

Q1

Interim Report

1 April – 30 June 2008 (3 months)

- Net revenue for the quarter amounted to MSEK 532 (533).
- Profit after financial items increased by 35 percent net of the effect of items of a non-recurring character during last year. Profit amounted to MSEK 31 (25), where items of a non-recurring character during last year amounted to MSEK 2.
- Operating profit amounted to MSEK 33 (28) and the operating margin was 6.2 percent (5.3 percent).
- Profit after taxes increased to MSEK 22 (18).
- Earnings per share increased by 29 % to SEK 0.98 (0.76). For the most recent 12-month period earnings per share was SEK 4.15.
- The return on equity was 20 percent (16 percent) for the most recent 12-month period.
- The Annual General Meeting will be held 1 September 2008. The dividend proposal from the Board of Directors is 1.50 SEK per share (1.25).

Current reporting period 1 April – 30 June 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

The Lagercrantz Group's net revenue for the first quarter 2008/09 (1 April – 30 June 2008) amounted to MSEK 532 (533). The market situation has been stable during the period.

Profit after net financial items increased by 35 percent net of a positive effect from items of a non-recurring character during last year. Profit was MSEK 31 (25), where previous year includes non-recurring items in the amount of MSEK 2.

Operating profit was MSEK 33 (28), equivalent to an operating margin of 6.2 percent (5.3 percent). All divisions recorded improved margins relative to the comparative period.

This result means that earnings improved for the thirteenth consecutive quarter compared to the corresponding quarter one year earlier. Changes in foreign exchange rates affected consolidated earnings by approximately MSEK 1 (1) during the quarter.

Earnings per share rose to SEK 0.98 (0.76). For the most recent 12-month period earnings per share amounted to SEK 4.15 compared to 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 amounted to 21 percent compared to 16 percent for the corresponding year-ago period. The corresponding data for return on equity were 20 percent and 16 percent, respectively.

Cash flow from operating activities amounted to MSEK –9 (–17). Investments in non-current assets amounted to MSEK 4, gross (6). Companies were acquired during the quarter for MSEK 33 (23). No own shares were repurchased during the period.

The Group showed a financial net liability of MSEK 135 at the end of the period, as compared to MSEK 93 at the beginning of the financial year.

Shareholders' equity per share amounted to SEK 21.60, as compared with SEK 20.40 at the beginning of the financial year. The equity ratio at the end of the period amounted to 44 percent as compared with 44 percent at the beginning of the financial year.

MSEK	Net revenue			Operating profit		
	3 months 2008/09	3 months 2007/08	12 months 2007/08	3 months 2008/09	3 months 2007/08	12 months 2007/08
Electronics	183	195	778	8	7	38
Operating margin				4.4%	3.6%	4.9%
Mechatronics	166	152	604	15	9	50
Operating margin				9.0%	5.9%	8.3%
Communications	183	186	790	12	12	51
Operating margin				6.6%	6.5%	6.5%
Parent company/consolidation items	-	-	-	-2	0	-8
Group total	532	533	2 172	33	28	131
Operating margin				6.2%	5.3%	6.0%

NET REVENUE AND PROFIT BY DIVISION

Electronics

Net revenue for the first quarter amounted to MSEK 183 (195). The phasing-out of standard components for the benefit of products with higher margins continued. Revenue has been stable except in Germany where demand has been weaker during the period.

Operating profit increased to MSEK 8 (7), which means that the operating margin increased to 4.4 percent (3.6 percent) during the period. The improvement is attributable primarily to the businesses in Finland and Denmark.

Mechatronics

Net revenue for the first quarter increased to MSEK 166 (152), primarily due to strong performance on the part of the Elpress Group which increased both its revenue and profit.

Operating profit increased to MSEK 15 (9), equivalent to an operating margin of 9.0 percent (5.9 percent). Good demand was seen in the division's production operations in Denmark and Finland.

