

Q3

Interim Report

1 April – 31 December 2008 (9 months)

- Net revenue for 9 months 2008/09 amounted to MSEK 1 610 (1 610).
- Operating profit increased by 4% to MSEK 95 (91). Operating margin increased to 5.9% (5.7). This result includes one-off items in the amount of MSEK –4 compared to MSEK +3 preceding year.
- Profit after finance items increased to MSEK 89 (84) and profit after taxes to MSEK 64 (61).
- Restructuring actions to meet a weaker economy are currently being implemented.
- Earnings per share amounted to SEK 2.86 (2.60) and for the most recent 12-month period to SEK 4.20.
- The return on equity was 20% (20%) for the most recent 12-month period. The debt-to-equity ratio stood at 45%.
- The net financial liability has decreased to MSEK 124 (205) and the net debt-to-equity ratio to 0.2 (0.5) at the end of the period as compared with the corresponding time one year ago.
- An election committee appointed in accordance with a resolution at the 2008 Annual General Meeting.

Third quarter

- Net revenue amounted to MSEK 557 (562).
- Operating profit amounted to MSEK 30 (34) including one-off items to the amount of MSEK –1 MSEK (+1). Profit margin amounted to 5.4% (6.0).

Current reporting period 1 April – 31 December 2008

Lagercrantz is a technology trading group in electronics, electricity, communication and adjacent areas. The Group works with value-adding sales in close proximity to its customers and commands market-leading positions in several expansive niches. Operations are organised in three divisions.

NET REVENUE AND PROFIT

Lagercrantz Group's net revenue during the period 1 April – 31 December 2008 amounted to MSEK 1,610 (1,610). Acquired units contributed to the period's revenue by MSEK 36. Revenue during the third quarter amounted to MSEK 557 (562), where acquired units accounted for MSEK 18.

Clearer signs than before of a broad economic downturn were seen during the third quarter. Action to adapt the business has therefore been taken by most of the Group's companies. Measures include personnel reductions by a total of 75 persons, both temporary and own personnel, organisational changes and more efficient utilisation of capital and reduced capital expenditure.

Operating profit for the first 9 months increased to MSEK 95 (91). This result includes the effect of non-recurring items in a net amount of MSEK -4, compared with a positive effect of MSEK 3 during the preceding year. This cost refers primarily to personnel reductions, during the second and third quarters. The operating margin increased to 5.9 percent (5.7) thanks to an improved gross margin. Operating profit declined during the third quarter to MSEK 30 (34) due to a lower result in division Electronics and one-time items in an amount of approximately MSEK -1 (+1). The operating margin was 5.4 percent (6.0).

Profit after financial items increased to MSEK 89 (84) during the nine-month period. For the third quarter profit amounted to MSEK 28 (32). Net financial items strengthened to MSEK -6 (-7), in part as a consequence of a reduction in net loan liabilities and foreign exchange effects. Changes in foreign exchange rates affected consolidated earnings by approximately MSEK +4 (-1) during the period April – December.

Profit for the nine-month period amounted to MSEK 64 (61), equivalent to earnings per share of SEK 2.86 (2.60). For the most recent 12-month period earnings per share amounted to SEK 4.20, as against SEK 3.92 for the 2007/08 financial year.

PROFITABILITY, FINANCIAL POSITION AND CAPITAL EXPENDITURES

The return on capital employed for the most recent 12-month period increased to 21 percent as against 19 percent for the corresponding period during the preceding year. Shareholders' equity increased during the period. The weakening of the Swedish krona contributed hereto and this affected the recalculation reserve by MSEK 40 (6). Shareholders' equity per share amounted to SEK 23.50, as against SEK 20.40 at the beginning of the year. The equity ratio at the end of the period was 45 percent, compared to 44 percent at the beginning of the year. The Group showed a net financial liability at the end of the period of MSEK 124, as compared with MSEK 205 at the corresponding

MSEK	Net revenue 9 months 2008/09	9 months 2007/08	12 months 2007/08	Operating profit 9 months 2008/09	9 months 2007/08	12 months 2007/08
Electronics	540	583	778	17	25	38
Operating margin				3.1%	4.3%	4.9%
Mechatronics	488	447	604	45	35	50
Operating margin				9.2%	7.8%	8.3%
Communications	582	580	790	45	37	51
Operating margin				7.7%	6.4%	6.5%
Parent company/consolidation items	-	-	-	-12	-6	-8
Group total	1 610	1 610	2 172	95	91	131
Operating margin				5.9%	5.7%	6.0%

time one year ago. The net debt-to-equity ratio declined to 0.2 (0.5) during the same period.

