with frequent reviews in the first 100 days for each new company in the Group, regardless of its size or focus. This process is based on Latour's many years of experience, where the specific needs of each acquired business are given high priority.

COMPLEMENTARY ACQUISITIONS

The acquisition process also involves generating a list of potential acquisition targets with which a dialogue is usually established. Latour is generally interested in companies of a sufficient size to be capable of developing and managing on their own. However, there are exceptions to this. The majority of its acquisitions, counted in numbers, are made to supplement existing holdings. When this type of acquisition is made, the focus is on how the company complements the original activities of the business. In 2017, 6 of the acquisitions were of this type.

"The acquisition of the Swedish company Micor helps strengthen LSAB's offering and international customer base in the saw blade sector. Swegon's acquisition of the Irish company Safeguard System has a natural link to and consolidates the business of the previously acquired British company Swegon Air Management (former Ruskin Air Management) in the field of fire and smoke control. And then, of course, we have the acquisition of the Italian company VIMEC, which is the next step in our venture to build a leading international platform and home lifts business that complements the 2016 acquisition of the industry leader Aritco," says Mikael.

NUMBER OF ACQUISITIONS 2003-2017

85

NUMBER OF DISPOSALS 2003-2017

29

NET CONTRIBUTION SALES SEK BILLION

2.9

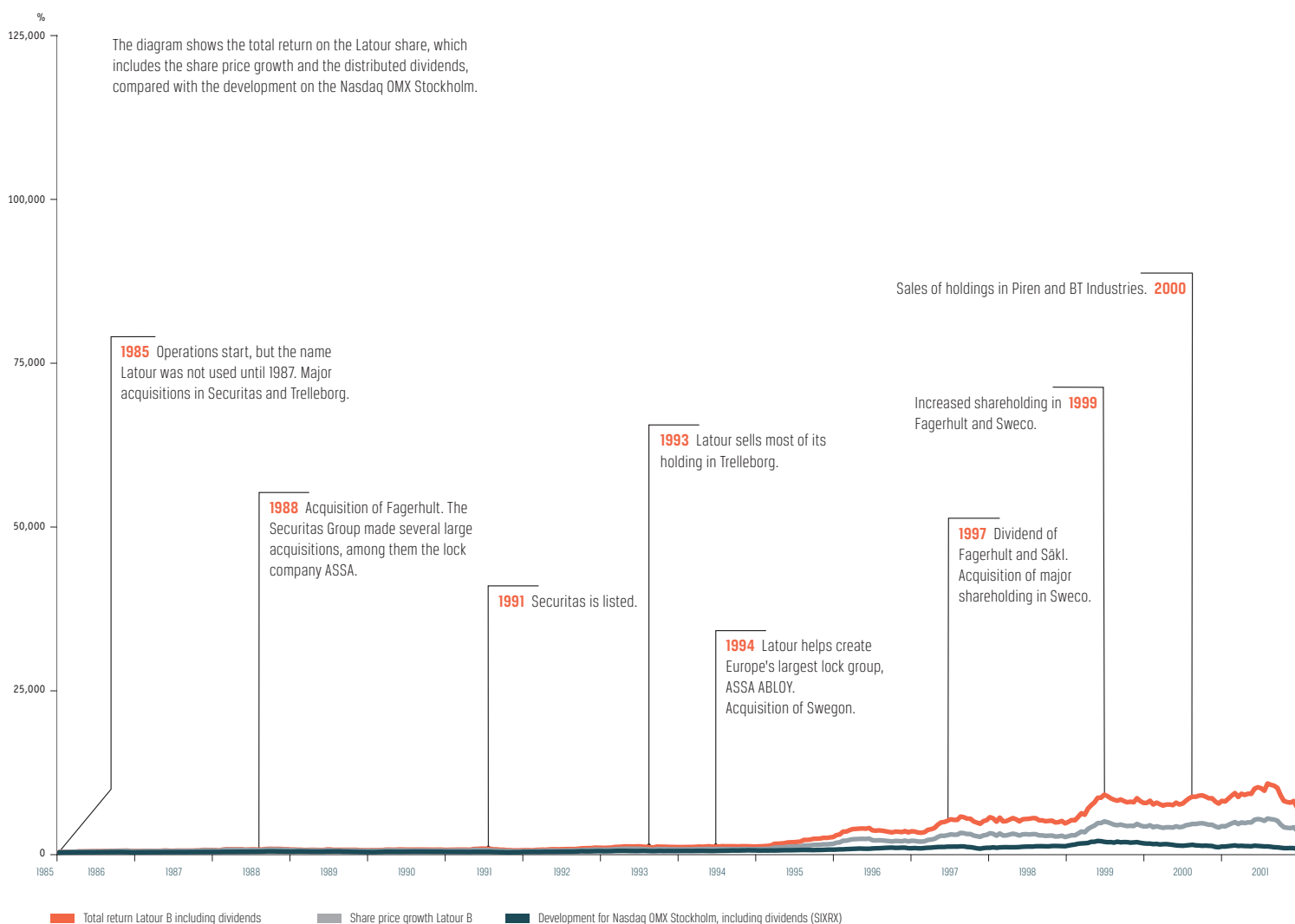


The Latour share

A new strong year for the share

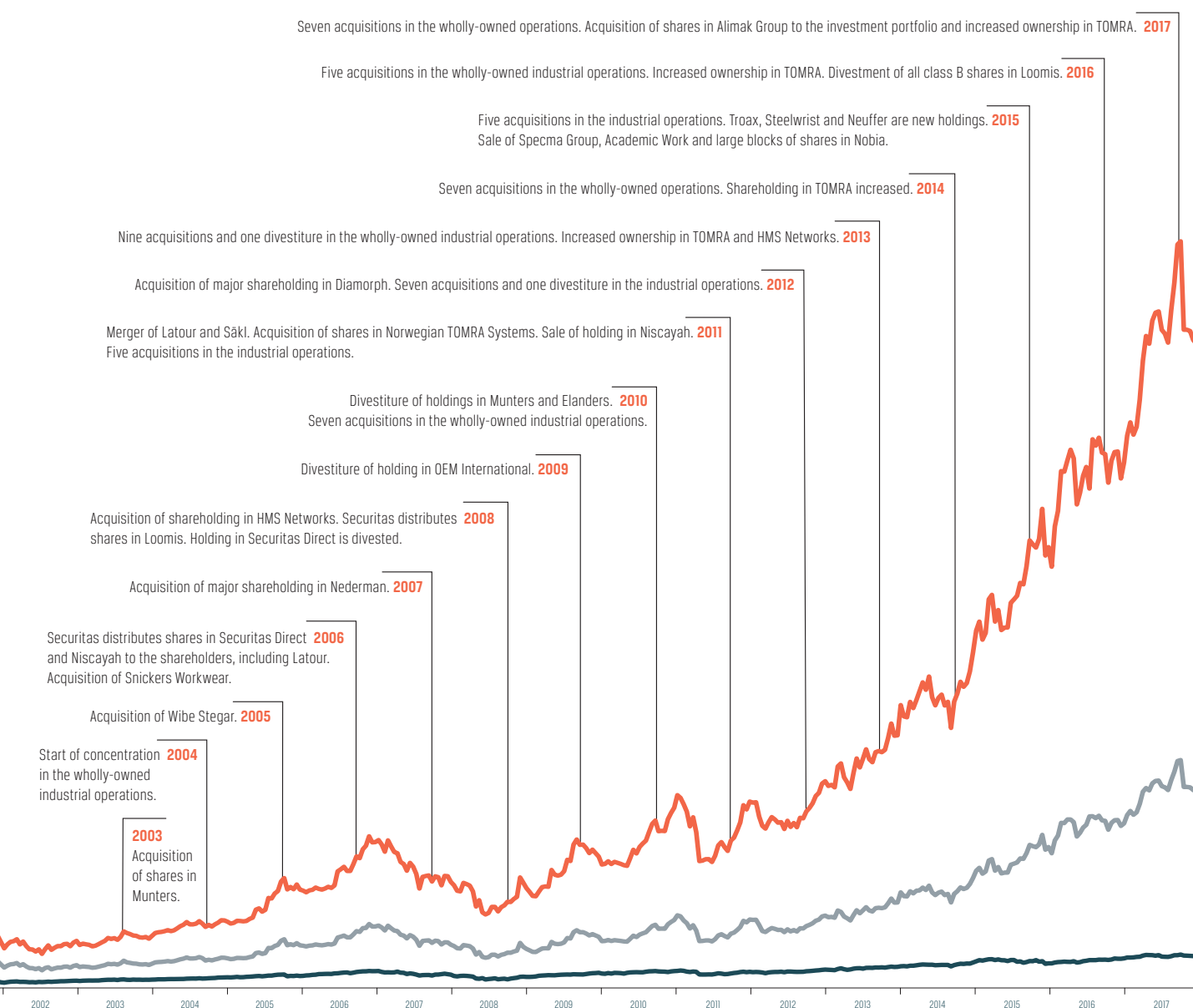
Latour's share is listed on the Nasdaq OMX Stockholm Large Cap list that includes companies with a market value in excess of EUR 1 billion.