Communications

Net revenue amounted to MSEK 183 (186). Lower revenue was recorded in the area of digital image transmission/technical security, where action has been taken to increase profitability.

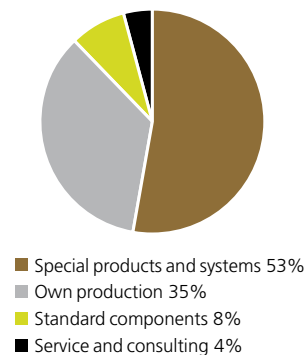
Operating profit amounted to MSEK 12 (12), equivalent to a margin of 6.6 percent (6.5 percent).

PARENT COMPANY AND OTHER CONSOLIDATION ITEMS

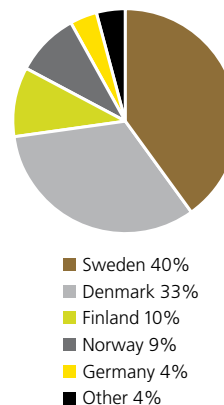
The Parent Company's internal net revenue for the period amounted to MSEK 7 (7) and profit after net financial items amounted to MSEK 65 (56). This result includes exchange rate adjustments on intra-group lending in an amount of MSEK 0 (0). Dividends from subsidiaries amounted to MSEK 70 net (60). Investments in non-current assets amounted to MSEK 0 MSEK net (0).

The Parent Company has an approved bank overdraft facility in the amount of MSEK 250. MSEK 25 hereof was utilised compared to MSEK 19 at the beginning of the financial year. The Parent Company also has a long-term acquisition credit facility in the amount of MSEK 78. 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.

Revenue by product category
3 months 2008/09



Revenue by country
3 months 2008/09



Financial development in brief

NET REVENUE

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

OPERATING PROFIT

Quarterly data MSEK	2008/09				2007/08
	Q 1	Q 4	Q 3	Q 2	Q 1
Electronics	8	13	10	8	7
Mechatronics	15	15	13	13	9
Communications	12	14	15	10	12
Parent company/Consolidation items	-2	-2	-4	-2	0
Group total	33	40	34	29	28

CONSOLIDATED INCOME STATEMENT

MSEK	3 months	3 months	Moving 12 months	Financial year
	Apr–Jun 2008/09	Apr–Jun 2007/08	Jul–Jun 2007/08	Apr–Mar 2007/08
Net revenue	532	533	2 171	2 172
Cost of goods sold	-385	-398	-1 609	-1 622
Gross profit	147	135	562	550
Selling costs	-77	-77	-301	-301
Administrative expenses	-36	-34	-130	-128
Research and development expenses	-2	-3	-7	-8
Other operating income and expenses	1	7	12	18
Operating profit	33	28	136	131
(of which depreciation and amortization)	(-6)	(-6)	(-23)	(-23)
Finance income	1	1	7	7
Finance expense	-3	-4	-16	-17
Result after finance items	31	25	127	121
Taxes	-9	-7	-32	-30
Net income for the period	22	18	95	91
Earnings per share, SEK	0.98	0.76	4.15	3.92
Earnings per share after dilution, SEK	0.98	0.76	4.15	3.92
Weighted number of shares outstanding (thousands)	22 478	23 678	22 913	23 212
Weighted number of shares outstanding after dilution (thousands)	22 478	23 682	22 913	23 212
Number of shares after repurchases (thousands)	22 478	23 678	22 478	22 478

In view of the redemption price on outstanding call options (SEK 36.00 and SEK 44.40) and the average market price of the share (SEK 32.30) 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 when the average market price of the share (SEK 31.60) was lower than the redemption price.

