

Interim Report 2012/13 Q1

1 April – 30 June 2012

- Net revenue for the first quarter of 2012/13 amounted to MSEK 566 (555).
- Operating profit increased by 9 percent to MSEK 49 (45). The operating margin was 8.7 percent (8.1).
- Profit after finance items increased by 12 percent to MSEK 47 (42).
- Market demand was stable during the period in the Group's operating areas. Focus on measures to strengthen margins and a growing proportion of proprietary products generate the profit improvement.
- Profit after taxes improved by 10 percent to MSEK 34 (31).
- Earnings per share after dilution for the first quarter amounted to SEK 1.52 (1.38) and to SEK 5.78 for the twelve-month period ending 30 June 2012 (SEK 5.63 for the 2011/12 financial year).
- Cash flow from operating activities for the twelve-month period ending 30 June 2012 increased to MSEK 171 (150), equivalent to SEK 7.66 (6.73) per share.
- The return on equity was 20 percent and the equity ratio was 48 percent (44) at the end of the period.
- Agreements to acquire three companies have been entered into after the end of the period under review.
- The Annual General Meeting for 2012 will be held 28 August 2012.

NET REVENUE AND PROFIT

Lagercrantz Group's net revenue for the first quarter (1 April – 30 June 2012) of the 2012/13 financial year amounted to MSEK 566 (555), equivalent to an increase of 2 percent.

Sales in the Group's operating areas were stable during the period, with an organic growth of 0 percent measured in local currency. The lower rate of growth compared to previous reporting periods is believed to be caused by an overall somewhat more cautious attitude among customers due to the economic situation in Europe, and also because the preceding year's comparative period was strong.

Establishing the new Niche Products division at the beginning of the financial year was favourable and an additional acquisition was completed shortly after the end of the period under review. The existing product companies recorded a good development of margins during the period.

Operating profit for the period amounted to MSEK 49 (45). The operating marginal grew to 8.7 percent (8.1). This improvement is explained by continued focus on measures to strengthen margins and a growing proportion of proprietary products, as well as contributions from acquired units. The effect of exchange rates amounted to MSEK 0 (-2) during the quarter.

Profit after net finance items amounted to MSEK 47 (42). Net finance items were affected by exchange rate effects in the amount of MSEK 1 (0).

Profit after taxes amounted to MSEK 34 for the period (31), equivalent to earnings per share after dilution of SEK 1.52 (1.38). Earnings per share after dilution for the most recent twelve-month period amounted to SEK 5.78 as against SEK 5.63 for the 2011/12 financial year.

PROFITABILITY AND FINANCIAL POSITION

The return on equity for the most recent twelve-month period was 20 percent and the return on capital employed was 22 percent.

Equity per share amounted to SEK 29.30, compared to SEK 27.90 at the beginning of the financial year and was affected by the profit, but also by foreign-exchange-related translation effects.

The equity ratio was 48 percent compared to 46 percent at the beginning of the financial year. At the end of the period the financial net liability amounted to MSEK 180, including a pension liability of MSEK 50, compared to MSEK 185, including a pension liability of MSEK 50 at the beginning of the period. The Group's net debt equity ratio was 0.3.

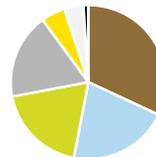
CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities for the most recent twelve-month period amounted to MSEK 171 (150) and MSEK 6 (10) during the first quarter. Investments in non-current assets amounted to MSEK 7 gross (4) during the first quarter.

No shares have been repurchased during the period.

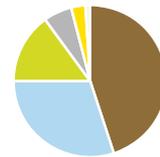
DISTRIBUTION OF REVENUE

Revenue by geographic market
3 months 2012/13 (2011/12)



- Sweden 32% (37)
- Denmark 21% (18)
- Norway 19% (17)
- Euro-area 18% (16)
- Other Europe 5% (6)
- Asia 4% (4)
- Other 1% (2)

Revenue by business type
3 months 2012/13 (2011/12)



- Trading 45% (49)
- Proprietary products 30% (28)
- Niche production 15% (13)
- System integration 6% (6)
- Service 3% (3)
- Other 1% (1)

