Lagercrantz Group

Annual Report 2012/13

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Board of Directors Report

The Board of Directors and the President of Lagercrantz Group AB (publ), organisation number 556282-4556, hereby submit their Annual Accounts and consolidated financial statements for the 2012/13 operating year. The Corporate Governance Report is also included in the Board of Directors Report.

The legal Annual Accounts consist of the Board of Directors Report, including the Corporate Governance Report, with proposed allocation of earnings, and the Financial Statements.

BUSINESS

Lagercrantz Group AB (publ) and its subsidiaries are a technology group in electronics, electrics, communication and adjacent areas. The Group's products and services are distinguished by high technology content, customer adaptation and value creation. The Group is active in a number of product segments in several geographic markets.

The Group operates with a distinct niche focus and is characterised by decentralised business responsibility, where each subsidiary is a separate profit centre with responsibility for its chosen strategy. The Lagercrantz Group consists of the Parent Company, Lagercrantz Group AB, and some 30 operating subsidiaries. During 2012/13 the subsidiaries were organised in four divisions: Electronics, Mechatronics, Communications and Niche Products.

NET REVENUE AND PROFIT

The overall business situation was stable during the financial year. In the beginning of the financial year sales were in line with the preceding year's performance, but then the situation deteriorated slightly during the autumn of 2012 due to the state of the economy in Europe. This was gradually compensated for by acquired business volume. During the latter part of the financial the business situation stabilized again.

The best development was noted in the Scandinavian countries, whereas the performance in Finland and Germany was somewhat weaker. Unfavourable calendar effects impacted the third quarter because of the extended Christmas holiday. The financial year was also negatively affected by two Easter holidays, one in April 2012 and one in March 2013.

Operating profit for the financial year amounted to MSEK 213 (184), equivalent to an increase of 16 percent. The operating margin increased by 1 percentage point, reaching 9.1 percent (8.1). Currency effects on operating profit were MSEK -2 (-1) during the financial year.

Profit after net finance items for the financial year increased by 17 percent to MSEK 200 (171), which is an all-time-high for a twelve-month period. Net finance items were impacted by currency effects in the amount of MSEK -1 (-1).

Profit from acquired units, successful restructuring measures in division Communications, and cost awareness created earnings improvements during the year. The sales mix continued to transition in the direction of more value-adding systems and solution sales at the expense of component sales with lower margins.

The focus of acquired units on proprietary products has also strengthened margins for the Group as a whole.

Profit after taxes for the financial year amounted to MSEK 159 (126). Profit after taxes was affected in a positive direction by a one-time effect estimated to be MSEK 10, due to recalculation of deferred taxes in accordance with the new corporate tax rate in Sweden of 22.0 percent (26.3) in effect from the 2013/14 financial year.

Earnings per share after dilution for the 2012/13 financial year increased by 26 percent, amounting to SEK 7.07, as compared with 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 24 percent (22) and the return on capital employed was 23 (22) percent.

Equity per share amounted to SEK 31.30 at the end of the period, as against SEK 27.90 at the beginning of the financial year, affected by the profit, but also by dividend paid, the above mentioned tax effect and currency-related translation effects.

The equity ratio stood at 44 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 299, including a pension liability of MSEK 51, compared to MSEK 185, including a pension liability of MSEK 50 at the beginning of the year. The consolidated net debt equity ratio was 0.4 (0.3).

CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities during the financial year amounted to MSEK 177 (175). The corresponding number for the fourth quarter was MSEK 19 (73). The difference compared to the year before is explained primarily by an increase in operating liabilities. Gross capital investments amounted to MSEK 30 (21) during the financial year.

No shares were purchased during the financial year. Instead, shares held in treasury were sold for MSEK 11 during the financial year in conjunction with redemption of options and premiums received in connection with issuance of options.

MSEK 4 was paid in additional consideration for earlier acquisitions.

NET REVENUE AND PROFIT BY DIVISION

Electronics

Net revenue for the financial year amounted to MSEK 623 (606). An overall slightly weaker market situation was compensated for by acquired business volume, especially in lighting control. The business volume in a few profit centres was also affected by the phasing-out of standard components with low margins. Some weakness in demand was noted, especially on the German and Finnish markets.

Operating profit for the financial year amounted to MSEK 48 (42), which is equivalent to an operating margin of 7.7 percent (6.9). The stronger margin was derived primarily from acquired units and by continuing the transition towards higher value added.

