

YEAR-END REPORT 1 APRIL 2004–31 MARCH 2005 (12 MONTHS)

**Lagercrantz  
Group** ●

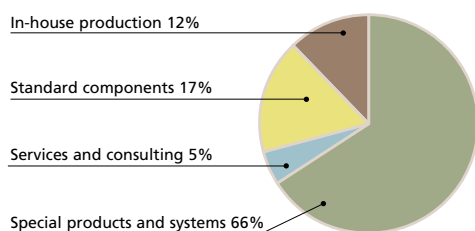
- Net revenues for the financial year 1 April 2004–31 March 2005 amounted to MSEK 1,518 (1,568). For the fourth quarter net revenues amounted to MSEK 361 (408).
- Income after taxes amounted to MSEK 5 (14), during the fourth quarter MSEK 6 (3).
- Earnings per share were SEK 0.21 (0.57), during the fourth quarter SEK 0.25 (0.12).
- Cash flow from current operations for the financial year amounted to MSEK 36 (72).
- The result is affected by one-time items, which during the fourth quarter affected income before taxes by MSEK –7 on a net basis.
- A dividend of SEK 0.75 (0.90) per share is proposed.

## Current reporting period

### 1 April 2004–31 March 2005

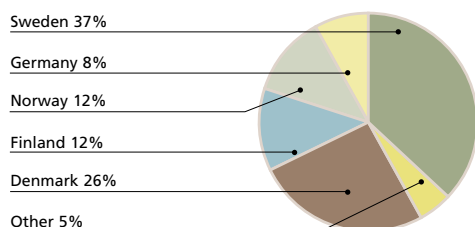
#### CONSOLIDATED REVENUE BY PRODUCT CATEGORY

2004/05, 12 months



#### CONSOLIDATED REVENUE BY COUNTRY

2004/05, 12 months



#### NET REVENUES AND RESULT

Net revenues of the Lagercrantz Group for the 2004/05 financial year (1 April 2004–31 March 2005) amounted to MSEK 1,518 (1,568). During the fourth quarter (1 January–31 March 2005) net revenues amounted to MSEK 361 (408).

The operating result for the 2004/05 financial year was MSEK –24 (27) and is charged with costs totalling approximately MSEK 46 for measures implemented, particularly in division Electronics. Approximately MSEK 37 of these costs were incurred during the fourth quarter, when the operating result, including these costs, amounted to MSEK –30 (4). The costs relate to personnel cutbacks, rental provisions and inventory obsolescence in connection with discontinuation of certain product categories. Costs for inventory obsolescence accounted for just under half of the amount and was charged to gross income for the fourth quarter.

Income after financial items for the 2004/05 financial year amounted to MSEK 1 (23). This result was affected by items of a non-recurring character, which, aside from the above mentioned costs, also included capital gains on sale of a subsidiary in the amount of MSEK 30 during the fourth quarter. The

Group's tax expense was affected by a tax-exempt capital gain.

Earnings per share were SEK 0.21 (0.57).

Foreign exchange rate changes only had a marginal effect on the consolidated result after financial items.

Revenue and income in division Production Services improved during the year thanks to good demand from the engineering industry. Revenue and result in division Electronics showed a negative development, in part due to the above mentioned extra costs, but also because of a significantly lower contribution from the German subsidiary Unitronic, whose deliveries of components for traffic measurement were finalised during the period. Business areas Digital Image Transmission and Software showed a positive development.

Order bookings for the Group were slightly lower than during the preceding year. The main reason is lower demand in Germany in division Electronics. Order bookings increased for division Production Services and a majority of the business areas. Continued sales successes were recorded in prioritised growth areas, such as wireless industrial communication and digital image transmission. The Group's sales of standard components showed a continued negative trend.

Lagercrantz made two acquisitions during the year; Frontyard Communications and ISIC (included in the Group from 1 April 2005) – and sold two companies.

#### PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES

The return on capital employed for the 2004/05 financial year was 1.7 percent (5.9 percent). The return on equity was 1.3 percent (3.3 percent).