CONSOLIDATED BALANCE SHEET

MSEK	2008-06-30	2007-06-30	2008-03-31
ASSETS			
Goodwill	166	136	140
Other intangible non-current assets	100	99	98
Tangible non-current assets	52	80	51
Financial non-current assets	29	39	30
Inventories	257	242	238
Current receivables	415	429	419
Cash and cash equivalents	75	110	79
TOTAL ASSETS	1 094	1 135	1 055
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to the Parent company's shareholders	486	450	459
Minority interests	-	0	-
<i>Total shareholders' equity</i>	<i>486</i>	<i>450</i>	<i>459</i>
Non-current liabilities	175	187	174
Current liabilities	433	498	422
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 094	1 135	1 055
Interest-bearing assets	75	110	79
Interest-bearing liabilities	210	283	172

CONSOLIDATED CASH FLOW STATEMENT

MSEK	3 months Apr–Jun 2008/09	3 months Apr–Jun 2007/08	Financial year Apr–Mar 2007/08
Operating activities			
Profit after finance items	31	25	121
Adjustment for items not included in cash flow, etc	-7	-5	-19
Cash flow from operating activities before changes in working capital	24	20	102
Cash flow from changes in working capital			
Increase (-) / Decrease (+) in inventories	-19	-3	1
Increase (-) / Decrease (+) in operating receivables	13	6	16
Increase (+) / Decrease (-) in operating liabilities	-27	-40	1
Cash flow from operating activities	-9	-17	120
Investing activities			
Investments in businesses	-33	-17	-27
Investments in other non-current assets, net	-4	23	44
Cash flow from investing activities	-37	6	17
Financing activities			
Dividends and repurchases of own shares	-	-	-67
Change in loan liabilities	42	27	-84
Cash flow from financing activities	42	27	-151
Cash flow for the period	-4	16	-14
Cash and cash equivalents at beginning of the period	79	94	94
Exchange rate difference in cash and cash equivalents	0	0	-1
Cash and cash equivalents at end of the period	75	110	79

CHANGE IN SHAREHOLDERS' EQUITY

MSEK	Apr–Jun 2008/09	Apr–Jun 2007/08
Opening balance	459	432
Change in hedging reserve	2	1
Period's exchange rate differences	3	-1
Profit for the period	22	18
Closing balance	486	450

KEY FINANCIAL INDICATORS

	3 months Apr–Jun 2008/09	3 months Apr–Jun 2007/08	2007/08	2006/07	2005/06	Financial year 2004/05
Change in revenue, %	-0.2	23.7	10.0	22.8	5.9	-3.2
Operating margin, %	6.2	5.3	6.0	5.0	3.5	0.3
Profit margin, %	5.8	4.7	5.6	4.6	3.4	-0.1
Equity ratio, %	44	40	44	39	52	51
Return on capital employed, %	21	16	21	18	13	1
Return on equity, %	20	16	21	16	10	1
Debt equity ratio, times	0.4	0.6	0.4	0.6	0.1	0.2
Net debt equity ratio, times	0.3	0.4	0.2	0.4	0.0	0.0
Times interest earned	11	8	9	9	14	1
Net interest-bearing liabilities (+) / recievables (-)	135	173	93	161	-9	-5
Number of employees at end of period	773	783	763	751	541	512
Revenue outside Sweden, MSEK	371	359	1 496	1 352	1 053	941
SHARE DATA						
Number of shares outstanding at end of period after repurchases ('000)	22 478	23 678	22 478	23 678	23 678	24 078
Weighted number of shares outstanding after repurchases ('000)	22 478	23 678	23 212	23 678	23 923	24 078
Weighted number of shares outstanding after reurchases and dilution ('000)	22 478	23 682	23 212	23 678	23 923	24 078
Operating result per share, SEK	1.47	1.18	5.64	4.18	2.38	0.17
Result per share, SEK	0.98	0.76	3.92	2.75	1.63	0.21
Result per share after dilution, SEK	0.98	0.76	3.92	2.75	1.63	0.21
Cash flow per share, SEK	-0.18	0.68	-0.60	1.69	-1.00	-2.45
Shareholders' equity per share, SEK	21.60	19.00	20.40	18.20	16.60	15.50
Latest market price per share, SEK	31.80	38.50	28.80	33.50	30.10	19.50

Definitions are found on page 27 of the Annual Report 2007/08 .