The Vanpee companies, Vanpee AB and Vanpee Norge AS, are included in division Electronics from August 2012. The Vanpee companies are value-adding distributors in the lighting industry, with leading component suppliers in the portfolio. Customers are mostly found among lighting fixture manufacturers, wholesalers and installers in Norway and Sweden.

Mechatronics

Net revenue for division Mechatronics for the financial year contracted to MSEK 703 (770). Demand was stable in the beginning of the financial year, with the most robust development among export-related industrial customers in electrical connection systems. As the year progressed, some units in the division experienced greater caution and weaker demand believed to be caused by a weaker economy. The Finnish market in particular suffered from lower demand. In the area of custom cable harnesses volumes to specific customers were also lower towards the end of the financial year.

Operating profit for the financial year amounted to MSEK 83 (97), equivalent to an operating margin of 11.8 percent (12.6). The lower profit was primarily due to a lower sales volume for custom cable harnesses. Newly acquired Elkapsling and the safety switch area showed a positive development during the financial year.

Elkapsling is a part of the division as of December 2012. Elkapsling is a niched player that develops, produces and sells enclosures which are used to protect electrical and telecoms installations with high demand on e.g. endurance and tightness. Customers are found mostly among Swedish installation companies, makers of apparatus enclosures, electrical wholesalers and OEMs.

Communications

Net revenue for the financial year amounted to MSEK 785 (739). Demand was particularly strong in the areas of digital image/technical security and software compared to the year before. Growing interest was noted for the Group's offerings in the areas of camera surveillance and video conferencing.

Operating profit for the financial year increased by 49 percent to MSEK 64 (43), which is equivalent to an operating margin of 8.2 percent (5.8). The improved result is explained primarily by restructuring measures taken in some units in product areas digital image/technical security and access.

Niche Products

In April 2012, Lagercrantz Group increased the number of divisions to four by creating division Niche Products.

Three of the Group's existing companies were moved from division Mechatronics to division Niche Products. These companies were: Svensk Stålinredning AB, SwedWire AB and Vendig AB.

Plåt & Spiralteknik i Torsås AB (PST) was acquired during the financial year. PST is a niched player that develops, manufactures and markets shaftless spiral conveyors. Customers are found in the areas of biofuel handling, purification plants, sawmills and in the recycling industry. The company is a part of division Niche Products since July 2012.

The Thermod companies were also acquired during the financial year. Thermod AB and Ampol Serwis Sp.zo.o., with subsidiary Thermod Polska Sp.zo.o., are included. The Thermod companies develop, manufacture and sell niched inner doors made of fibreglass-reinforced plastic laminate with long life and high quality for refrigeration and freezer rooms or environments with stringent demands for hygiene and moisture resistance. Customers are found mostly in food production, among supermarkets and institutional kitchens, as well as hospitals and indoor swimming pools. These companies are part of division Niche Products from August 2012.

Net revenue for the new division amounted to MSEK 217 (150) during the financial year. The increase is primarily explained by acquisitions.

Operating profit amounted to MSEK 35 (26), equivalent to an operating margin of 16.1 percent (17.3). The lower margin was due primarily to lower export sales in a few units due the worsening economic situation.

PARENT COMPANY AND OTHER CONSOLIDATION ITEMS

The Parent Company's internal net revenue for the financial year amounted to MSEK 30 (28) and profit after net finance items was MSEK 140 (172). This result includes exchange rate adjustments on intra-Group lending in the amount of MSEK -4 (-1) and dividend income from subsidiaries in the amount of MSEK 138 (168). Investments in capital assets amounted to MSEK 0 (0). MSEK 268 (164) of the Parent Company's committed credit facility of MSEK 500 was utilized at the end of the period. The Company held liquid funds of MSEK 0 as against MSEK 0 at the beginning of the financial year. The Parent Company's liquidity ratio was 53 percent (60).

EMPLOYEES

At the end of the period the number of employees in the Group was 932, which can be compared to 780 at the beginning of the financial year. The increase is attributable to acquired businesses (168 new employees).

SHARES, REPURCHASES AND MAJOR SHAREHOLDERS

The share capital amounted to MSEK 48.9 at the end of the period. As of 31 March 2013 the distribution on classes of shares was 1,091,966 class A shares and 22,081,343 class B shares, a total of 23,173,309. The class A share is not listed. The quotient value per share is SEK 2.11. The Articles of Association allow for conversion of class A shares to class B shares. A total of 2,688 shares were converted during the year.