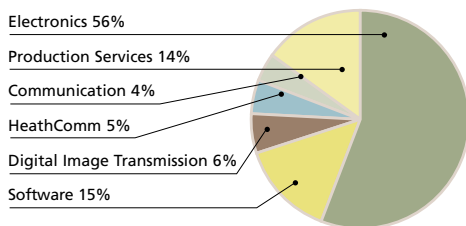
Cash flow from current operations for the 2004/05 financial year amounted to MSEK 36 (72). No shares were repurchased during the year.

Shareholders' equity per share amounted to SEK 15.70, as compared with SEK 16.70 at the beginning of the financial year. The Group's financial position is good; the equity ratio increased during the year to 52 percent (47 percent) and the Group recorded a net interest-bearing claim at the end of the year in the amount of MSEK 5, as compared to a net interest-bearing liability of MSEK 2 at the beginning of the financial year.

Investments in non-current assets during 2004/05 amounted to MSEK 9 (8) and investments in subsidiaries amounted to MSEK 15 (33).

## Divisions/business areas

### THE GROUP'S REVENUES BY DIVISION/BUSINESS AREA 2004/05, 12 months



### ELECTRONICS

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	853	938
Operating result	-35	7
Operating margin, %	neg.	0.7

Net revenues for the 2004/05 financial year amounted to MSEK 853 (938). The operating result was -35 (7) and is charged with approximately MSEK 34 in extra costs, approximately MSEK 26 of which were incurred during the fourth quarter. Net revenues were MSEK 195 (232) during the fourth quarter and the operating result was MSEK -26 (0).

The division recorded lower revenues than in the preceding year. Shipments for the traffic measuring project in Germany were completed during the financial year. This project impacted prior periods' revenue and income significantly. Revenues stabilized during the fourth quarter after weaker revenues during the year. This was accomplished through development of the product line with a focus on a number of growth areas, and through development of the organisation. Sales of standard components continued to face a negative development.

The division experienced a significant loss during the fourth quarter caused by the extra costs charged to the result during this quarter. These costs related to personnel cutbacks, rental provisions and costs for inventory obsolescence.

A number of measures were taken during the quarter for the purpose of increasing the pace of the ongoing transformation of the division. Preparations were made to divide the Swedish operation into three technology areas: Wireless industrial communication (M2M), Passive and Electronic Components and Embedded Systems.

The trend of the overall business situation in the Nordic Region was cautiously positive during the year, despite the ongoing relocation of electronics production. Growth was seen especially in the area of wireless industrial communication, where Lagercrantz has a leading market position. This development was

replicated in Poland and UK, where operations are focused on this technology area. In Germany, however, the market continues to be weak.

During the financial year ISIC A/S, a leading developer and manufacturer of computer and monitor solutions for industrial applications, was acquired. ISIC is consolidated into division Electronics since 1 April 2005. In connection with the formation of four business areas, the ISG Systems subsidiary was transferred from division Electronics to business area Digital Image Transmission.

In the areas of wireless industrial communication and embedded systems, a satisfactory development of demand is expected. These areas are less affected by the ongoing relocation of production from the Nordic Region. Within the third technology area, passive and electromechanical components, the development is more dependent on the state of the overall economy, which is currently difficult to judge.

### PRODUCTION SERVICES

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	205	194
Operating result	15	11
Operating margin, %	7.3	5.7

Net revenues for the 2004/05 financial year increased to MSEK 205 (194). Operating result increased to MSEK 15 (11). During the fourth quarter net revenues amounted to MSEK 51 (49) and operating result increased to MSEK 4 (2).

The division recorded a positive development during the year. Two trends worked in different directions in the market of the division. On the one hand relocation of production from the Nordic region continued, which reduced demand. On the other hand demand from existing customers increased, especially from the engineering industry. The net effect was some strengthening of demand. The improved result is explained primarily by a volume increase and efficiency gains in the division's companies.

During the year agreements were concluded with a partner in Eastern Europe, as a complement to existing partners in Asia. The network of partners affords the division opportunities of taking on assignments where manufacturing cannot be located in the Nordic Region for cost reasons.

The division's market will also in the future be affected by relocation of production to places outside of the Nordic Region. At the same time, demand from companies that want to outsource production that is not a part of their core business is expected to increase. In the aggregate, this is expected to lead to stable demand.

