

Lagercrantz Group AB

*Quarterly report 3
2007/08 (April-December 9 months)*

11 February 2008

Jörgen Wigh, CEO

Niklas Enmark, EVP, CFO

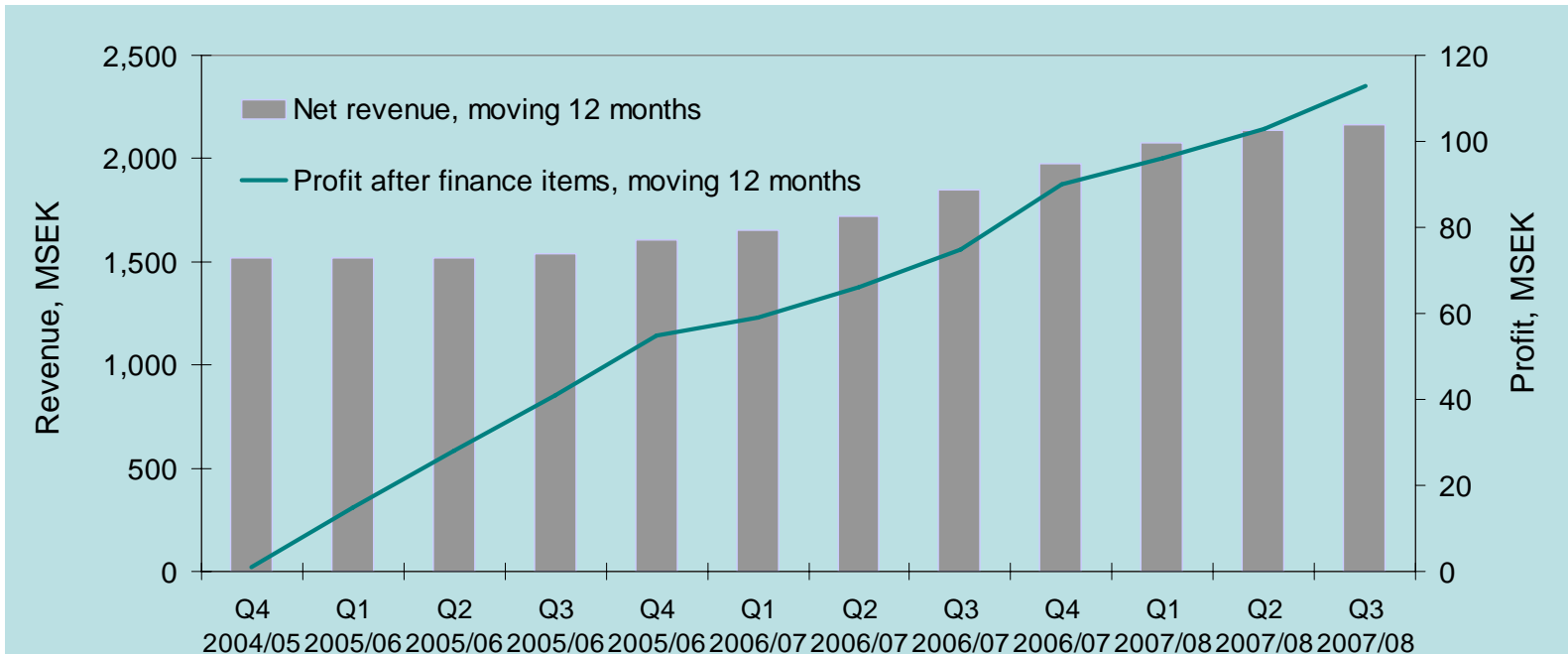
Period April-December 2007/08 (9 months)

- Net revenue increased by 14 percent to MSEK 1,610 (1,417)
 - For the third quarter (October-December) net revenue amounted to MSEK 562 (530)
 - Order bookings showed a continued positive trend compared to the year before

- Operating profit increased by 38 percent to MSEK 91 (66)
 - Increase of 44 percent excluding one-time items of MSEK +3 (+5)
(Earnings impact of MSEK +1 during the third quarter of the current year)
 - Third quarter profit was MSEK 34 (24), +42 percent
 - Third quarter operating margin of 6.0 percent (4.5 percent)

