

Interim Report 1 April–31 December 2009 9 months

9 February 2010

Jörgen Wigh, President & CEO

Niklas Enmark, Executive Vice President & CFO

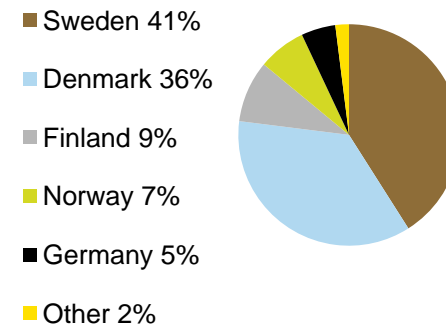
Value-creating technology trading company with market-leading positions in niches

Lagercrantz Group		
Electronics 6 profit centres 5 countries	Mechatronics 5 profit centres 5 countries	Communications 9 profit centres 3 countries

- Technology trading group in electronics, electrics, communication and adjacent areas with revenue of approximately SEK 2 billion
- Focus on niches with potential for value-creation and market-leading positions
- Operations in eight countries in northern Europe and in China
- Listed on Nasdaq OMX Stockholm since 2001



Revenue 9 months 2009/10



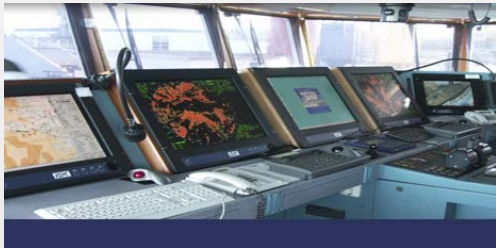
Introduction

Divisions

Division

Electronics

- Industrial wireless communication
- Embedded electronic systems



Division

Mechatronics

- Customised cable harnesses
- Electrical connection systems
- Electro-mechanical systems, passive and connectors



Division

Communications

- Video conferencing, CCTV, technical security
- Distribution of software (primarily CAD)
- Access products for telecom and broadband



Interim Report

Business conditions

- The recession has impacted Lagercrantz since November 2008.
- The drop in volume has been in the order of 20 percent.
- A measure of stabilisation was noted during the second quarter and some businesses saw marginally improved demand.
- An improved climate than earlier during the year made itself felt in the third quarter and stronger demand was recorded in certain market segments.

Interim Report

First three quarters 2009/10

April–December 2009

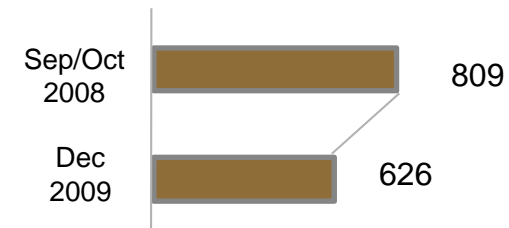
- Net revenue for the nine-month period amounted to MSEK 1,285 (1,610)
 - Drop by 20 percent due to the weak economy.
- Operating profit for the first nine months amounted to MSEK 45 (95).
 - Operating margin 3.5 percent (5.9).
- Profit after finance items amounted to MSEK 39 (89) and profit after taxes was MSEK 29 (64).
- Net loan liabilities, not including pension liabilities, decreased to MSEK 26 from MSEK 66 one year ago.
- Earnings per share amounted to SEK 1.50 for the most recent 12-month period. Cash flow per share for same period amounted to SEK 4.60
- The return on equity was 7 percent for the most recent twelve-month period and the equity ratio stood at 51 percent at the end of the period.

Action program focused on costs and capital tied up

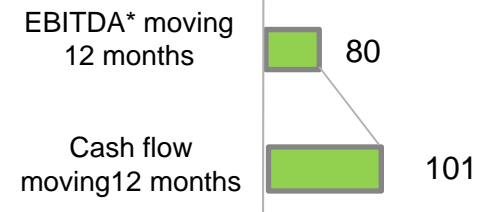
- ✓ Personnel reductions, general cost restraint and capital spending freeze
- ✓ Restructuring, combinations and some winding up of businesses.
- ✓ Focus on gross margins
- ✓ Focus on reducing inventories and mitigating trade receivable risks
- ✓ Measures taken will show an increasing impact on the result during the coming periods



Number of employees



Cash flow from operating activities (MSEK)



* Operating profit before depreciation

Interim Report

Third quarter 2009/10

October–December 2009

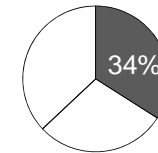
- Net revenue amounted to MSEK 448 (557).
 - Equivalent to a volume decrease of 20 %
- Operating profit amounted to MSEK 20 (30).
 - Balance between lower revenue and costs
 - Operating margin was 4.5 percent (5.4).
 - Items affecting comparability in an amount of MSEK –1 (–1)
- Continued adaptation of certain businesses.
 - Twenty-five additional employees have left the Group.
- Improved business climate overall and slightly improved demand in certain market segments.