Divisions

MSEK	Net revenue			Operating profit		
	Q 1 2012/13	Q 1 2011/12	12 months 2011/12	Q 1 2012/13	Q 1 2011/12	12 months 2011/12
Electronics	149	149	606	11	10	42
<i>Operating margin</i>	-	-		7.4%	6.7%	6.9%
Mechatronics	181	182	770	20	21	97
<i>Operating margin</i>	-	-		11.0%	11.5%	12.6%
Communications	181	179	739	12	9	43
<i>Operating margin</i>	-	-		6.6%	5.0%	5.8%
Niche Products	55	45	150	11	8	26
<i>Operating margin</i>	-	-	-	20.0%	17.8%	17.3%
Parent Company/Consolidation items	-	-	-	-5	-3	-24
GROUP TOTAL	566	555	2,265	49	45	184
<i>Operating margin</i>				8.7%	8.1%	8.1%
Finance items				-2	-3	-13
PROFIT BEFORE TAXES				47	42	171

NET REVENUE AND PROFIT BY DIVISION, FIRST QUARTER

Electronics

Net revenue for the first quarter amounted to MSEK 149 (149).

Market demand was stable overall during the quarter. The sales mix changed slightly with some increase in value-adding systems and solutions sales at the expense of component sales. Certain signs of weakness were also noted on the German market.

Operating profit for the first quarter increased to MSEK 11 MSEK (10). This corresponds to a profit margin of 7.4 percent (6.7). The businesses continued to record good margins compared to the preceding year based on cost and margin focus.

Mechatronics

Given the new division setup from 1 April 2012, net revenue for the quarter amounted to MSEK 181 (182).

Market demand was stable during the quarter, with the strongest development among export-related industrial customers in electrical connection systems and wiring harnesses.

Operating profit for the quarter amounted to MSEK 20 (21), corresponding to an operating margin of 11.0 percent (11.5).

Communications

Net revenue for the first quarter increased to MSEK 181 (179). Market demand was stable during the quarter, albeit with some variation among the various businesses.

Operating profit for the first quarter increased to MSEK 12 (9), corresponding to an operating margin of 6.6 percent (5.0). The earnings improvement is explained primarily by restructuring measures in some of the companies beginning to take effect.

Niche Products

Net revenue for the new division for the first quarter amounted to MSEK 55 (45). The increase is explained in the first instance by acquisitions.

Market demand was strong for several of the units, including storage solutions for customers in areas such as fast moving consumer goods retailing.

Operating profit for the first quarter increased to MSEK 11 (8), corresponding to an operating margin of 20.0 percent (17.8). The profit improvement is explained by an increase in volume of high-margin products and acquisitions.

OTHER FINANCIAL INFORMATION

Parent Company

The Parent Company's internal net revenue for the year amounted to MSEK 7 (7) and profit after net finance items was MSEK 48 (3). This result includes exchange rate adjustments on intra-Group lending in the amount of MSEK 0 (1) and dividends from subsidiaries in the amount of MSEK 53 (9). Net investments in non-current assets amounted to MSEK 0 (0). MSEK 147 (150) of the Parent Company's committed credit facility in the amount of MSEK 500 was utilised at the end of the period. Cash and cash equivalents were held in an amount of MSEK 0 (0). The Parent Company's equity ratio was 65 percent (55).

Employees

At the end of the period, the number of employees in the Group was 777, which can be compared to 780 at the beginning of the financial year.

Share capital

The share capital amounted to MSEK 48.9 at the end of the period. The quotient value per share is SEK 2.11.

The distribution on classes of shares is as follows:

Classes of shares	
Class A shares	1,094,654
Class B shares	22,078,655
Repurchased B shares	-781,300
Total	22,392,009

At the end of the period, Lagercrantz held 781,300 class B shares in treasury, equivalent to 3.4 percent of the total number of shares outstanding and 2.4 percent of the votes in Lagercrantz. The average acquisition cost of the shares held in treasury amounts to SEK 31.75 per share. Repurchased shares cover, inter alia, the Company's obligations under outstanding option programmes, where a total of 469,300 options have been acquired by members of senior management. This refers to awards for 2009, 2010 and 2011) of options still outstanding, with a strike price of SEK 29.70, SEK 41.00, and SEK 57.20, respectively, per call option.