- Return on equity increased to 20 percent for the most recent 12 month period (14 percent)

Period April-December 2007/08 (9 months)



- Profit after finance items increased to MSEK 84 (61)
 - Third quarter MSEK 32 (22), + 45 percent
 - Eleven consecutive quarters with earnings improvement
- Earnings per share for the most recent 12-month period increased to SEK 3.49 (2.75 for the 2006/07 financial year)

Period April-December 2007/08 (9 months)

	Net revenue				Operating profit			
	Q 3 2007/08	Q 3 2006/07	9 months 2007/08	9 months 2006/07	Q 3 2007/08	Q 3 2006/07	9 months 2007/08	9 months 2006/07
MSEK								
Electronics	206	175	583	544	10	2	25	14
Operating margin					4,9%	1,1%	4,3%	2,6%
Mechatronics	150	152	447	387	13	9	35	24
Operating margin					8,7%	5,9%	7,8%	6,2%
Communications	206	203	580	486	15	17	37	29
Operating margin					7,3%	8,4%	6,4%	6,0%
Parent company / consolidation items	-	-	-	-	-4	-4	-6	-1
GROUP TOTAL	562	530	1 610	1 417	34	24	91	66
Operating margin					6,0%	4,5%	5,7%	4,7%

Improved margins

Period April-December 2007/08 (9 months)

- Cash flow from operations during 9 months amounted to MSEK 38 (7)
- Own shares were repurchased during the period for MSEK 37, MSEK 29 of which during the third quarter.
 - The number of shares outstanding has declined by 1,200,000 to 22,477,809 at the end of the period.
- Equity to assets ratio was 39 percent and net debt equity ratio was 0.5 times
- The Direktronik acquisition is consolidated from 1 April with a positive impact on earnings.

Focus during 2007/08

Building three strong divisions

Intensified decentralisation and management by objective

Focus on margins

Acquisitions



Building three strong divisions

Electronics

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

ELECTRONICS	9 months	9 months	12 months
MSEK	2007/08	2006/07	2006/07
Net revenue	583	544	751
Operating profit	25	14	23
Operating margin	4.3%	2.6%	3.1%
Share of Group revenue	36%	38%	38%

Comments:

- During Q3 net revenue increased to MSEK 206 (175) and operating profit stood at MSEK 10 (2). The margin improved to 4.9 percent (1.1 percent)
- Improvement in Denmark and Norway thanks to focus on product line and margins.
- Positive effect also in other respects in the division from product line development and restructuring to achieve increased value creation.



With its operations in Asia, Lagercrantz offers sourcing services to other companies in the Group as well as distribution in Asia



New customer segments as Acte starts offering display solutions under the name System Solution

system solution

Building three strong divisions

Mechatronics

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

MECHATRONICS	9 months	9 months	12 months
MSEK	2007/08	2006/07	2006/07
Net revenue	447	387	541
Operating profit	35	24	35
Operating margin	7.8%	6.2%	6.5%
Share of Group revenue	28%	27%	27%

Comments:

- During Q3 net revenue was MSEK 150 (152) and operating profit increased to MSEK 13 (9). The margin was 8.7 percent (5.9 percent)
- Continued positive development in electric connection systems and the cable harness operations, while sales in the trading part were slightly lower.
- Increase in earnings thanks to high capacity utilisation and action taken to improve margins.



Kablageproduktion in Västerås gained new customers



ACTE Supply AB's award from SANYO Electric Co, Ltd for the largest sales increase in Europe last year

Building three strong divisions

Communications

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

COMMUNICATIONS	9 months	9 months	12 months
MSEK	2007/08	2006/07	2006/07
Net revenue	580	486	682
Operating profit	37	29	43
Operating margin	6.4%	6.0%	6.3%
Share of Group revenue	36%	34%	35%

Comments:

- During Q3 net revenue was MSEK 206 (203) and operating profit was MSEK 15 (17). The margin was 7.3 percent (8.4 percent).
- Increased revenue and higher profit, especially from acquired units and improved earnings in access.
- Weak performance in the digital image / technical security area so far this year. Actions being taken.