Cash flow from current operations amounted to MSEK 81 (38) during the nine-month period and to MSEK 56 (22) for the third quarter. Capital expenditure in non-current assets amounted to MSEK 18 (20) on a gross basis and acquisitions of companies to MSEK 47 (25). Own shares in an amount of MSEK 11 (37) were re-purchased during the third quarter.

NET REVENUE AND PROFIT BY DIVISION

Electronics

Net revenue for the third quarter amounted to MSEK 181 (206). Weaker sales, previously seen in a small number of markets, spread during the third quarter to include encompass more companies in the division. Cost-reduction measures were initiated at the companies, giving rise to MSEK 0.5 in one-time items. To a degree, a higher gross margin as a result of changes in the product mix partially offsets the lower revenue. Continued phase-out of standard components replaced by products and solutions with higher margins is in progress. Operating profit amounted to MSEK 3 (10), equivalent to an operating margin of 1.7 percent (4.9).

Mechatronics

Net revenue for the quarter increased by 9 percent to MSEK 163 (150). Virtually all growth was organic. Especially the producing units recorded a good development. Operating profit was unchanged at MSEK 13 (13), equivalent to an operating margin of 8.0 percent (8.7). The division's margin remains good thanks to increased volumes, streamlining and product line development.

Communications

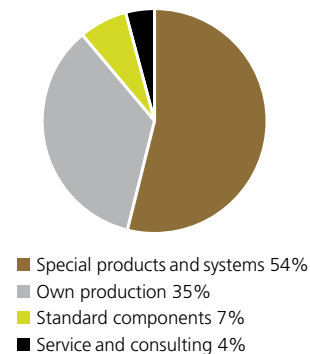
Net revenue increased to MSEK 213 (206). The increase was derived from acquired units and from volume increases in the area of digital image/technical security. Operating profit during the third quarter increased to MSEK 17 (15), which is equivalent of a margin of 8.0 percent (7.3). The improvement on earnings is due to the higher volume and stronger gross margins.

PARENT COMPANY AND OTHER CONSOLIDATION ITEMS

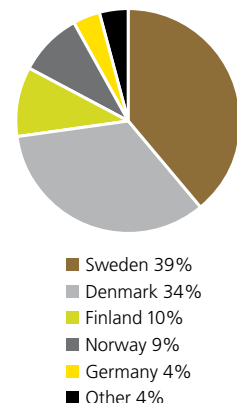
The Parent Company's internal net revenue for nine months amounted to MSEK 20 (20) and profit after financial items amounted to MSEK 129 (66). This result includes exchange rate adjustments on intra-group lending in an amount of MSEK 3 (-1). Dividends from subsidiaries amounted to MSEK 140 (81). Capital expenditure in non-current assets amounted to MSEK 0 (0) on a net basis. The Parent Company has an approved bank overdraft facility in the amount of MSEK 250. MSEK 43 thereof was utilised, as against MSEK 19 at the beginning of the financial year. The Parent Company has a long-term acquisition credit facility in the amount of MSEK 69. Other cash and cash equivalents in the amount of MSEK 0 were available at the beginning of the financial year, compared to MSEK 0 at the beginning of the financial year. The Parent Company's equity ratio stood at 67 percent at the end of the period, as against 56 percent at the beginning of the period.

The Parent Company/Other consolidation items include items of a non-recurring character which affected the nine-month 2008/09 profit by MSEK 3. These costs, which were incurred during the second and third quarters, primarily refer to personnel reductions. Last year profit was affected in a positive direction by non-recurring items in a net amount of MSEK 3, relating mostly to sales of real property.

Revenue per product category
9 months 2008/09



Revenue per country
9 months 2008/09



Financial development in brief

NET REVENUE

Quarterly data MSEK	Q 3	Q 2	2008/09 Q 1	Q 4	Q 3	Q 2	2007/08 Q 1
Electronics	181	176	183	195	206	182	195
Mechatronics	163	159	166	157	150	145	152
Communications	213	186	183	210	206	188	186
Parent company/consolidation items	-	-	-	-	-	-	-
Group total	557	521	532	562	562	515	533

OPERATING PROFIT

Quarterly data MSEK	Q 3	Q 2	2008/09 Q 1	Q 4	Q 3	Q 2	2007/08 Q 1
Electronics	3	6	8	13	10	8	7
Mechatronics	13	17	15	15	13	13	9
Communications	17	16	12	14	15	10	12
Moderbolaget/koncernposter	-3	-7	-2	-2	-4	-2	0
Group total	30	32	33	40	34	29	28