Latour's history stretches back to the end of 1985. Since then the total return, including share development and dividends, has been over 103,000 per cent.



LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2017

Shareholder, thousands	Number A shares	Number B shares	% of share capital	% of voting rights
Gustaf Douglas, family and companies	39,740,000	456,302,000	77.5	80.0
Fredrik Palmstierna, family and companies	6,408,640	7,705,000	2.2	6.7
Bertil Svensson, family and companies		6,770,460	1.1	0.6
SEB Investment Management		6,445,728	1.0	0.6
Lannebo Funds		5,433,224	0.8	0.5
Spiltan Funds		3,666,666	0.6	0.3
Odin Funds		3,055,949	0.5	0.3
Skirner AB	800,000	1,695,520	0.4	0.9
Handelsbanken fonder		2,236,920	0.3	0.2
JPM Chase		2,099,654	0.3	0.2
Other	693,808	95,794,431	15.1	9.6
Investment AB Latour, share buyback		992,000	0.2	–
	47,642,448	592,197,552	100.00	100.00





Increased growth

through consolidation and further acquisitions

Latour's wholly-owned industrial operations, with four business areas and a total of about 100 companies, continued its profitable growth in 2017. Including acquisitions, sales growth amounted to 19 per cent in total, and the operating margin remained at a high level at 12.1 per cent.

There has been a clear consolidation of activities in Latour's wholly-owned industrial operations over the last decade. Following the sale of the Specma Group business area in early 2016 and a focus on complementary acquisitions that bring greater strength to the core activities of the continuing business areas, there is now a solid base on which to build and forge ahead with profitable growth. The four business areas are strongly positioned in their respective niche segments with companies that develop, manufacture and market their own products in customer segments that represent considerable, growing international demand.

Despite 36 per cent growth in the past two years, the high ambitions remain undiminished with a focus on growth being achieved both organically and through acquisitions. In 2017, organic growth totalled 6 per cent. In order to grow at a faster rate than the general development of the economy,

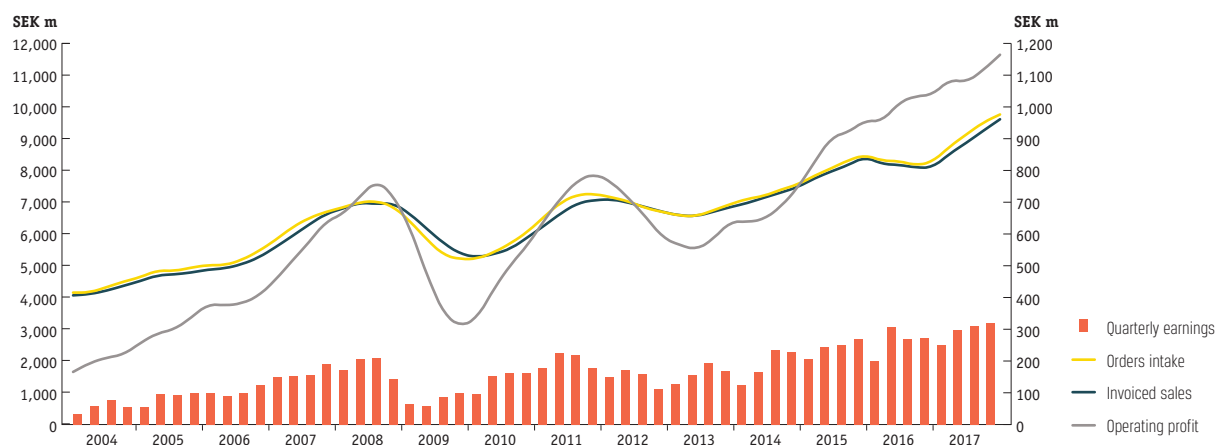
the operations work systematically to enhance their product portfolios, increase their international presence and gain market share in existing markets. In 2017, sales generated outside the Nordic region increased from 54 to 57 per cent of total sales. Although the international share of sales has almost tripled since 2003, there is still considerable potential for growth. The acquisitions in the industrial operations made in 2017 contributes annual net sales of SEK 750 m, of which 89 per cent are generated outside the Nordic region.