## Business areas

### BUSINESS AREA DIGITAL IMAGE TRANSMISSION

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	95	61
Operating result	2	1
Operating margin, %	2.1	1.6

Net revenues for the 2004/05 financial year increased to MSEK 95 (61). Operating result increased to MSEK 2 (1). During the fourth quarter net revenues amounted to MSEK 30 (20) and operating income to MSEK 1 (1).

Revenues increased during the year, primarily due to good demand in the area of video conferencing. STV Support (the former Frontyard Communications) is included for the entire fourth quarter. ISG Systems was involved in a number of large projects during the quarter.

Demand is expected to be satisfactory in both parts of the business area during 2005/06.

### BUSINESS AREA HEATHCOMM

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	74	85
Operating result	-4	0
Operating margin, %	neg	0

Net revenues for the 2004/05 financial year decreased to MSEK 74 (85). The operating result dropped to MSEK -4 (0). Fourth quarter net revenues were MSEK 14 (19) and the operating result was MSEK -2 (0).

Despite good volume growth in the security area, shrinking margins on some product lines had a negative effect on revenue and earnings for the year. Revenue and earnings in the communications area also declined due to an ongoing technology shift.

The product line and the organization in the security area is currently being adjusted. Demand for communication products for vessels is predicted to rise during 2005/06 as the technology shift to GSM is expected to reach full penetration during that period.

### BUSINESS AREA COMMUNICATION

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	60	72
Operating result	-5	-2
Operating margin, %	neg	neg

Net revenues for the 2004/05 financial year declined to MSEK 60 (72). The operating result dropped to MSEK -5 (-2). During the fourth quarter net revenues amounted to MSEK 16 (13) and the operating result was MSEK -5 (-2).

Demand was stable during the year for the products of the business area. The weak result, during the fourth quarter in particular, was caused by extra costs of approximately MSEK 3 for personnel cutbacks and inventory obsolescence.

Demand in the business area is judged to be stable. The largest growth opportunities exist in IP telephony where the business area possesses a high level of competence.

### BUSINESS AREA SOFTWARE

MSEK	12 months 2004/05	12 months 2003/04
Net revenues	231	218
Operating result	13	11
Operating margin, %	5.6	5.0

Net revenues for the 2004/05 financial year increased to MSEK 231 (218). The operating result increased to MSEK 13 (11). Net revenues during the fourth quarter were MSEK 55 (75) and operating result was MSEK 6 (5).

Business area operations in distribution of CAD software saw a strong development during the year. The reason for the drop in revenues during the fourth quarter was that Uniweb and Delphi, which were sold as of 1 January 2005, are no longer consolidated. The contribution of these companies to revenue and result during the period April–December 2004 (9 months) was MSEK 57 and -2, respectively.

The business area commands a very strong market position. Satisfactory demand is expected for 2005/06.

## Financial development in summary

### ACCOUNTING PRINCIPLES

This interim report is prepared in accordance with recommendation RR20 of the Swedish Financial Accounting Standards Council. From 1 April 2004 Lagercrantz Group has changed the principle for reporting pensions, etc. to conform with recommendation RR 29 of the Swedish Financial Accounting Stan-

dards Council. The transition to RR29 gives rise to an increased liability in the balance sheet of MSEK 3, net after adjustment for deferred taxes, with a commensurate decrease in shareholders' equity. In accordance with the transitional provisions of the recommendation, prior years have not been restated.

### NET REVENUES

– quarterly data MSEK				2004/05			2003/04	
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	195	198	227	233	232	232	245	229
Production Services	51	58	49	47	49	49	48	48
BA Digital Image Transmission	30	28	18	19	20	21	9	11
BA HeathComm	14	25	15	20	19	25	20	21
BA Communication	16	13	16	15	13	19	17	23
BA Software	55	65	58	53	75	57	44	42
Total according to former division Communication	115	131	107	107	127	122	90	97
Parent Company/consolidation items	–	–	–	–	–	–	–	–
<b>Group total</b>	<b>361</b>	<b>387</b>	<b>383</b>	<b>387</b>	<b>408</b>	<b>403</b>	<b>383</b>	<b>374</b>