CONCOLIDATED INCOME STATEMENT

MSEK	3 months Oct-Dec 2008/09	3 months Oct-Dec 2007/08	9 months Apr-Dec 2008/09	9 months Apr-Dec 2007/08	Moving 12 months Jan-Dec 2008	Financial year Apr-Mar 2007/08
Net revenue	557	562	1 610	1 610	2 172	2 172
Cost of good sold	-411	-417	-1 178	-1 203	-1 597	-1 622
Gross profit	146	145	432	407	575	550
Selling costs	-78	-79	-226	-222	-305	-301
Administrative expenses	-41	-37	-112	-100	-140	-128
Research and development expense	-1	0	-6	-6	-8	-8
Other operating income and expenses	4	5	7	12	13	18
Operating profit	30	34	95	91	135	131
(of which depreciation and amortization)	(-6)	(-6)	(-18)	(-17)	(-24)	(-23)
Finance income	5	2	7	5	9	7
Finance expense	-7	-4	-13	-12	-18	-17
Result after finance items	28	32	89	84	126	121
Taxes	-6	-9	-25	-23	-32	-30
Net income for the period	22	23	64	61	94	91
<i>Income associated with:</i>						
The parent company shareholders	22	23	64	61	94	91
Minority	0	0	0	0	0	0
	22	23	64	61	94	91
Earning per share, SEK	0.99	1.00	2.86	2.60	4.20	3.92
Earnings per share after dilution, SEK	0.99	1.00	2.86	2.60	4.20	3.92
Weighted number of share outstanding ('000)	22 212	23 048	22 389	23 455	22 411	23 212
Weighted number of shares outstanding after repurchases and dilution ('000)	22 212	23 048	22 389	23 455	22 411	23 212
Number of shares after repurchases ('000)	21 978	22 478	21 978	22 478	21 978	22 478

In view of the redemption price on outstanding call options (SEK 36.00, SEK 44.40 and 36.80) and the average market price of the share (SEK 27.84) during that part of the latest twelve-month period where the options were outstanding, no dilutive effect occurred for the latest twelve-months. Also, no dilutive effect occurred for the latest quarter or 9 month period when the average market price of the share (SEK 21.59 and SEK 27.87 respectively) was lower than the redemption price.

CONSOLIDATED BALANCE SHEET

MSEK	2008-12-31	2007-12-31	2008-03-31
ASSETS			
Goodwill	193	139	140
Other intangible non-current assets	113	100	98
Tangible non-current assets	56	52	51
Financial non-current assets	29	39	30
Inventories	285	248	238
Current receivables	390	459	419
Cash and cash equivalents	93	79	79
TOTAL ASSETS	1 159	1 116	1 055
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders	516	433	459
Minority interests	0	0	-
<i>Total shareholders' equity</i>	516	433	459
Non-current liabilities	171	176	174
Current liabilities	472	507	422
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 159	1 116	1 055
Interest-bearing assets	93	79	79
Interest-bearing liabilities	217	284	172

CONSOLIDATED CASH FLOW STATEMENT

MSEK	3 months Oct-Dec 2008/09	3 months Oct-Dec 2007/08	9 months Apr-Dec 2008/09	9 months Apr-Dec 2007/08	Financial year Apr-Mar 2007/08
Operating activities					
Profit after finance items	28	32	89	84	121
Adjustment for items not included in cash flow, etc	-4	-7	-9	-14	-19
Cash flow from operating activities before changes in working capital	24	25	80	70	102
Cash flow from changes in working capital					
Increase (-) / decrease (+) in inventories	-1	-7	-25	-9	1
Increase (-) / decrease (+) in operating receivables	41	-16	64	12	16
Increase (+) / decrease (-) in operating liabilities	-8	20	-38	-35	1
Cash flow from operating activities	56	22	81	38	120
Investing activities					
Investments in business	0	-7	-47	-25	-27
Investments/divestments in other non-current assets, net	-11	-8	-18	11	44
Cash flow from investing activities	-11	-15	-65	-14	17
Financing activities					
Dividends and repurchases of own shares	-11	-29	-45	-67	-67
Change in loan liabilities	-2	27	42	29	-84
Cash flow from financing activities	-13	-2	-3	-38	-151
Cash flow for the period	32	5	13	-14	-14
Cash and cash equivalents at the beginning of the period	60	75	79	94	94
Exchange rate difference in cash and cash equivalents	1	-1	1	-1	-1
Cash and cash equivalents at end of the period	93	79	93	79	79