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. All financial targets have been reached in the last two years.

All operations are at the forefront of product development, which is critical to the achievement of key competitive advantages in the future too.

THE INDUSTRIAL OPERATIONS'
NET SALES GREW BY
19%
DURING THE YEAR,
INCLUDING ACQUISITIONS

GROUP – TRAILING 12 MONTHS



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 workwear, 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.

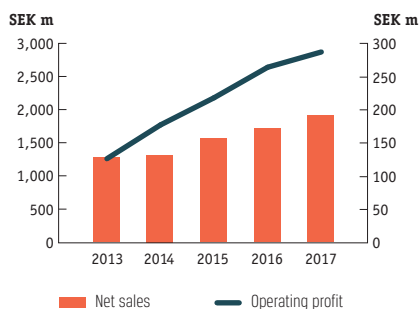
IMPORTANT EVENTS IN 2017

- Strong organic growth with increased demand across most product areas and markets. Strong earnings as a consequence of the robust growth.
- Increased market investments and developed partnerships with distributors.
- Acquisition of the Swedish company Puvab, specialised in protective wear for the energy and utility business.
- Strong sales growth for the Solid Gear and Toe Guard safety footwear in Europe.

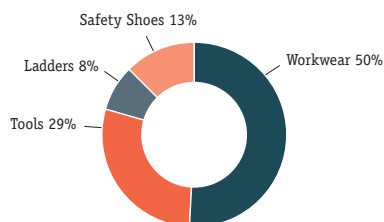
STRATEGY FOR PROFITABLE GROWTH

- 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.

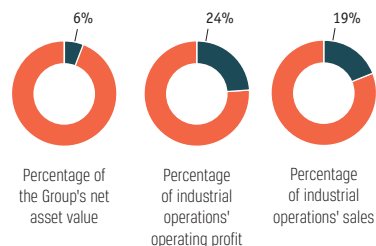
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT

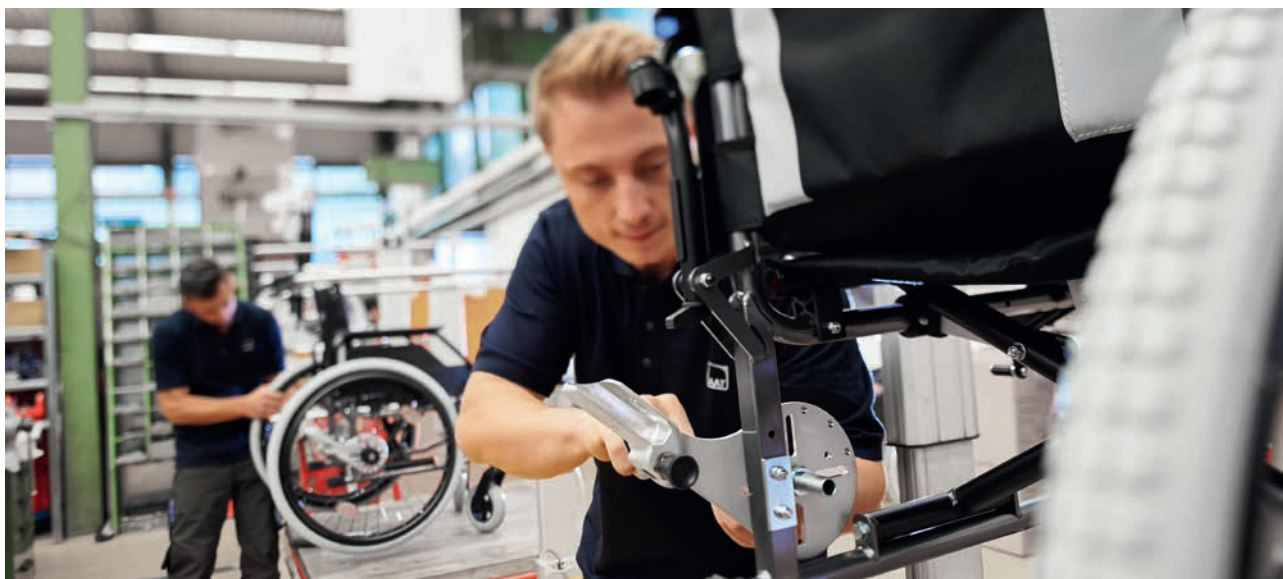


PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



Latour Industries

Latour Industries is a minaturature of Latour in which active and careful ownership contributes to a stable and independent development of each holding. The goal is for the holdings to become independent business area within Latour at some point in the future.