The 2012 Annual Meeting resolved to authorise the Board of Directors to repurchase shares up to 10 percent of the total number of shares outstanding until the next Annual Meeting. Repurchases shall be made via the stock exchange. Among other things, the mandate included the option of covering the Company's obligations under incentive programmes, under which purchase options on repurchased shares have been acquired by members of senior management and key persons in the Group. No shares were repurchased during the financial year.

At the end of the period Lagercrantz Group owned 653,300 class B shares, equivalent to 2.8 percent of the number of shares outstanding and 2.0 percent of the votes in Lagercrantz Group. The average acquisition cost of the shares held in treasury is SEK 31.75 per share. Repurchased share cover, inter alia, the Company's obligation under outstanding call option programmes for repurchased shares, where a total of 562,500 options have been acquired by members of senior management. This refers to awards in 2010, 2011 and 2012 of options still outstanding. The redemption price of the programmes are SEK 39.60, SEK 57.20 and SEK 70.30 per share. The redemption price for the 2010 programme has been adjusted for dividend paid during the year. During the 2012/13 financial year, 225,000 options were issued with a redemption price of SEK 70.30 in accordance with a 2012 Annual Meeting resolution and were acquired by members of senior management in the Group.

During the first six months of the year incentive programmes based on options on repurchased class B shares acquired by members of senior management in the Group during 2009 were redeemed. In connection with the redemption a total of 200,500 class B shares held in treasury were sold for a total of MSEK 6. No outstanding options remain under this programme.

During the third quarter incentive programmes based on options on repurchased class B shares acquired by members of senior management in the Group during 2010 were redeemed.

In connection with the redemption a total of 102,500 class B shares held in treasury were sold for a total of MSEK 4. (Refer to Note 6 for additional information.)

Two shareholders held more than ten percent of the votes as of 31 March 2013: Anders Börjesson with family with 16.5 percent and Tom Hedelius with family with 14.8 percent. Lannebo Fonder, with 12.4 percent of the capital, was the largest owner in terms of number of shares owned.

The above holdings are calculated based on the number of shares and votes outstanding, not including the shares held in treasury by the Lagercrantz Group.

CERTAIN AGREEMENTS

There are no significant agreements to which the Company is a party that are triggered or amended as a result of a change of control due to a public take-over offer.

ACQUISITIONS

Four acquisitions of businesses were made during the financial year. During the second quarter Plåt & Spiralteknik i Torsås AB (PST) was acquired. PST is a niched player that develops, manufactures and markets shaftless spiral conveyors. The company has annual sales of approximately MSEK 40 and is a part of division Niche Products from July 2012.

Also acquired during the second quarter were the Thermod companies, where Thermod AB and Ampol Serwis Sp.zo.o., with subsidiary Thermod Polska Sp.zo.o., are included. The Thermod companies develop, manufacture and sell niched inner doors made of fibreglass-reinforced plastic laminate with long life and high quality for refrigeration and freezer rooms or environments with stringent demands for hygiene and moisture resistance. The Thermod companies have annual sales of approximately MSEK 55 MSEK and are included in division Niche Products from August 2012.

Also acquired during the second quarter were the Vanpee companies, including Vanpee AB and Vanpee Norge AS. The Vanpee companies are value-adding distributors in the lighting industry with leading component suppliers in the portfolio. The Vanpee companies have annual sales of approximately MSEK 75 and are included in division Electronics from August 2012.

Elkapsling was acquired during the third quarter. This company is a niched player that develops, manufactures and sells enclosures which are used to protect electrical and telecoms installations with high demand on e.g. endurance and tightness. The company has annual sales of approximately MSEK 85 and is part of division Mechatronics from December 2012.

The effect of the acquisitions on consolidated revenue during the financial year was MSEK 135 and on profit before taxes MSEK 13, after acquisition expenses. Transaction expenses for the acquisitions made during the period amounted to MSEK 2 and are included in Administrative expenses in the income statement.

Had the acquired units been consolidated as of 1 April 2012, the effect on revenue and profit before taxes would have been MSEK 246 and MSEK 25, respectively, after acquisition expenses.