Division

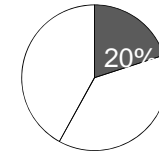
Electronics

*Value-adding distributor of niche components and systems in electronics.
Sales based on customised solutions where components are designed into customers' products.*

Share of 2008/09



Revenue



Operating profit

Nine months 2009/10

- Stabilised sales and for majority of units. Slightly rising level of activity in certain segments.
- Action programme carried out with concentration operations to the larger markets.
- Intense activities with product and customer mix gives results in a stable and at certain extent higher gross margins.

News



Subsidiary Unitronic develops alarm and information services to rescue coordination centres



Roll-out of ISIC's new "DuraFlex PC" to be used in the army and navy



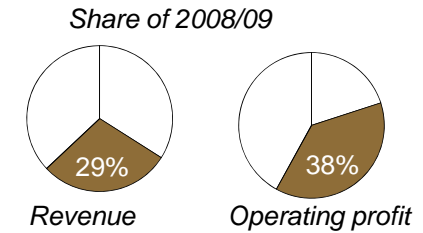
system solution

Breakthroughs into new segments, such as the health care sector in Norway through the acquisition of System Solution

Division

Mechatronics

Customised cable harnesses for the electric and electronics industries in the Nordic Region, producer of electric connection systems and value-adding distributor of electromechanical, passive components and connectors.



Nine months 2009/10

- A stronger general trend of demand from industrial customers in Sweden.
- Efficiency work focused on cost and capital employed continued.
- Integrations of subsidiaries in Finland.

News



Success as supplier to the wind power industry, especially in Denmark



Elpress enjoyed international success taking orders in China as well as India



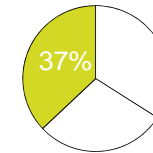
Finnish subsidiaries EFC Oy and Acte Oy are cooperating and now providing a wider offering in Vaasa and Helsinki areas

Division

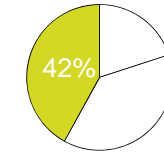
Communications

- Video conferencing solutions, infrastructure CCTV and technical security.
- Value-adding niche distributor of software.
- Value-adding distributor of access products for telecom and broadband networks.

Share of 2008/09



Revenue



Operating profit

Nine months 2009/10

- Strong demand within digital image/technical security.
- The software area which earlier during the year had a weaker development, saw an increase during the latter part of the quarter.
- Within the Access area restructuring continued which among other things means closing of one unit in Norway

News



Subsidiary STV increases sales of video conference systems - a cost effective and climate neutral way of meeting.

DIREKTRONIK

Direktronik begins sales in Danmark via www.direktronik.dk



New prestigious order of an advanced security system at high risk plant.

Interim Report

Results by division

	Net revenue					Operating profit				
	Q 3 2009/10	Q 3 2008/09	9 months 2009/10	9 months 2008/09	12 months 2008/09	Q 3 2009/10	Q 3 2008/09	9 months 2009/10	9 months 2008/09	12 months* 2008/09
<i>MSEK</i>										
Electronics	132	181	417	540	727	5	3	10	17	24
<i>Operating margin</i>						3.8%	1.7%	2.4%	3.1%	3.3%
Mechatronics	149	163	387	488	628	9	13	22	45	49
<i>Operating margin</i>						6.0%	8.0%	5.7%	9.2%	7.8%
Communications	167	213	481	582	783	10	17	23	45	52
<i>Operating margin</i>						6,0%	8,0%	4,8%	7,7%	6,6%
Parent Company/ consolidation items	-	-	-	-	-	-4	-3	-10	-12	-20
GROUP TOTAL	448	557	1,285	1,610	2,138	20	30	45	95	105
<i>Operating margin</i>						4.5%	5.4%	3.5%	5.9%	4.9%
Finance items						-2	-2	-6	-6	-11
PROFIT BEFORE TAXES						18	28	39	89	94

* Operating profit and operating margin for 2008/09 are shown including items affecting comparability in an amount of MSEK -21.