LATOUR INDUSTRIES AT A GLANCE

Latour Industries consists of eleven holdings, each of them with their own products with high technology content and a clear potential for growth. Each of the holdings has its own business concept and business model.

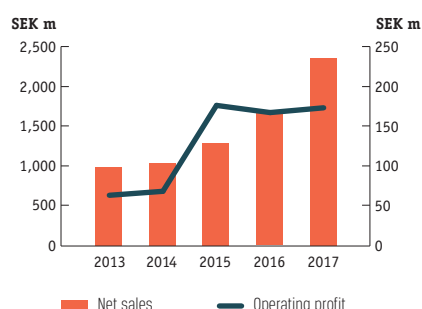
IMPORTANT EVENTS IN 2017

- Continued rise in net sales, mainly driven by acquisitions.
- Further expansion in the Accessibility & Mobility segment through acquisition of VIMEC in Italy, a leading manufacturer of platform lifts and stair lifts, and through acquisition of the German company AAT, a leading supplier of solutions to the mobility rehab market.
- Acquisition of two Swedish entities, the saw blade manufacturer MICOR, and NODA, specialised in energy optimization of district heating systems.
- Divestment of AVT to management.

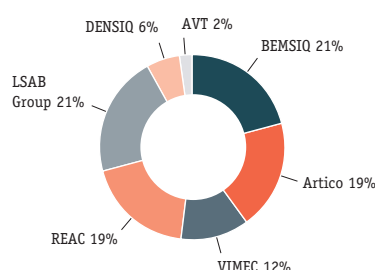
STRATEGY FOR PROFITABLE GROWTH

- Pursue expansion of current holdings through strengthened sales organizations, intensified product development and add-on acquisitions to further improve the strategic position.
- Continue to pursue new platform acquisitions in line with Latours' investment criterias.

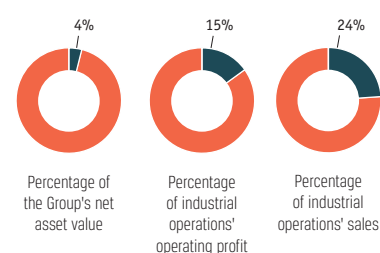
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



Nord-Lock Group

Nord-Lock Group is a world leader in secure bolting solutions. With innovative products and expertise Nord-Lock Group 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.

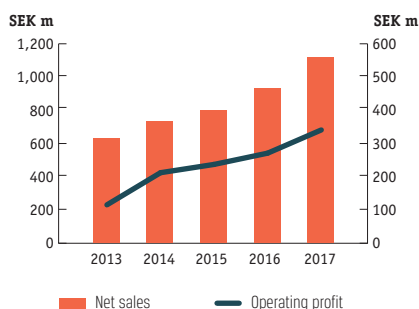
IMPORTANT EVENTS IN 2017

- Continued robust sales growth with maintained high profitability. Sales exceeded SEK 1 billion in 2017.
- Specific strong growth in the Americas with 25 per cent and in Asia Pacific, with 23 per cent.

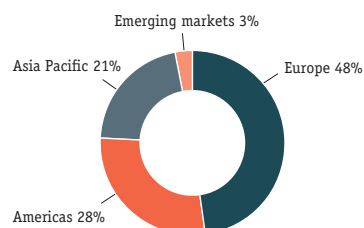
STRATEGY FOR PROFITABLE GROWTH

- 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.

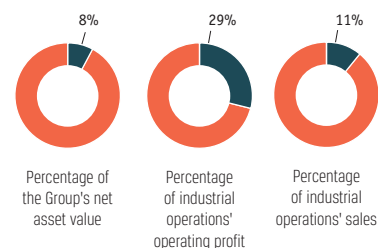
SALES AND EARNINGS



BREAKDOWN OF SALES BY MARKET



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES



Swegon

Swegon maintains a clear focus on the building investors and users, creating indoor climates with pleasant temperatures and good air quality for wellbeing 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 17 countries and through distributors to other markets. The company has production units in Europe, North America and India.