CHANGE IN SHAREHOLDERS' EQUITY

MSEK	Apr-Dec 2008/09	Apr-Dec 2007/08
Opening balance	459	432
Repurchase of own shares	-11	-37
Dividend	-34	-30
Change in hedging reserve	-2	1
Period's exchange rate differences	40	6
Profit for the period	64	61
Closing balance	516	433

Q3

KEY FINANCIAL INDICATORS

	9 months Apr–Dec 2008/09	9 months Apr–Dec 2007/08	Financial year 2007/08	2006/07	2005/06	2004/05
Change in revenue, %	0	13.6	10.0	22.8	5.9	–3.2
Operating margin, %	5.9	5.7	6.0	5.0	3.5	0.3
Profit margin, %	5.5	5.2	5.6	4.6	3.4	–0.1
Equity ratio, %	45	39	44	39	52	51
Return on capital employd, % (12 months)	21	19	21	18	13	1
Return on equity, % (12 months)	20	20	21	16	10	1
Debt equity ratio, times	0.4	0.7	0.4	0.6	0.1	0.2
Net debt equity ratio, times	0.2	0.5	0.2	0.4	0.0	0.0
Times interest earned	11	9	9	9	14	1
Net interest-bearing liabilities (+) / receivables (–), MSEK	124	205	93	161	–9	–5
Number of employees at end of period	800	776	763	751	541	512
Revenue outside Sweden, MSEK	1 104	1 101	1 496	1 352	1 053	941
SHARE DATA						
Number of shares outstanding at end of period after repurchases ('000)	21 978	22 478	22 478	23 678	23 678	24 078
Weighted number of shares outstanding after repurchases ('000)	22 389	23 455	23 212	23 678	23 923	24 078
Weighted number of shares outstanding after repurchases and dilution ('000)	22 389	23 455	23 212	23 678	23 923	24 078
Operating profit per share, SEK	4.24	3.88	5.64	4.18	2.38	0.17
Earnings per share, SEK	2.86	2.60	3.92	2.75	1.63	0.21
Earnings per share after dilution, SEK	2.86	2.60	3.92	2.75	1.63	0.21
Cash flow per share, SEK	0.58	–0.60	–0.60	1.69	–1.00	–2.45
Shareholders' equity per share, SEK	23.50	19.30	20.40	18.20	16.60	15.50
last market price paid per share, SEK	17.50	29.10	28.80	33.50	30.10	19.50

Definitioner återfinns i den senaste årsredovisningen på sidan 27.

PARENT COMPANY INCOME STATEMENT

MSEK	3 months Oct–Dec 2008/09	3 months Oct–Dec 2007/08	9 months Apr–Dec 2008/09	9 months Apr–Dec 2007/08	Moving 12 months Jan–Dec 2008	Financial year Apr–Mar 2007/08
Net revenue	7	7	20	20	26	26
Administrative expenses	–9	–14	–27	–29	–34	–36
Other operating income and expenses	0	0	0	0	0	0
Operating profit	–2	–7	–7	–9	–8	–10
Finance income	15	1	145	85	146	86
Finance expenses	–3	–4	–9	–10	–43	–44
Profit before taxes	10	–10	129	66	95	32
Taxes	1	3	3	4	3	4
Net income for the period	11	–7	132	70	98	36

PARENT COMPANY BALANCE SHEET

MSEK	2008-12-31	2007-12-31	2008-03-31
ASSETS			
Tangible non-current assets	0	0	0
Financial non-current assets	681	699	642
Current receivables	19	33	33
Cash and cash equivalents	0	-	0
TOTAL ASSETS	700	732	675
EQUITY AND LIABILITIES			
Equity	466	398	378
Long-term liabilities	87	108	145
Current liabilities	147	226	152
TOTAL EQUITY AND LIABILITIES	700	732	675
Assets pledged and contingent liabilities	43	42	47

Other information

ACCOUNTING POLICIES

This interim report 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 Markets Act, which is in accordance with the provisions of RFR 2.1 Accounting for legal entities.

The same accounting policies and methods of calculation have been used for the Group and the Parent Company as in the most recent annual report.

EMPLOYEES

At the end of the period the number of employees in the Group was 800, which can be compared with 763 at the beginning of the period. The increase is explained by acquired businesses.