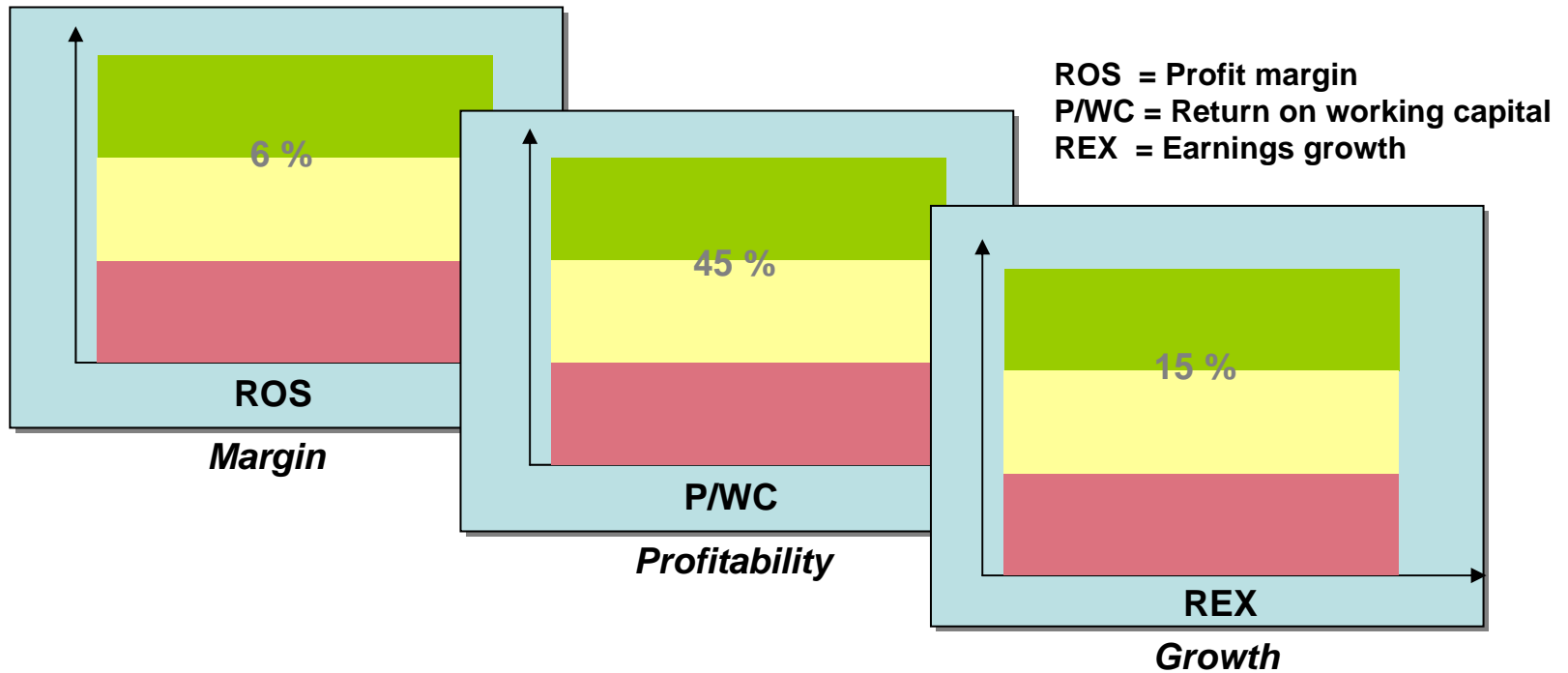
New solutions for a major operator offer Ethernet-based services.



Did you know that you can save more than 50 kilograms in CO₂ emissions by substituting air travel between Stockholm and Göteborg with a video or telephone meeting?