Parts of the incentive programme based on options on repurchased class B shares acquired by members of senior

management in the Group during 2009 were redeemed during the first quarter. In connection with redemption of options a total of 175,000 class B shares held in treasury were sold for MSEK 5.

Accounting policies

The Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which is in accordance with the provisions of RFR 2 Accounting for legal entities. For the Group and the Parent Company the same accounting policies and calculation methods have been applied as in the most recent Annual Report.

Related party disclosures

Transactions between Lagercrantz Group and closely related parties with an effect on the financial position and profit have not occurred.

Events after the balance sheet date

Three companies were acquired during the first week of July 2012: Plåt & Spiralteknik and Vanpee in Sweden, and Vanpee in Norway.

Plåt & Spiralteknik i Torsås AB (PST) is a niched player that develops, manufactures and markets shaftless spiral conveyors in Sweden, Europe and the world at large. Customers are found in industries such as biofuel handling, sewage treatment plants, sawmills and in the recycling industry. PST has annual sales of over MSEK 40 with good profitability. PST is a part of Lagercrantz Group's division Niche Products from July 2012.

The Norwegian company Vanpee Norge AS and the Swedish company Vanpee AB (The Vanpee Companies) are value-adding distributors in the lighting industry, with products from leading suppliers. The companies also offer consultancy services in lighting control and programming of lighting control equipment. Customers are found primarily among light fitting manufacturers, wholesalers and installers in Norway and Sweden. The Vanpee Companies have aggregate annual sales of over MSEK 75 with good profitability. The Vanpee Companies will be part of Lagercrantz Group's division Electronics. The transactions will close during August/September 2012, following, inter alia, having obtained approval from Konkurenstillsynet, the Norwegian competition authority.

Risks and uncertainty factors

The most important risk factors for the Group are the state of the economy, structural changes in the market, supplier and customer dependence, the competitive situation and foreign exchange trends. Financial and political uncertainties are the most apparent uncertainty factors.

The Group has adopted a cautious approach and follows changes in the world around us diligently. In other respects, reference is made to the 2011/12 Annual Report.

The Parent Company is affected by the above-mentioned risks and uncertainty factors by virtue of its function as owner of its subsidiaries.

Annual General Meeting 2012

The 2012 Annual General Meeting will be held at 4:00 p.m., 28 August 2012 at Hotell Anglais, Humlegårdsgatan 23 in Stockholm. Notice to attend the Annual General Meeting will be published 25 July 2012.

All shareholders whose names are entered in the share register five days before the Meeting are eligible to participate personally, or by proxy, in the proceedings of the Annual General Meeting. Notice shall be made to the Company in accordance with instructions contained in the notice.

Stockholm, 19 July 2012

Jörgen Wigh
President & CEO

This report has not been subject to review by the Company's auditor.

Segment information per quarter

Net revenue	2012/13		2011/12		
	MSEK	Q 1	Q 4	Q 3	Q 2
Electronics	149	158	147	152	149
Mechatronics	181	199	197	192	182
Communications	181	203	188	169	179
Niche Products	55	42	37	26	45
Parent company/Consolidation items		-	-	-	-
GROUP TOTAL	566	602	569	539	555
Operating profit	2012/13		2011/12		
	MSEK	Q 1	Q 4	Q 3	Q 2
Electronics	11	13	9	10	10
Mechatronics	20	29	22	25	21
Communications	12	13	10	11	9
Niche Products	11	8	6	4	8
Parent company/Consolidation items	-5	-11	-5	-5	-3
GROUP TOTAL	49	52	42	45	45