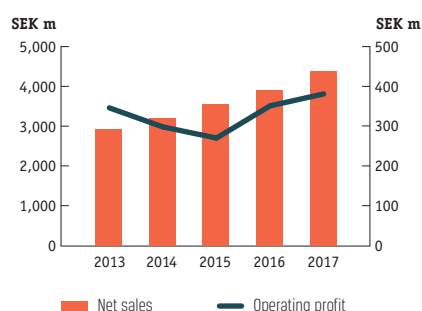
IMPORTANT EVENTS 2017

- Strong sales growth, both as a result of acquisitions and organic growth.
- Positive growth in both Europe and North America, but some markets impacted by the shortage of resources in the construction industry.
- Continued investment in product development, production and digitisation.
- Acquisition of Safegard System, a leading provider in the UK and Ireland of intelligent control and monitoring systems for smoke and fire dampers.

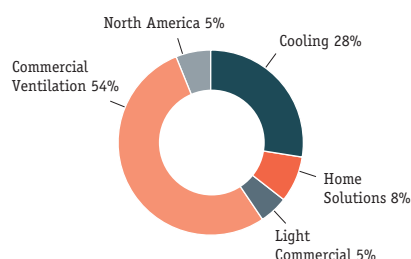
STRATEGY FOR PROFITABLE GROWTH

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

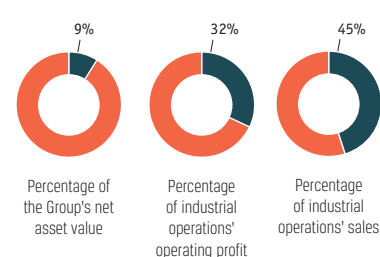
SALES AND EARNINGS



BREAKDOWN OF SALES BY BUSINESS UNIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND SALES





Active owner in ten companies

in a portfolio worth more than SEK 47 billion

Latour's investment portfolio consists of ten 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. Just like in the wholly-owned industrial operations, the work of the Board is a platform for Latour's creation of value. Regardless of the ownership stake, a structured approach is applied in the work of the Board, acquisition processes and integration processes. Latour operates as a transparent principal owner committed to initiatives that realise sustainable growth and profitability. Its performance over the past years bears witness to the success of its strategy.

MARKET VALUE AND TOTAL RETURN

The market value of Latour's holdings at the end of 2017 was SEK 47 billion. The return was 11.9 per cent, adjusted for dividends. This can be compared with 9.5 per cent for Nasdaq OMX Stockholm (SIXRX).

INVESTMENT PORTFOLIO

Share	Market value, SEK m ¹	Share of votes, % ²	Share of equity, % ³
Alimak Group	1,851	26.7	26.7
ASSA ABLOY	17,976	29.5	9.5
Fagerhult	5,614	48.8	48.3
HMS Networks	1,501	26.1	25.9
Loomis	871	23.8	3.4
Nederman	878	30.0	30.0
Nobia ⁴	323	2.8	2.7
Securitas	5,690	29.6	10.9
Sweco	5,931	21.0	26.8
TOMRA	5,134	26.4	26.3
Troax	1,677	30.1	30.1
Total	47,446		

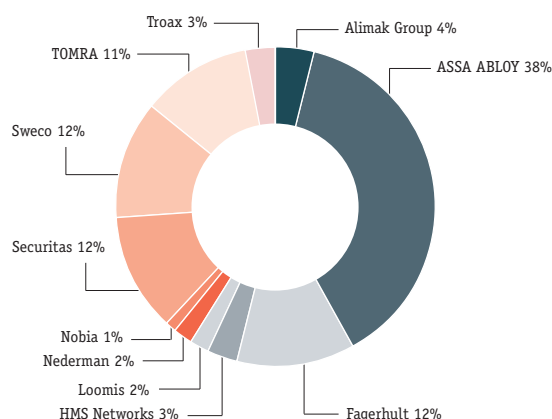
¹ The last price paid is used as the listed share price.

² Share of votes calculated after deduction of treasury shares.