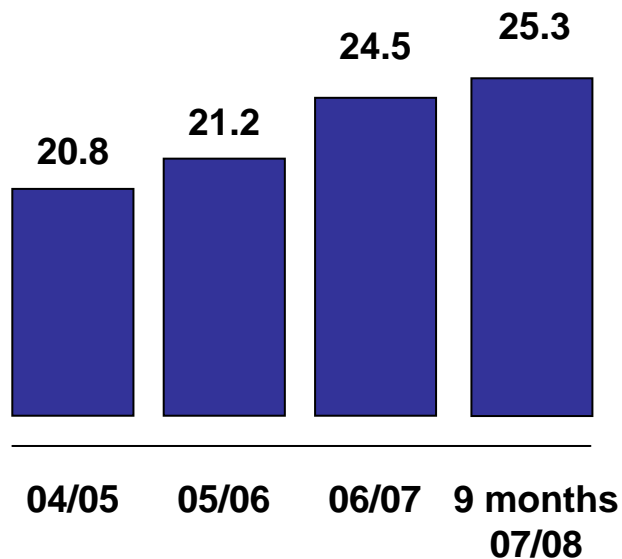
Intensified decentralisation and management by objective

Strategies/action implemented based on each profit centre's local premises



Focus on margins

Higher gross margins, %



- Efforts to develop strong market positions in niches
- Seeking new technology areas and business models that allow good margins, restructure poorly performing businesses.
- Increased value creation for customers and suppliers.
 - Customised products
 - Sale of solutions
 - In-design
 - Service
- Product line changes, away from standard components with low margins.
- Projects with goal of strengthening margins.

Acquisitions

- Goal of making 3-5 acquisitions per year
 - Four companies were acquired in 2006/07; one so far this year.
- We focus on companies:
 - With a well tested business model, earnings capacity and good growth prospects.
 - That are leaders in their niche (a market of MSEK 200-500).
 - That offer knowledge sales, proprietary solutions or own products.
 - That can strengthen the market position in existing areas, or gain entry into new interesting markets or technology areas.
- So far during 2007/08 we have delayed certain discussions as price expectations have been too lofty.

The Group's goals and strategies

Goals

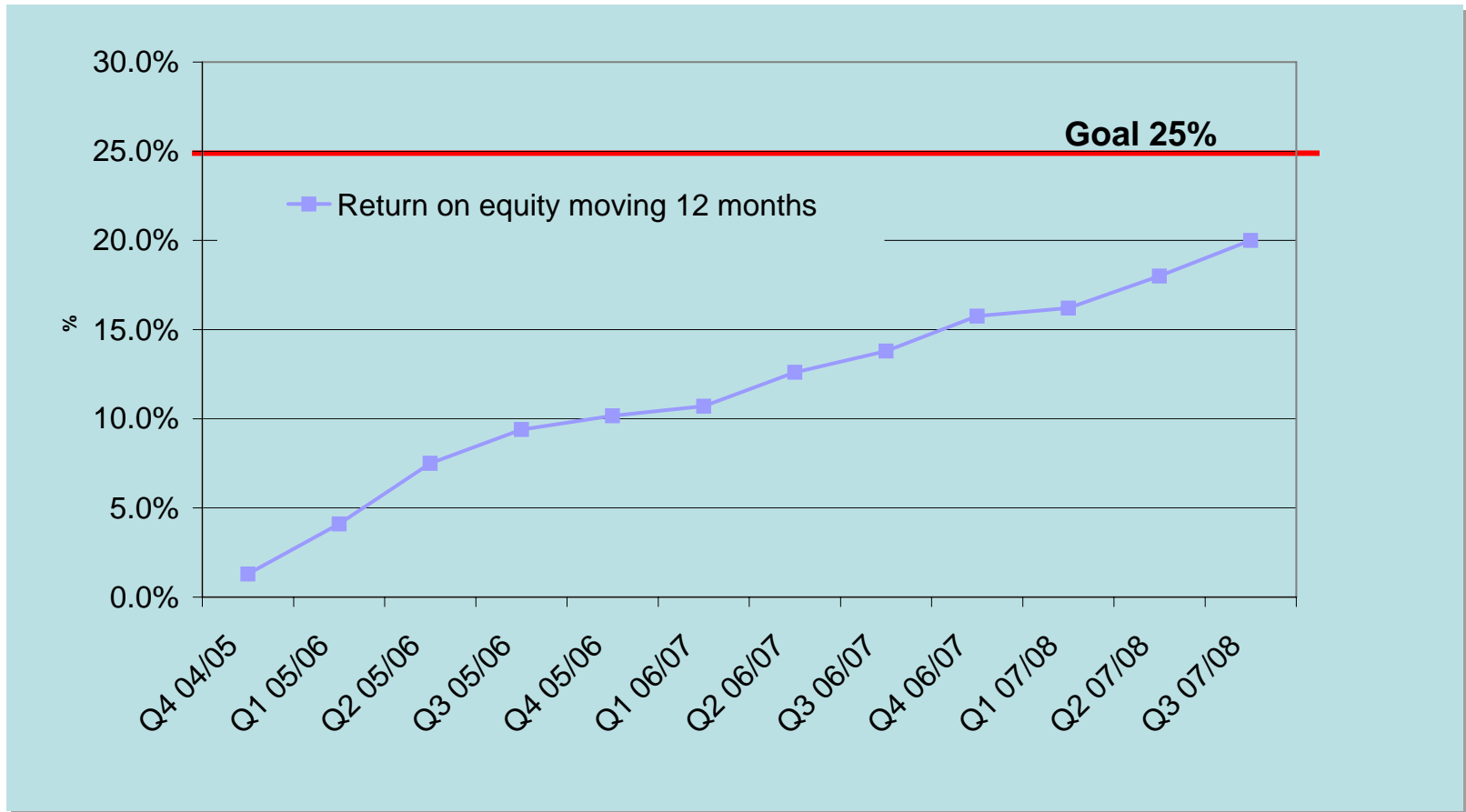
- Earnings growth by at least 15 percent per year.
- Profitable, with 25 percent return on equity.