The acquisition analysis for the acquired businesses is presented in Note 38.

TRANSACTIONS WITH CLOSELY RELATED PARTIES

Transactions between Lagercrantz and closely related parties with a significant impact on the Company's financial position and results have not occurred.

SOCIAL RESPONSIBILITY

Lagercrantz builds its long-term development on responsible enterprise with respect to moral values and businessmanship. The Group's business is based on long-term and strong relationships with customers and suppliers, as well as good ethics and great respect for all individuals in the company as well as in connection with external contacts.

Much like in other parts of the Group's business, the concrete work with social responsibility is highly decentralised within the framework of the guidelines adopted by Lagercrantz Group. During the year the Group developed new business ethics guidelines (Code of Behaviour) for how employees, customers and other stakeholders should be treated in a lawful, fair and ethical manner.

Lagercrantz Group supports the philosophy of the UN Global Compact (www.globalcompact.org), ILO's core conventions (www.ilo.org), and OECDs guidelines for multi-national companies (www.oecd.org), and the new Code of Conduct is inspired by these principles. The Group's long-term goal is that all customers and suppliers to the Group's companies live up to the Code of Conduct.

Lagercrantz Group follows the Swedish Code of Business issued by The Swedish Anti-Corruption Institute (Institutet Mot Mutor IMM), which aims to guide companies on issues on how gifts, rewards, and benefits may be used to promote the company's business. All selling and marketing of products and services must also be in accordance with relevant laws and regulations in each respective country.

ENVIRONMENTAL IMPACT

Responsibility for improving the environment and participating in a sustainable development is an important prerequisite for the Group's business. The principal activity consists of trading and distribution and some companies in the Group have their own manufacturing operations. The Group's impact on the environment is limited and is mainly associated with transportation of finished goods, business travel and waste management. The Group's companies are continually working on reducing the environmental impact of their operations. Environmental work is conducted locally, based on the specific conditions for each individual company.

The Group's companies strive for high efficiency in their use of energy and natural resources, promote systems for renewed use and recycling of material and energy and also prevent and limit environmental pollution. The ambition is to be sensitive to customers' and suppliers' wishes, thereby meeting the market's demands for proactive environmental work. Several of the companies in the Group work with quantitative goals in their environmental efforts. In four subsidiaries the Group conducts business that requires a permit under the Swedish Environmental Act, with respect to handling of waste water. There are no known threats from an environmental viewpoint that could jeopardise these operations.

RESEARCH AND DEVELOPMENT

In the interest of strengthening and developing Lagercrantz Group's position in its areas of operation, the Group assigns resources primarily to development of different solutions for customers and co-operation partners, products, and certain establishment of proprietary trademarks. Activities during 2012/13 included product development in particular. Development is performed in close co-operation with the customer and always based on an identified customer need. No pure research is conducted in the Lagercrantz Group.

Expenditure for research and development increased slightly during the year, but still accounts for less than one percent of revenue. Expenses consist of the ongoing costs for product development and also for amortisation of investments in new products and acquired intangible assets.

RISKS AND UNCERTAINTY FACTORS

Lagercrantz Group's profit, financial position and the future development are affected by internal factors over which the Company exerts control, as well as by external factors, where opportunities to affect the course of events are limited. The focus is instead on managing the consequences thereof. The most important risk factors are the state of the economy, structural changes in the Group's markets, supplier and customer dependence, the competitive situation and financial risks, as described below.

Financial and political uncertainties are the most palpable uncertainty factors for Lagercrantz Group. The unrest in financial markets, and the broad economic slowdown during 2008–2009, had a negative effect on demand for several of the Group's companies. A number of measures were therefore taken in the Group during 2008–2009 in areas including costs, working capital, and capital expenditures. When demand thus grew stronger in the beginning of 2010/11, the Group had a good position, with reduced costs and a strong financial position, which had a positive effect on the Group during 2011/12 as well as during 2012/13.

The overall business climate during 2012/13 was stable. During the beginning of the year sales were in line with the year before, whereupon the situation deteriorated slightly during the autumn of 2012 due to the prevailing economic situation in Europe. This was gradually compensated for by acquired business volume. During the latter part of the financial year the situation stabilized again.