### OPERATING RESULT

MSEK				2004/05			2003/04	
	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	–26	–3	–6	0	0	1	8	–2
Production Services	4	5	3	3	2	3	3	3
BA Digital Image Transmission	1	0	2	–1	1	0	0	0
BA HeathComm	–2	–1	–1	0	0	1	0	–1
BA Communication	–5	–1	1	0	–2	0	–1	1
BA Software	6	3	2	2	5	3	1	2
Total according to former division Communication	0	1	4	1	4	4	0	2
Parent Company/consolidation items	–8	–1	0	–1	–2	1	–1	1
<b>Group total</b>	<b>–30</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>10</b>	<b>4</b>

## CONSOLIDATED INCOME STATEMENT

MSEK	3 months Jan.-Mar. 2004/05	3 months Jan.-Mar. 2003/04	Financial year Apr.-Mar. 2004/05	Financial year Apr.-Mar. 2003/04
Net revenues	361	408	1 518	1 568
Costs of goods sold	-305	-313	-1 201	-1 191
<b>Gross income</b>	<b>56</b>	<b>95</b>	<b>317</b>	<b>377</b>
Selling costs	-52	-65	-229	-262
Administrative expenses	-37	-29	-120	-99
Other operating revenue	3	3	9	11
Other operating costs	0	0	-1	0
<b>Operating result</b>	<b>-30</b>	<b>4</b>	<b>-24</b>	<b>27</b>
(of which depreciation and amortisation)	(-4)	(-5)	(-18)	(-19)
Sale of subsidiaries	30	0	30	0
Interest income and similar items	1	2	2	5
Interest expense and similar items	-1	-2	-7	-9
<b>Result after financial items</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>23</b>
Taxes	6	-1	4	-9
Minority interest in the year's result	0	0	0	0
<b>NET INCOME FOR THE PERIOD</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>14</b>
Earnings per share, SEK	0.25	0.12	0.21	0.57
Weighted number of shares outstanding after repurchases (thousands)	24 078	24 078	24 078	24 696
Number of shares outstanding after period's repurchases (thousands)	24 078	24 078	24 078	24 078

## CONSOLIDATED BALANCE SHEET

MSEK	31 Mar. 2005	31 Mar. 2004
<b>Assets</b>		
Goodwill	39	44
Other intangible non-current assets	2	3
Tangible non-current assets	93	96
Financial non-current assets	42	40
Inventories	188	224
Short-term receivables	291	304
Cash and cash equivalents	78	138
<b>Total assets</b>	<b>733</b>	<b>849</b>
<b>Shareholders' equity and liabilities</b>		
Restricted equity	65	62
Non-restricted equity	314	340
Total shareholders' equity	379	402
Minority interest	0	0
Provisions	86	76
Non-current liabilities	0	7
Current liabilities	268	364
<b>Total shareholders' equity and liabilities</b>	<b>733</b>	<b>849</b>
Interest-bearing assets	78	138
Interest-bearing provisions and liabilities	73	140

## CONSOLIDATED CASH FLOW STATEMENT

MSEK	3 months Jan.-Mar. 2004/05	3 months Jan.-Mar. 2003/04	Financial year Apr.-Mar. 2004/05	Financial year Apr.-Mar. 2003/04
<b>Current operations</b>				
Income after financial items	0	4	1	23
Adjustment for current taxes, items not included in cash flow, etc.	-20	11	6	12
<b>Cash flow from current operations before changes in working capital</b>	<b>-20</b>	<b>15</b>	<b>7</b>	<b>35</b>
<b>Cash flow from changes in working capital</b>				
Increase(-)/Decrease(+) in inventories	18	-6	38	8
Increase(-)/Decrease(+) in operating receivables	15	-25	-19	1
Increase(+)/Decrease(-) in operating liabilities	10	20	10	28
<b>Cash flow from current operations</b>	<b>23</b>	<b>4</b>	<b>36</b>	<b>72</b>
<b>Investing activities</b>				
Investment in subsidiaries	0	1	-15	-33
Sales of subsidiaries	16	0	16	0
Investment in other non-current assets, net	-2	0	-7	0
<b>Cash flow from investing activities</b>	<b>14</b>	<b>1</b>	<b>-6</b>	<b>-33</b>
<b>Financing activities</b>				
Dividends & repurchase of own shares	-	-	-22	-46
Financing activities	-92	-11	-67	37
<b>Cash flow from financing activities</b>	<b>-92</b>	<b>-11</b>	<b>-89</b>	<b>-9</b>
<b>PERIOD'S CASH FLOW</b>	<b>-55</b>	<b>-6</b>	<b>-59</b>	<b>30</b>
Liquid funds at beginning of period	133	143	138	110
Translation difference in liquid funds	0	1	-1	-2
Liquid funds at end of period	78	138	78	138

## CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Apr.-Mar. 2004/05	Apr.-Mar. 2003/04
Amount at beginning of period	402	442
Effect of change in accounting principle	-3	-
Repurchase of own shares	-	-23
Dividend	-22	-23
Period's translation difference	-3	-8
Net result for the period	5	14
<b>Amount at end of period</b>	<b>379</b>	<b>402</b>

## KEY FINANCIAL INDICATORS

Financial year	2004/05	2003/04	2002/03	2001/02
Change in revenues, %	-3.2	7.2	-26.2	-24.1
Operating margin, %	-1.6	1.7	1.8	4.1
Profit margin, %	0.1	1.5	1.1	4.0
Equity ratio, %	51.7	47.3	56.4	53.2
Debt equity ratio	0.2	0.3	0.2	0.3
Net debt equity ratio	0.0	0.0	0.0	-0.1
Times interest earned	1	4	2	5
Net interest-bearing liabilities(+)/receivables (-), MSEK			19	-44
Number of employees at end of period	512	585	573	652
Revenues outside Sweden, MSEK	941	1 071	936	1 302
<b>Per-share data</b>				
Number of shares outstanding at end of period after repurchases (thousands)	24 078	24 078	25 078	26 941
Weighted number of shares outstanding after repurchases (thousands)	24 078	24 696	26 561	27 609
Operating result per share, SEK	-1.00	1.09	1.02	2.93
Result per share, SEK	0.21	0.57	0.34	1.96
Cash flow per share, SEK	-2.45	1.21	-2.03	-0.87
Shareholders' equity per share, SEK	15.70	16.70	17.60	18.00
Last price paid per share, SEK	19.50	22.60	16.50	34.00

Definitions will be found on page 23 in the most recent annual report.

## ACQUISITIONS AND DISPOSALS

During the fourth quarter all shares outstanding in ISIC A/S were acquired. ISIC is a leading developer and manufacturer of computer and monitor solutions for industrial applications and the most demanding environments. Customers are found in, inter alia, food and chemical production, the process industry and in several marine areas. Possession was taken 1 April 2005. The acquisition is expected to make a positive contribution to earnings per share during the current financial year.

On 1 January 2005 the companies Uniweb AB and Delphi Oy, part of business area Software and Consulting, were sold. The companies were sold as an element of focusing of the Group now under implementation. The sales generated a tax-free capital gain of approximately MSEK 30, which was reported during the fourth quarter.

## PARENT COMPANY

The Parent Company's internal revenue amounted to MSEK 26 (25) and income after financial items was MSEK 49 (105). This result includes exchange rate adjustments on intra-Group lending in an amount of MSEK -2 (-5). Dividends and write-downs regarding subsidiaries amounted to net MSEK 35 (113) and capital gain from sale of subsidiaries to MSEK 20 (0).

The Parent Company has an approved committed credit facility of MSEK 250. MSEK 35 of this facility was utilized at financial year-end compared to MSEK 86 at the beginning of the financial year. Liquid funds stood at MSEK 0 at the end as well as at the beginning of the financial year.

## EMPLOYEES

The Group had 512 employees at the end of the period, which can be compared to 585 at the beginning of the period.

## DISTRIBUTION OF SHARES AND REPURCHASES

The share capital amounted to MSEK 51.8 at the end of the period. The distribution on classes of shares is as follows:

Classes of shares	Outstanding shares
Class A	1 097 342
Class B	24 816 890
Repurchased class B shares	-1 836 423
<b>Total</b>	<b>24 077 809</b>

Lagercrantz holds 1 836 423 class B shares in treasury, equivalent to 7.1 percent of the number of shares outstanding and 5.1 percent of the votes in Lagercrantz. The average cost of shares held in treasury amounts SEK 21.96 per share.