Consolidated income statement

MSEK	2012/13		2011/12	
	3 months Apr–Jun	3 months Apr–Jun	Moving 12 months Jul–Jun	Financial year Apr–Mar
Net revenue	566	555	2 276	2 265
Cost of goods sold	-394	-393	-1 610	-1 609
GROSS PROFIT	172	162	666	656
Selling costs	-83	-80	-326	-323
Administrative expenses	-34	-31	-137	-134
Research and development expenses	-7	-5	-23	-21
Other operating income and operating expenses	1	-1	8	6
OPERATING PROFIT	49	45	188	184
<i>(of which depreciation)</i>	<i>(-8)</i>	<i>(-8)</i>	<i>(-35)</i>	<i>(-35)</i>
Net finance items	-2	-3	-12	-13
PROFIT AFTER FINANCE ITEMS	47	42	176	171
Taxes	-13	-11	-47	-45
NET PROFIT FOR THE PERIOD	34	31	129	126
Earnings per share, SEK	1,52	1,40	5,79	5,66
Earnings per share after dilution, SEK	1,52	1,38	5,78	5,63
Number of shares outstanding after repurchases ('000)	22 301	22 196	22 268	22 242
Weighted number of shares outstanding after repurchases ('000)	22 387	22 485	22 334	22 392
Number of shares outstanding after period's repurchases ('000)	22 392	22 196	22 392	22 217

In view of the strike price on outstanding call options during the period (SEK 29.70, SEK 41.00, and SEK 57.20) and the average market price of the share during the most recent twelve-month period (SEK 51.50) when the option programmes were outstanding, there was a dilutive effect of 0.3 percent during the most recent 12-month period. For the most recent quarter there was a dilutive effect of 0.4 percent as the average market price (SEK 56.70) was higher than or equal to the strike price for outstanding programmes.

Consolidated statement of recognised income and expenses

MSEK	2012/13		2011/12	
	3 months Apr–Jun	3 months Apr–Jun	Moving 12 months Jul–Jun	Financial year Apr–Mar
Net profit for the period	34	31	129	126
Other total profit				
Change in fair value of hedging reserve	0	0	1	1
Change in translation reserve	-2	10	-11	1
RECOGNISED RESULT FOR THE PERIOD	32	41	119	128

Statement of consolidated financial position

MSEK	30/06/2012	30/06/2011	31/03/2012
ASSETS			
Goodwill	360	322	361
Other intangible non-current assets	189	185	192
Tangible non-current assets	88	90	87
Financial non-current assets	11	13	10
Inventories	240	244	229
Short-term receivables	443	412	430
Cash and cash equivalents	30	60	37
TOTAL ASSETS	1 361	1 326	1 346
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	657	586	620
Long-term liabilities	121	188	123
Current liabilities	583	552	603
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 361	1 326	1 346
Interest-bearing assets	30	60	37
Interest-bearing liabilities	210	286	222

Consolidated cash flow statement

MSEK	2012/13	2011/12		
	3 months Apr–Jun	3 months Apr–Jun	Moving 12 months Jul–Jun	Financial year Apr–Mar
Operating activities				
Result after finance items	47	42	176	171
Adjustment for paid taxes, items not included in cash flows etc.	-9	0	4	13
Cash flow from operating activities before change in working capital	38	42	180	184
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-12	-19	9	2
Increase (-)/Decrease (+) in operating receivables	-15	-19	-26	-30
Increase (+)/Decrease (-) in operating liabilities	-5	6	8	19
Cash flow from operating activities	6	10	171	175
Investing activities				
Investments in businesses	-	-	-48	-48
Investment in/disposals of other non-current assets, net	-7	-4	-23	-20
Cash flow from investing activities	-7	-4	-71	-68
Financing activities				
Dividend & repurchase of own shares	5	-	-48	-53
Financing activities	-12	-2	-84	-74
Cash flow from financing activities	-7	-2	-132	-127
CASH FLOW FOR THE PERIOD	-8	4	-32	-20
Cash and cash equivalents at the beginning of the period	37	56	60	56
Exchange rate differences in cash and cash equivalents	1	0	2	1
Cash and cash equivalents at the end of the period	30	60	30	37

Consolidated statement of changes in equity

MSEK	2012/13	2011/12		
	3 months Apr–Jun	3 months Apr–Jun	Moving 12 months Jul–Jun	Financial year Apr–Mar
Opening balance	620	545	586	545
Dividend	-	-	-50	-50
Exercise of options on repurchased shares	5	-	13	8
Repurchase of own shares	-	-	-11	-11
Recognised result for the period	32	41	119	128
CLOSING BALANCE	657	586	657	620