The economic situation

Lagercrantz Group is affected by the overall economic development. Since Lagercrantz Group almost exclusively sells its products and services to companies and government agencies, it is primarily these entities' purchasing plans that affect Lagercrantz Group. Lagercrantz Group tries to meet the risks that result from cyclical changes in the economy by sector diversification, niche focus and its decentralised structure. Sector diversification means that, seen across the entire Group, its customers will find themselves in different phases on an economic cycle. As a consequence of the Group's niche focus, the Group is less dependent on one or a few end markets for its growth and profitability. This means that cyclical changes in one sector or one country may have an impact on an individual company niched towards parts of this sector or geographic area, but will have less effect on the Group's overall development. Lagercrantz Group endeavours to have a growing part of its sales in the form of aftermarket sales and service revenue, which is deemed to be less sensitive to economic cycles than capital investment-type goods. The decentralised structure means that it is the responsibility of the individual profit centres to keep on top of their respective markets and take action quickly when fluctuations in the market situation are seen. This makes rapid and effective changes possible and local measures can be taken with a clear link to each profit centre's environment.

Structural changes

Lagercrantz Group works actively on increasing the value element in its offer, irrespective of customer group. This has clearly been a contributing reason for the Group's improved profitability, and the fact that the Group continues to be a prioritised supplier to many customers. An important part of this work has been to be more selective in choosing customers and market segments where the Group has an opportunity of creating a strong market position, which makes it more difficult to replace us with another supplier.

Another structural change that affects our business is the ever more rapid technological development, and overall shorter product life cycles. This places ever more rigorous demands on the companies to stay close to the customers and suppliers in order to catch new trends and to know when it is commercially warranted to adopt a new technology area, or to phase out an existing one.

Supplier and customer dependence

Dependency on individual suppliers is one of the most significant operational risks for an individual subsidiary to handle. Some of the companies in the Group have developed their business based on one or a few strong supplier relationships. If one of these were to disappear, it would hurt the company, especially in the short term, before alternatives have been located. In order to minimise this risk, the subsidiaries work closely with their suppliers so as to create strong relationships at multiple levels. The Group also increasingly works on analysing supplier and customer relationships based on contract structure, product liability issues and insurable risks to minimise the consequences of the loss of a supplier or customer. In recent years the Group has also worked successfully to reduce the risks associated with late payments from, or non-payment by customers. Measures have included credit assessment and follow-up of new and existing customers, as well as active management of late payments.

Overall in the Group, there is a number of suppliers and distribution agreements and of these only a few are of such major economic importance that special action would be required if one of them were lost. Only one supplier represents more than five percent of the Group's aggregate sales. A number of supplier agreements expire and are added each year in the normal course of business, however.

Lagercrantz Group has a broad customer structure, split over a number of industry segments and geographic markets. No customer represents more than five percent of the Group's aggregate sales.

Competitive situation

Lagercrantz Group operates in an environment of global competition. New technologies and efficiency-improving solutions means permanent pricing pressures and demands for renewal. To compete successfully, Lagercrantz Group operates in niches with sharp focus on developing and maintaining a strong market position. Internally, a niche is defined as a well-defined area of technology or a customer segment with a total market value of between MSEK 200 and MSEK 1,000. In each respective niche Lagercrantz Group tries to assume a unique position by creating high value added for customers and suppliers. With good customer relationships, a well-adapted product offering, high quality, service, support and other supplementary services we become a sought-after supplier. This limits competition from global players and Lagercrantz Group's businesses can continue to thrive in the short term as well as on a long-term basis.

Seasonal variations

Lagercrantz Group's business is only to a limited degree marked by seasonal variations. Operations normally follow the seasonal pattern for the manufacturing industry, which means lower sales during holiday periods. Based on a historical pattern, just short of half of the result is generated during the first two quarters, and just over half during the last two quarters of the financial year, April to September in other words, and more than half during the last two quarters of the financial year, October to March, in other words. In lockstep with the change in the Group's structure prompted by a growing share of export-related business, the seasonal pattern has been evened out to a large extent. Deviations from this may also appear when rapid economic changes occur.

Financial risks and sensitivity analysis

For an account of the Group's and the Parent Company's financial risks and a sensitivity analysis, reference is made to Note 41.