## EVENTS AFTER THE BALANCE DAY

No significant events besides what is mentioned above under Acquisitions and disposals.

## ADOPTION OF IFRS

Starting with financial year 2005/2006, which begins 1 April 2005, the Group will be reporting in accordance with International Financial Reporting Standards (IFRS, previously IAS) adopted by the EU Commission. The annual report for 2004/2005 will therefore be the last report prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council. In reports for 2005/2006 comparative data presented will be restated according to IFRS, with certain exceptions as stated below.

Rules for first-time adoption recalculation are found in IFRS 1. The main rule in IFRS 1 calls for retroactive application for corporate acquisitions according to IFRS 3. According to the special provisions, a company can refrain from retroactive application in classification of prior acquisitions in accordance with IFRS 3, either for all prior mergers and acquisitions, or for all mergers and acquisitions before a certain date. Lagercrantz Group elects to utilize the special provision and will reclassify mergers and acquisitions consummated after August 2002. The accounting will be impacted by the fact that certain goodwill will be reclassified to identifiable intangible assets (customer contracts, brand names, trademarks, etc.) which are amortised according to the estimated useful life of the asset and by the fact that remaining goodwill is not amortised on a straight-line basis. Instead, annual testing will be mandatory to determine if there is a write-down need due to impairment. Reversals of goodwill amortisation have not entailed a write-down need.

Other special rules applied by Lagercrantz are that accumulated translation differences in shareholders' equity attributable to businesses with other functional currency than Swedish kronor (SEK) will be zeroed out effective as of 1 April 2004.

IAS 32/39 Financial Instruments will be applied from 1 April 2005 and any impact thereof will be carried to equity as of 1 April 2005. The effect of adopting IAS 39 is not expected to have material impact on shareholders' equity.

The tables below illustrate the effect of adopting IFRS as expected to be in force on 31 March 2006. IFRS will be subject to ongoing review and approval by EU, which may affect the information given below.

From 1 April 2004 the Group applies RR 29 Compensation to employees, which essentially corresponds to IAS 19. The pension liability was mapped out according to RR 29 during the spring of 2004. The outcome has affected shareholders' equity by approximately MSEK -3 as of 1 April 2004.

### IMPACT ON OPENING BALANCE 1 APRIL 2004

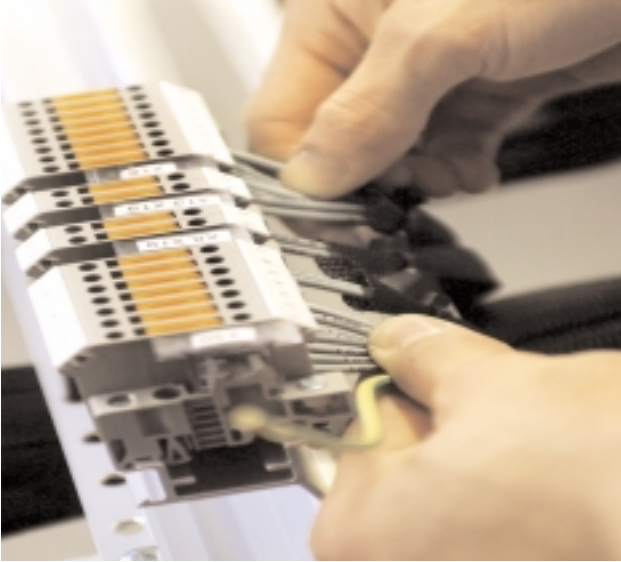
MSEK	
Shareholders' equity 4/1/2004 according to current accounting	402
Effect of changing accounting principle (RR29)	-3
Other IFRS effect after taxes	-6
Shareholders' equity 4/1/2004 according to IFRS	393