Strategies

- Decentralisation and management by objective
- Strong corporate culture
- Business acumen
- Strong positions in niches
- Increased value creation
- Acquisitions

"Sight set at achieving also the second of the Group's two financial goals"

Return on equity, moving 12-months on quarterly data



Summary Lagercrantz Group

- Continued strength during the year

- Eleven consecutive quarters with earnings improvement
- Increased net revenue and order bookings
- Operating margin 6.0 percent during the quarter
- Stronger operating margins in all divisions during the year
- Profit after net finance items MSEK 113 on a moving 12-month basis
- Cash flow MSEK 38 (7) for the nine-month period

Lagercrantz Group AB

Thank you!

Jörgen Wigh, CEO
Niklas Enmark, EVP, CFO

Summary 2007/08

CONSOLIDATED INCOME STATEMENT

MSEK	3 months	3 months	9 months	9 months	Moving 12	Financial year
	Oct-Dec 2007/08	Oct-Dec 2006/07	Apr-Dec 2007/08	Apr-Dec 2006/07	months Jan-Dec 2006/07	Apr-Mar 2006/07
Net revenues	562	530	1,610	1,417	2,167	1,974
Cost of goods sold	-417	-398	-1,203	-1,068	-1,625	-1,490
Gross income	145	132	407	349	542	484
Selling expenses	-79	-71	-222	-192	-305	-275
Administrative expenses	-37	-35	-100	-95	-125	-120
Research and development	0	-3	-6	-7	-9	-10
Other operating income and expenses	5	1	12	11	21	20
OPERATING RESULT	34	24	91	66	124	99
<i>(of which depreciation)</i>	<i>(-6)</i>	<i>(-6)</i>	<i>(-17)</i>	<i>(-16)</i>	<i>(-22)</i>	<i>(-21)</i>
Financial income	2	1	5	3	6	4
Financial expenses	-4	-3	-12	-8	-17	-13
PROFIT AFTER FINANCE ITEMS	32	22	84	61	113	90
Taxes	-9	-7	-23	-17	-31	-25
PROFIT FOR THE PERIOD	23	15	61	44	82	65
Earnings per share, SEK	1.00	0.63	2.60	1.86	3.49	2.75
Earnings per share fully diluted, SEK	1.00	0.63	2.60	1.86	3.49	2.75
Weighted number of shares outstanding after repurchases (thousands)	23,048	23,678	23,455	23,678	23,510	23,678
Weighted number of shares outstanding after repurchases and fully diluted (thousands)	23,048	23,678	23,455	23,678	23,510	23,678
Number of shares outstanding after the period's repurchases (thousands)	22,478	23,678	22,478	23,678	22,478	23,678