DISTRIBUTION OF SHARES AND REPURCHASES

The share capital at the end of the period amounted to MSEK 48.9. The distribution on classes of shares is as follows:

Class of shares

Class A shares	1 094 654
Class B shares	22 078 655
Repurchased class B shares	-1 195 500
Totalt	21 977 809

Lagercrantz holds 1 195,500 class B shares in treasury, equivalent to 5.2 percent of the number of shares outstanding and 3.6 percent of the number of votes in Lagercrantz Group. 500 000 shares were repurchased during the third quarter. Shares held in treasury are intended to fulfil the Company's undertaking under outstanding option programmes (awards for 2006, 2007 and 2008) where the redemption price is SEK 36.00, SEK 44.40 and SEK 36.80 per call option, respectively. The average acquisition cost of the shares held in treasury amounts to SEK 25.57 per share. The quotient value per share is SEK 2.11.

ACQUISITION OF BUSINESS

During the second quarter Lagercrantz Group acquired the company COBS AB and during the first quarter CAD Kompagniet in Denmark was acquired. Both companies are part of division Communications. Acquired businesses affected consolidated net revenue by approximately MSEK 36 and

consolidated profit before taxes by MSEK 1 during the nine-month period. If all acquisitions had been consummated at the beginning of the financial year, the effect on consolidated net revenue and profit before taxes would have been an estimated MSEK 55 and MSEK 2, respectively.

RISKS AND FACTORS OF UNCERTAINTY

The Lagercrantz Group's earnings performance and financial position, as well as its strategic position, are affected by a number of internal factors over which the Company exerts control, and by a number of external factors where the possibility of exerting control over the course of events is limited. The risk factors with the greatest impact on the Lagercrantz Group are the state of the market, structural changes in the market, dependency on suppliers and customers, the competitive situation and foreign exchange rate trends. The financial market turbulence at the same time as a general weakening of the economy grew, is sure to result in greater uncertainty. Therefore action has been taken to reduce costs and investments and extra vigilance is the order of the day. For additional detail, please refer to the 2007/08 Annual Report. The Parent Company is affected by the above mentioned risks and factors of uncertainty in its function as owner of its subsidiaries.

TRANSACTIONS WITH CLOSELY RELATED PARTIES

Transactions between Lagercrantz Group with a significant effect on financial position and earnings have not occurred.

ELECTION COMMITTEE FOR ELECTION OF DIRECTORS

At the Annual General Meeting held 1 September 2008, the Chairman of the Board of Directors was given the assignment of contacting the largest shareholders by vote as of December 31 2008 with a request to appoint members to form an election committee along with the Chairman of the Board of Directors.

The Election Committee shall consist of five members. In accordance herewith, the following persons have been appointed to serve as members of the Election Committee ahead of the 2009 Annual General Meeting: Anders Börjesson (Chairman of the Board of Directors), Tom Hedelius, Kerstin Stenberg (representative of Swedbank Robur fonder), Erik Sjöström (representative of Skandia Liv) and Pär Stenberg. Proposals from

shareholders for the Election Committee may be presented to the Company to be forwarded, or be sent to valberedningen@lagercrantz.com. More information is available at Lagercrantz Group's website: www.lagercrantz.com

EVENTS AFTER THE BALANCE SHEET DATE

No events with a significant effect on the Company have occurred after the balance sheet date, 31 December 2008.

UPCOMING REPORTS

2009-05-13	Year-end report for the period 1 April 2008– 31 March 2009
2009-06-30	Annual report for 2008/09 made public (around)
2009-07-21	Interim report for the period 1 April – 30 Juni 2009
2009-08-31	Annual General Meeting for 2008/09

Stockholm, 10 Februari 2009

Jörgen Wigh
President and CEO

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

The information herein is published in accordance with the Swedish Securities Market Act, the Swedish Act Trading in Financial Instruments, or requirements posed by the rules at Nasdaq OMX Stockholm. The information was submitted for publication 2009-02-10 at 13.10.

LAGERCRANTZ GROUP IN BRIEF

Lagercrantz Group is a technology trading group in electronics, electrics, communication and adjacent areas. The Group operates in a decentralised mode with value-creating sales close to its customers and has a leading position in several expansive niches.

Operations are organised in three divisions:

Division Electronics is marketing specialised products in wireless industrial communication and embedded systems.

Division Mechatronics sells electric and electro-mechanical components and customised production of cable harnesses.

Division Communications offers products, systems and services in digital image transmission/technical security and access as well as software for computer aided design.

Lagercrantz is active in eight countries in northern Europe, and in China. The Group has revenue of approximately SEK 2.2 billion and has about 800 employees. The company's shares are listed on Nasdaq OMX Stockholm since 2001.

FOR ADDITIONAL INFORMATION, CONTACT

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