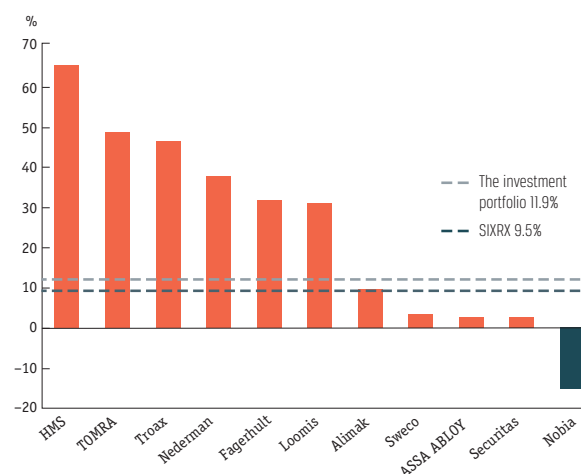
³ Share of equity calculated based on total number of shares issued.

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 2017



The total return, including share price growth and dividend, for each portfolio company compared with the SIXRX benchmark index in 2017.

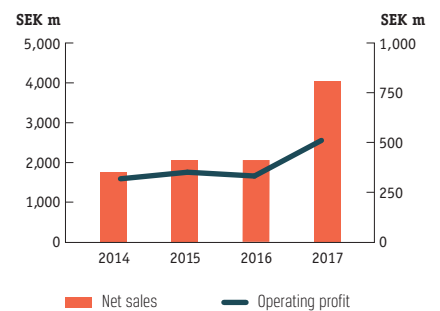


In 2017, Latour became a new, long-term principal owner in the listed Alimak Group – a Swedish, world-leading industrial group specialising in vertical transportation systems with a market presence in more than 100 countries. The photo shows the new-build Urban Escape Project in Stockholm for which Alimak's construction hoists are used to facilitate movement of people and materials.

ALIMAK GROUP



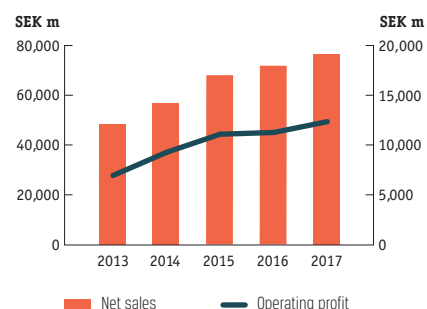
Alimak is a global market leader in vertical access solutions for industry and the construction sector. The company has been a pioneer and an industry leader in supplying elevators, hoists and work platforms based on rack-and-pinion technology for almost 70 years.



ASSA ABLOY



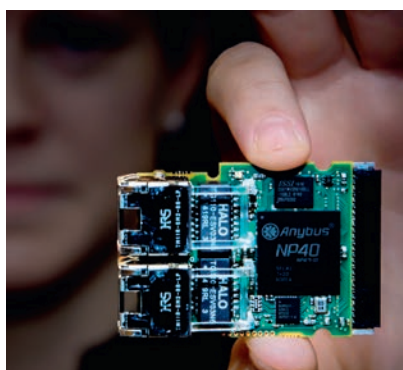
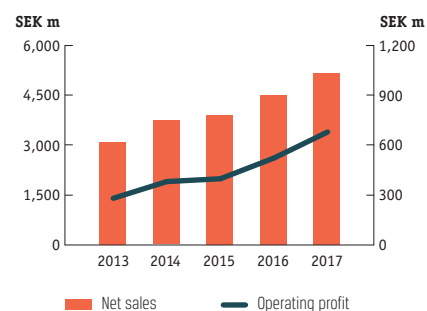
ASSA ABLOY is the world's largest supplier of intelligent lock and security solutions. State-of-the-art technologies and tried-and-tested methods are used to develop innovative solutions that create added value for the customers through enhanced security, reliability and user-friendliness.



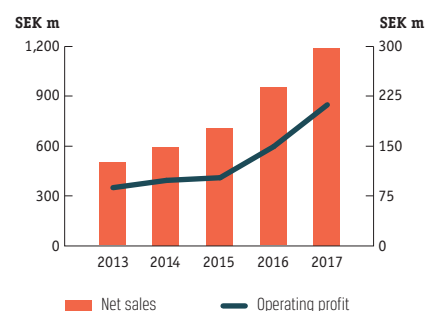
FAGERHULT



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.