Framtid

Four important strategies for Lagercrantz

1. Broadening of operations
2. Enhanced decentralisation and management by objective
3. Focus on value added
4. Acquisitions



Niche focus means risk diversification

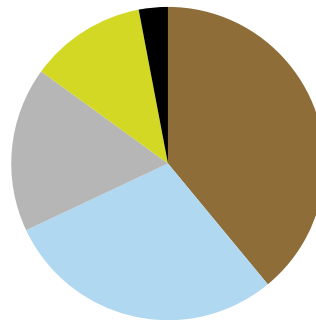
Revenue during the 2008/09 financial year by...

...market segment



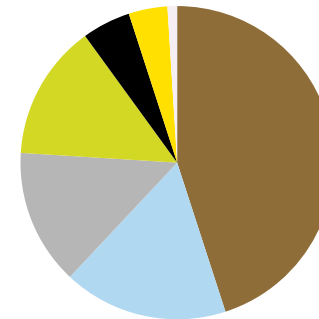
- Power and distribution 19%
- Electronics 16%
- Construction 11%
- Telecommunication 10%
- Security 9%
- IT 9%
- Transportation 8%
- Other 18%

...market channel



- Direct to end users 39%
- Distributors / resellers 29%
- Contract manufacturers 17%
- System integrators 12%
- Others 3%

...type of business



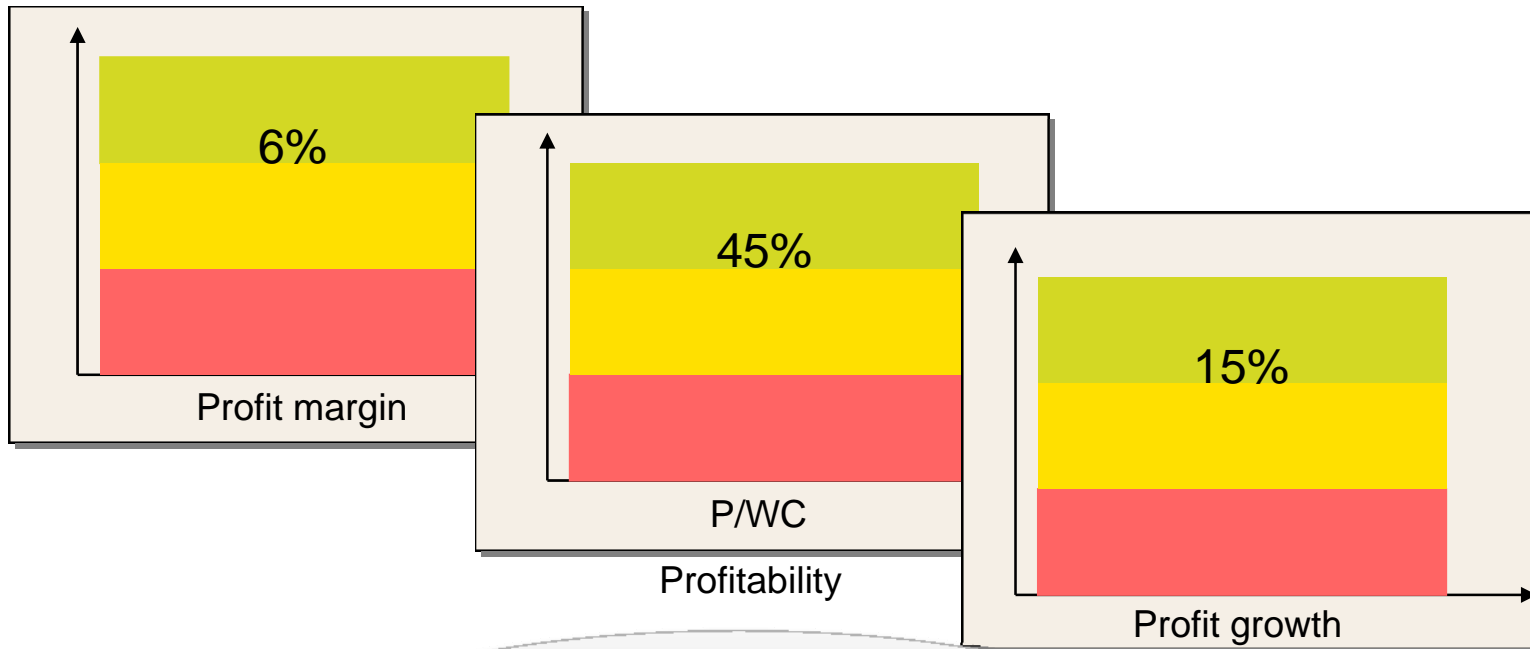
- Hardware trade 45%
- Proprietary products 17%
- Software trade 14%
- Niche production 14%
- Systems integration 5%
- Service 4%
- Other 1%