### BALANCE SHEET 3/31/2005

MSEK	Before recalculation	After recalculation	Difference
<b>Assets</b>			
Goodwill	39	31	-8
Other intangible non-current assets	2	7	5
Tangible non-current assets	93	92	-1
Financial non-current assets	42	42	
Inventories	188	188	
Current receivables	291	291	
Cash and cash equivalents	78	78	
<b>Total assets</b>	<b>733</b>	<b>729</b>	<b>-4</b>
Shareholders equity	379	374	-5
Provisions	86	87	1
Non-current liabilities	0	0	
Current liabilities	268	268	
<b>Total shareholders' equity and liabilities</b>	<b>733</b>	<b>729</b>	<b>-4</b>

### CONSOLIDATED STATEMENT OF INCOME 2004/05

MSEK	Before recalculation	After recalculation	Difference
Net revenues	1 518	1 518	
Cost of goods sold	-1 201	-1 201	
<b>Gross income</b>	<b>317</b>	<b>317</b>	
Operating expenses	-336	-336	
Amortisation of intangible assets	0	-6	-6
Amortisation of goodwill	-5	-	5
<b>Operating result</b>	<b>-24</b>	<b>-25</b>	<b>-1</b>
Financial items	25	24	-1
<b>Result after financial items</b>	<b>1</b>	<b>-1</b>	<b>-2</b>
Taxes	4	6	2
Minority interest in the year's result	0	0	
<b>Net result for the period</b>	<b>5</b>	<b>5</b>	<b>0</b>



## Annual General Meeting

The regularly scheduled Annual General Meeting 2005 relating to the 2004/05 financial year will be held at 4:00 p.m., 24 August 2005, at the IVA conference centre, Grev Turegatan 16, Stockholm.

### DIVIDEND

The Board of Directors propose a dividend of 0,75 SEK (0.90) per share. The total dividend payment will amount to MSEK 18 (22).

### CANCELLATION OF SHARES

The board of Directors proposes cancellation of some of the shares held in treasury at the financial year. The maximum number of shares to be cancelled is proposed to be 1 500 000.

### REPURCHASE OF SHARES

The Board of Directors proposes a renewal of the mandate of the Board of Directors to repurchase own shares. The proposal includes a mandate for the Board of Directors to repurchase own shares during the period until the next following regularly scheduled Annual General Meeting so that the Company's holdings from time to time does not exceed 10 percent of the total number of shares outstanding. Repurchases shall be made via the Stockholm Stock Exchange. The mandate of the Board of Directors is also proposed to include the possibility of using repurchased shares as payment for acquisitions or to sell repurchased shares in ways other than via the Stockholm Stock Exchange to finance acquisitions.

Notices for the Annual General Meeting will be sent to shareholders during the month of July. Information about the Annual General Meeting will be available on the Company's Website.

Stockholm, 11 May 2005

Per Ikov  
*President & CEO*

### REPORT OF EXAMINATION

We have reviewed this year-end financial report in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants. A review is significantly limited in comparison to an audit. Nothing has come to our attention that causes us to believe that the year-end financial report does not comply with the requirements the Swedish Securities and Clearing Operations Act and the Swedish Annual Accounts Act.

Stockholm, 11 May 2005

George Pettersson  
*Authorised Public Accountant*

Thomas Thiel  
*Authorised Public Accountant*

## LAGERCANTZ GROUP IN BRIEF

Lagercrantz offers—within well-defined niches and in partnership with customers and producers—products and solutions in the fields of electronics and communications that strengthen customers' competitiveness.

The Company markets special components and modules, among other things, has its own production of wiring harnesses, and offers solutions in security and communications. The most important customers are manufacturing companies.

Lagercrantz is a leading player on the Nordic market. Aside from in Denmark, Finland, Norway and Sweden, the Company also has operations in Poland, Switzerland, United Kingdom, Germany and Hong Kong.

The Lagercrantz Group consists of the Parent Company Lagercrantz Group AB with subsidiaries organized in two divisions: Electronics, Production Services and the four business areas Digital Image Transmission, Communication, HeathComm and Software.

## REPORTING SCHEDULE

- Interim report April 1—June 30, 2005 August 24, 2005
- Interim report April 1—September 30, 2005 November 8, 2005

The Group's Annual Report will be distributed to the shareholders in mid-July 2005 and will be available at the Company's head office and on its Website at the same time.

## FOR FURTHER INFORMATION, PLEASE CONTACT

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