PARENT COMPANY INCOME STATEMENT

MSEK	3 months Apr–Jun 2008/09	3 months Apr–Jun 2007/08	Moving 12 months Jul–Jun 2007/08	Financial year Apr–Mar 2007/08
Revenue	7	7	26	26
Administrative expenses	-9	-8	-37	-36
Other operative income and expenses	0	0	0	0
Operating profit	-2	-1	-11	-10
Finance income	70	60	96	86
Finance expense	-3	-3	-44	-44
Profit before taxes	65	56	41	32
Taxes	1	1	4	4
Net income for the period	66	57	45	36

PARENT COMPANY BALANCE SHEET

MSEK	2008-06-30	2007-06-30	2008-03-31
ASSETS			
Tangible non-current assets	0	0	0
Financial non-current assets	648	703	642
Short-term receivables	41	73	33
Cash and cash equivalents	0	5	0
TOTAL ASSETS	689	781	675
EQUITY AND LIABILITIES			
Equity	445	452	378
Long-term liabilities	100	90	145
Current liabilities	144	239	152
TOTAL EQUITY AND LIABILITIES	689	781	675
Assets pledged and contingent liabilities	47	44	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 773, 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 48.8. The distribution on classes of shares is as follows:

Class of shares	
Class A shares	1 094 654
Class B shares	23 319 578
Repurchased Class B shares	-1 936 423
Total	22 477 809

Lagercrantz holds 1,936,423 class B shares in treasury, equivalent to 7.9 percent of the number of shares outstanding and 5.6 percent of the number of votes. No shares were repurchased during the first quarter. 515,000 of the shares held in treasury are intended to fulfil the Company's undertaking under outstanding option programmes (awards for 2006 and 2007) where the redemption price is SEK 36.00 and SEK 44.40 per call option, respectively. The average acquisition cost of the shares held in treasury amounts to SEK 28.25 per share. The quotient value per share is SEK 2.

ACQUISITION OF BUSINESS

Possession was taken of CAD Kompagniet in Denmark on 1 April 2008.

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's 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. For additional detail, please refer to the 2007/08 Annual Report since no significant changes have occurred during the period in terms of risks and factors of uncertainty. The Parent Company is affected by the above mentioned risks and factors of uncertainty in its function as owner of its subsidiaries.

TRANSACTIONS WITH RELATED PARTIES

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

EVENTS AFTER THE BALANCE SHEET DATE

No significant events have occurred after the balance sheet date, 30 June 2008.

ANNUAL GENERAL MEETING 2008

The 2008 Annual General Meeting relating to the 2007/08 financial year will be held at 4:00 p.m., 1 September 2008, at IVA conference centre, Grev Turegatan 16, Stockholm. Information about the Annual General Meeting will be available at the Company's website: www.lagercrantz.com.

UPCOMING REPORTS

11 November 2008	Interim report for the period 1 April – 30 September 2008
10 February 2009	Interim report for the period 1 April – 31 December 2008
13 May 2009	Interim report for the period 1 April 2008 – 31 March 2009

Stockholm, 14 August 2008

Jörgen Wigh, President & CEO

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

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 in close proximity to its customers and markets and has a leading position in several expansive niches.

Operations are organised in three divisions: Division Electronics is primarily involved in marketing solutions in wireless industrial communication and embedded systems. Division Mechatronics offers electro-mechanical components and production of cable harnesses and electric connection systems. Division Communications provides solutions in digital image transmission/technical security, access products and design software.

Lagercrantz is today active in eight countries in Northern Europe, and in China. The Group has sales of approximately SEK 2.2 billion and has approximately 800 employees.

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