Revenue financial year 2008/09

Future

Decentralisation and management by objective

with benchmarking among units

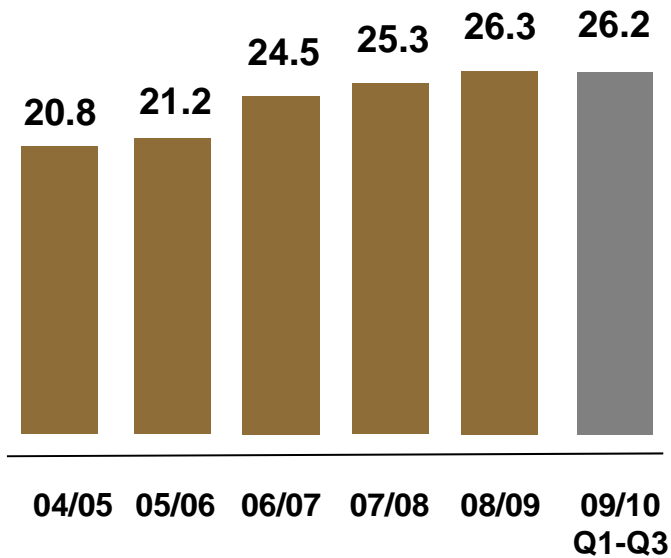


Note:
ROS Profit margin
P/WC Return on working capital
REX Profit growth

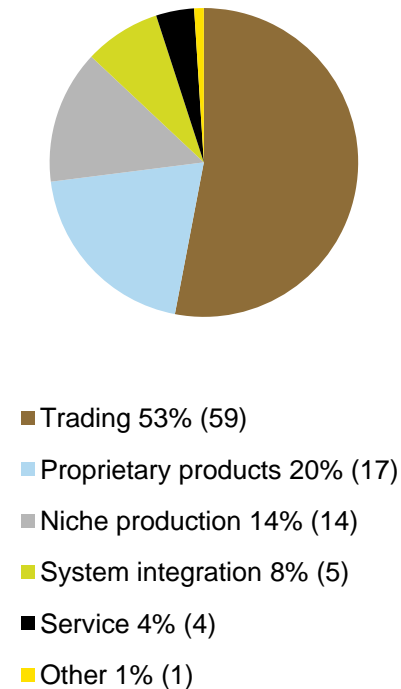
Future

Focus on value added

Higher gross margins, %



Revenue by business type 9 months 2009/10 (2008/09)



- Continued focus on gross margins
- Increase in the proportion of businesses with higher margins
- Phase-out of standard components with low margins
- Projects aimed at strengthening margins
- Increase share of system integration and proprietary products

Future

Acquisitions

- An important element of Lagercrantz Group's growth strategy
 - Higher level of activity now and growing interest – guarded attitude in 2009
 - Focus on companies with proprietary products
 - Strong balance sheet provides opportunities
 - Equity ratio of 51 percent and overall strong financial position
 - Price expectations more reasonable
- | | |
|-------------|--|
| 2000 | Elfac and Enkom (Mechatronics) |
| 2001 | KablageProduktion i Västerås (Mechatronics) |
| 2002 | Unitronic (Electronics) |
| 2003 | ISG Systems (Communications) |
| 2004 | Frontyard Communications (integrated into STV Video Data – Communications) |
| 2005 | ISIC (Electronics) |
| 2006 | Nordic Alarm (Communications)
Elpress-gruppen (Mechatronics)
K&K Oy (Communications) |
| 2007 | Direktronik (Communications)
System Solution AS (Electronics) |
| 2008 | CAD Kompagniet A/S (Communications)
Cobs AB (Communications) |



Situation

- Strong positions in niches with broad diversification in several product areas and market segments.
- Action programme completed.
- Stabilised sales development and positive signs in certain areas.
- Sustained gross margin.
- Good opportunities for acquisitions with dedicated team and strong financial position.



Thank you!