Summary 2007/08

CONSOLIDATED BALANCE SHEET

MSEK	2007 12 31	2006 12 31	2007 03 31
ASSETS			
Goodwill	139	127	128
Other intangible non-current assets	100	95	97
Tangible non-current assets	52	98	83
Financial non-current assets	39	43	39
Inventories	248	235	234
Short-term receivables	459	419	444
Cash and cash equivalents	79	63	94
TOTAL ASSETS	1,116	1,080	1,119
SHAREHOLDERS' EQUITY AND LIABILITIES			
Total equity	433	399	432
Long-term liabilities	176	311	189
Short-term liabilities	507	370	498
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,116	1,080	1,119
Interest-bearing assets	79	63	94
Interest-bearing liabilities	284	287	255

Summary 2007/08

CONSOLIDATED CASH FLOW MSEK	3 months	3 months	9 months	9 months	Financial year
	Oct-Dec	Oct-Dec	Apr-Dec	Apr-Dec	Apr-Mar
	2007/08	2006/07	2007/08	2006/07	2006/07
Operating activities					
Profit after finance items	32	22	84	61	90
Adjustments for items not included in cash flow etc	-7	10	-14	5	3
Cash flow from operating activities before changes in working capital	25	32	70	66	93
Cash flow from changes in working capital					
Increase(-)/decrease(+) in inventories	-7	17	-9	-3	0
Increase(-)/decrease(+) in operating receivables	-16	1	12	-64	-65
Increase(+)/decrease(-) in operating liabilities	20	4	-35	8	48
Cash flow from operating activities	22	54	38	7	76
Investing activities					
Investment in businesses	-7	-29	-25	-160	-160
Investment in other non-current assets, net	-8	-4	11	-6	-10
Cash flow from investing activities	-15	-33	-14	-166	-170
Financing activities					
Dividends and repurchase of own shares	-29	-	-67	-24	-24
Change in loan liabilities	27	-5	29	191	158
Cash flow from financing activities	-2	-5	-38	167	134
CASH FLOW FOR THE PERIOD	5	16	-14	8	40
Cash and cash equivalents at beginning of the period	75	46	94	55	55
Exchange rate difference in cash and cash equivalents	-1	1	-1	0	-1
Cash and cash equivalents at end of the period	79	63	79	63	94