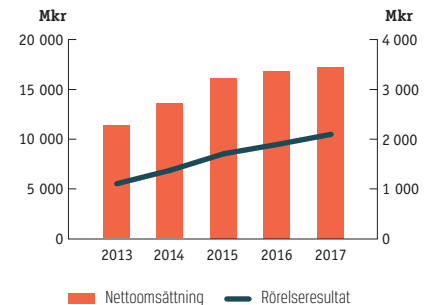


HMS Networks is a world-leading supplier of software and hardware for industrial communication and the industrial Internet of Things (IIoT). Over 90 per cent of its sales are outside of Sweden to some 60 countries in all. The head office is located in Halmstad in Sweden.





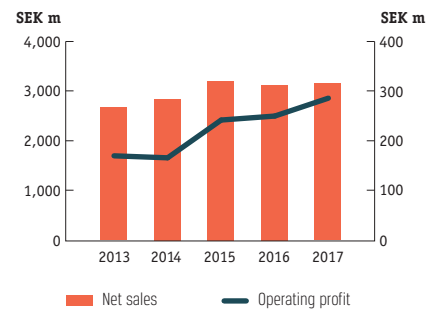
Loomis offers secure and efficient end-to-end solutions for the distribution, management, storage and recycling of cash and other valuables. Its customers are mainly banks and retailers. The company has a strong international presence, with approximately 400 local offices in over 20 countries.



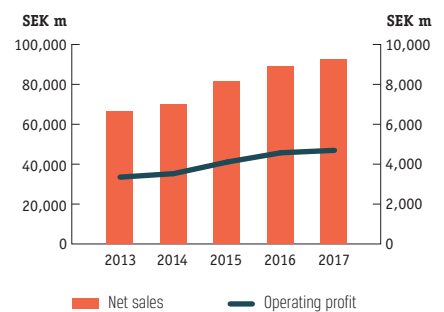
Nederman



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.

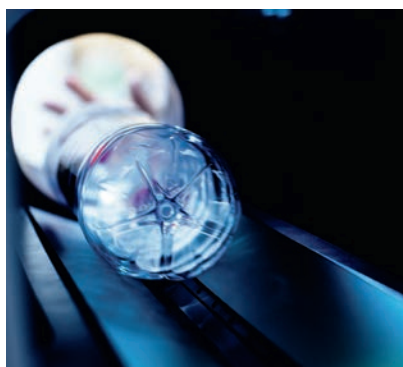
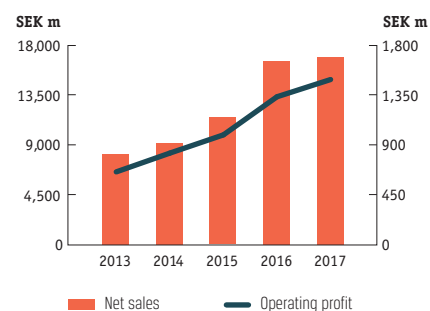


Securitas is a leading company in the security sector with operations in North America, Europe, Latin America, the Middle East, Asia and Africa. The organisation is flat and decentralised and has more than 335,000 employees in 56 countries. Securitas offers a wide and growing range of protective services, including more technology-based solutions.

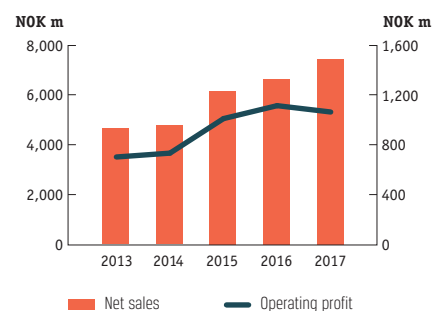




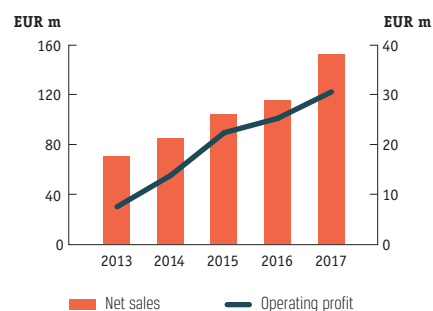
Sweco is Europe's leading engineering and architecture consultancy. Sweco has 14,500 employees and operates in some 70 countries. Its work produces sustainable buildings, efficient infrastructure and access to electricity and clean water.



TOMRA is a world leader in sorting and recycling technologies. The company was founded in Norway in 1972 and today has about 3,500 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, metalbased mesh panel solutions for the market areas of machine protection, storage and warehousing, and for the protection of people, property and processes.



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 ten listed holdings of which Latour is the principal owner or one of the principal owners.

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