Key financial indicators

	Moving 12 months Jul-Jun 2011/12	Financial year			
		2011/12	2010/11	2009/10	2008/09
Revenue	2 276	2,265	2,029	1,720	2,138
Change in revenue, %	7	12	18	-20	-2
Profit after taxes	129	126	102	42	68
Operating margin, %	8,3	8.1	7.2	3.9	4.9
Profit margin, %	7,7	7.5	6.8	3.4	4.4
Equity ratio, %	48	46	42	56	49
Return on capital employed, %	22	22	21	11	17
Return on equity, %	20	22	20	8	14
Debt equity ratio	0,3	0.4	0.5	0.1	0.3
Net debt equity ratio	0,3	0.3	0.4	0.1	0.2
Times interest earned	13	11	12	6	7
Net interest bearing liabilities (+)/receivables (-), MSEK	180	185	243	38	78
Number of employees at end of period	777	780	731	608	742
Revenue outside Sweden, MSEK	1 633	1,533	1,355	1,155	1,486

Data per share

	Moving 12 months Jul-Jun 2011/12	Financial year			
		2011/12	2010/11	2009/10	2008/09
Number of shares outstanding end of period after repurchase ('000)	22 392	22,217	22,196	21,978	21,978
Weighted number of shares outstanding after repurchases ('000)	22 268	22,242	22,046	21,978	22,287
Weighted number of shares outstanding after repurchases & dilution ('000)	22 334	22,392	22,133	21,978	22,287
Operating profit per share after dilution, SEK	8,42	8.22	6.64	3.05	4.71
Earnings per share, SEK	5,79	5.66	4.63	1.91	3.05
Earnings per share after dilution, SEK	5,78	5.63	4.61	1.91	3.05
Cash flow from operations per share after dilution, SEK	7,66	7.82	5.33	3.96	6.15
Cash flow per share after dilution, SEK	-1,43	-0.89	1.22	-1.37	-0.76
Equity per share, SEK	29,30	27.90	24.60	22.50	23.60
Latest market price per share, SEK	59,00	57.25	61.75	31.50	23.50

Definitions will be found in the 2011/12 Annual report.

Parent company income statement

MSEK	2012/13	2011/12		
	3 months Apr–Jun	3 months Apr–Jun	Moving 12 months Jul–Jun	Financial year Apr–Mar
Net revenue	7	7	28	28
Administrative expenses	-10	-11	-43	-44
Other operating income and operating expenses	0	0	0	0
OPERATING RESULT	-3	-4	-15	-16
Financial income	54	10	260	216
Financial expense	-3	-3	-28	-28
PROFIT AFTER FINANCIAL ITEMS	48	3	217	172
Change untaxed reserves	0	0	-1	-1
Taxes	1	1	-1	-1
NET PROFIT FOR THE PERIOD	49	4	215	170
Other in recognised result	-	-	-	-
RECOGNISED RESULT FOR THE PERIOD	49	4	215	170

Parent company balance sheet

MSEK	30/06/2012	30/06/2011	31/03/2012
ASSETS			
Tangible non-current assets	0	0	0
Financial non-current assets	972	863	952
Short-term receivables	44	34	69
Cash and cash equivalents	0	0	0
TOTAL ASSETS	1 016	897	1,021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	665	497	611
Untaxed reserves	3	2	3
Long-term liabilities	34	105	23
Current liabilities	314	293	384
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 016	897	1,021

This information is published in accordance with the Swedish Securities Market Act, the Swedish Act on Trading in Financial Instruments or the rules and regulations of NASDAQ OMX Stockholm. The information was released for publication at 12:00 a.m., 19 July 2012.

Reporting schedule

28 August 2012	Annual General Meeting for the 2011/12 financial year
25 October 2012	Quarterly Report Q2 for the period 1 April 2012 – 30 September 2012
31 January 2013	Quarterly Report Q3 for the period 1 April 2012 – 31 December 2012
7 May 2013	Year-end Report for the period 1 April 2012 – 31 March 2013

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