Summary 2007/08

KEY RATIOS

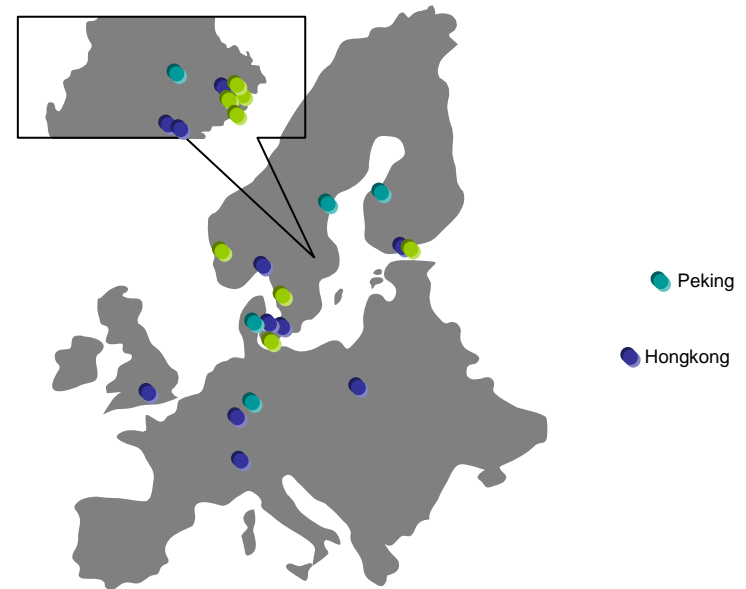
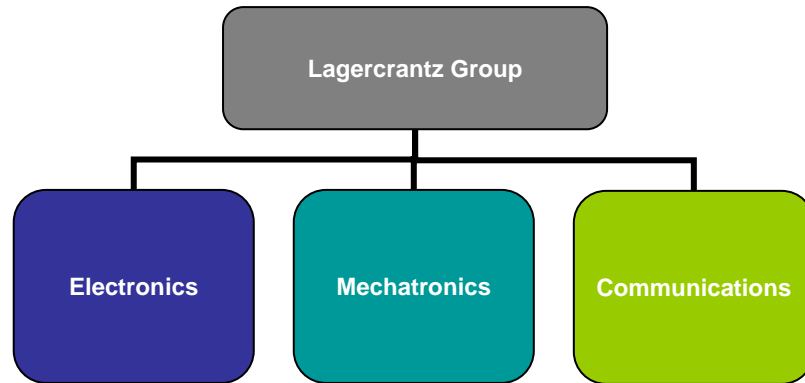
	9 months		Financial year				
	Apr-Dec 2007/08	Apr-Dec 2006/07	2006/07	2005/06	2004/05	2003/04	2002/03
Revenue growth %	13.6	20.4	22.8	5.9	-3.2	7.2	-26.2
EBIT margin %	5.7	4.7	5.0	3.5	0.3	1.7	1.8
Profit margin %	5.2	4.3	4.6	3.4	-0.1	1.5	1.1
Equity assets ratio %	39	37	39	52	51	47	56
Debt equity ratio, times	0.7	0.7	0.6	0.1	0.2	0.3	0.2
Net debt equity ratio, times	0.5	0.6	0.4	0.0	0.0	0.0	0.0
Interest coverage ratio, times	9	9	9	14	1	4	2
Net interest bearing liabilities (+) / receivables (-), MSEK	205	224	161	-9	-5	2	-19
Employees end of period	773	746	751	541	512	585	573
Revenue outside Sweden, MSEK	1,101	962	1,352	1,053	941	1,071	936

Per share data

	9 months		Financial year				
	Apr-Dec 2007/08	Apr-Dec 2006/07	2006/07	2005/06	2004/05	2003/04	2002/03
Number of shares outstanding at end of period after repurchases (thousands)	22,478	23,678	23,678	23,678	24,078	24,078	25,078
Weighted number of shares outstanding after repurchases (thousands)	23,455	23,678	23,678	23,923	24,078	24,696	26,561
Weighted number of shares outstanding after repurchases and dilution(thousands)	23,455	23,678	23,678	23,923	24,078	24,696	26,561
Operating result per share, SEK	3.88	2.79	4.18	2.38	0.17	1.09	1.02
Result per share, SEK	2.60	1.86	2.75	1.63	0.21	0.57	0.34
Result per share after dilution, SEK	2.60	1.86	2.75	1.63	0.21	0.57	0.34
Cash flow per share, SEK	-0.60	0.34	1.69	-1.00	-2.45	1.21	-2.03
Shareholders' equity per share, SEK	19.30	16.90	18.20	16.60	15.50	16.70	17.60
Latest market price paid per share, SEK	29.10	37.50	33.50	30.10	19.50	22.60	16.50

Lagercrantz Group

A leader in value-creating technology trade with market-leading positions in several expansive niches



- Technology trade group in electronics, electricity, communication and adjacent areas with revenue of over SEK 2 billion.
- Listed since 2001 (now under Information Technology on the SmallCap list)
- Decentralised operations (23 units) divided into 3 divisions
- The Group is active in Sweden, Denmark, Norway, Finland, Poland, Switzerland, United Kingdom, Germany and China.