CORPORATE GOVERNANCE REPORT

Starting with the 2009/10 financial year, Lagercrantz Group prepares a statutory corporate governance report in accordance with the Swedish Annual Accounts Act (1995:1554), chapter 6, sections 6–9, which is subject to review by the Company's auditor. In addition hereto Lagercrantz Group applies the Swedish Code for Corporate Governance in accordance with the revised code that came into force 1 February 2010. Since the legislation and the code partially overlap, Lagercrantz Group in the following provides a report that takes the Swedish Annual Accounts Act as well as the Swedish Code for Corporate Governance into account. The Company adheres to the Code in all essential aspects. In four respects (two of which are found in the section on Election Committee, one in the section on Audit Committee, and one in the section on incentive programmes) an explanation is offered for the deviations. The report also contains an account of the work of the Election Committee leading up to the 2013 Annual Meeting.

Corporate governance structure

Lagercrantz Group is a Swedish public limited liability company with its registered office in Stockholm. The Company, through its subsidiaries, deals in technology and is publicly traded in Stockholm since 2001. Governance and control of the Company is exercised through a combination of written rules and practice. In the first instance the regulatory framework consists of the Swedish Companies Act and the Swedish Annual Accounts Act, but also the Swedish Code for Corporate Governance and the rules that apply to the regulated market where the Company's shares are listed.

The Swedish Companies Act contains basic rules for the Company's organisation. The Swedish Companies Act stipulates that there should be three decision-making organs: the General Meeting of Shareholders, the Board of Directors and the President & Chief Executive Officer, in a hierarchal relationship with each other. There should also be one control organ, the auditor, who is appointed by the Annual Meeting.

Shareholders

As of 31 March 2013 the number of shareholders was 3,453, compared to 3,655 at the beginning of the financial year. Private individuals owned 34 percent (35) of the number of shares outstanding and 53 percent (57) of the votes in the Company. The remaining shares were owned by legal entities, primarily mutual funds, insurance companies and pension funds. Foreign shareholders owned 19 percent (24) of the shares outstanding and 13 percent (17) of the votes. The holding of the ten largest shareholders was 58 percent (55) of the shares outstanding and 68 percent (65) of the votes.

The above calculations are based on the number of shares outstanding, not including repurchased shares held in treasury by Lagercrantz Group.

Annual meeting and articles of association

The general meeting of shareholders is the highest decision-making body in Lagercrantz Group. Here, shareholders exercise their influence through discussions and resolutions. The General Meeting decides on all issues that do not expressly fall under the jurisdiction of another corporate organ. Every shareholder has the right to participate in the proceedings of and to vote their shares at the General Meeting in accordance with the provisions of the Articles of Association.

Lagercrantz Group's regularly scheduled Annual General Meeting shall be held in Stockholm within six months of the end of the financial year. The Annual General Meeting appoints the Board of Directors and the auditors and sets their fees. The Annual General Meeting also adopts the financial statements and decides on the allocation of earnings and on discharge from liability for the Board of Directors and the President and decides on other matters that according to the Articles of Association or legislation should be brought before the General Meeting.

The Articles of Association have been adopted by the General Meeting. This document stipulates that the Company's shares have been issued in two classes, where class A shares entitle their holder to 10 votes and class B shares to one vote per share. The Company's share capital shall be a minimum of SEK twenty-five million (25,000,000) and a maximum of SEK one hundred million (100,000,000). The minimum number of shares outstanding shall be 12,500,000 and the maximum number of shares outstanding shall be 50,000,000. Both classes of shares confer the same rights on its holders with respect to the Company's assets and profit. The Articles of Association allows for conversion of class A shares into class B shares. The Articles of Association also stipulate that the Company's Board of Directors shall consist of not less than three and not more than nine directors, and regulates the forms of notice for General Meeting.

Notice for Annual General Meeting, and notice for Extraordinary General Meeting, where an amendment of the Articles of Association will be on the agenda, shall be issued not less than six weeks and not more than four weeks before such Meeting. Notice for other Extraordinary General Meeting shall be issued not more than six weeks and not less than two weeks before such Meeting. The notice to attend shall be published in Post och Inrikes Tidningar and Dagens Industri and, and shall be available at the Company's website. Shareholders who wish to participate in the proceedings of the General Meeting shall (i) be entered in a transcript or other version of the entire share register showing the state of affairs five weekdays before the General Meeting and (ii) give notice to the Company for him- or herself and up to two assistants not later than at 3:00 p.m. on the date set forth in the notice for the General Meeting.

Since 2005, the Annual General Meeting has also determined the form for how an election committee is to be appointed.

2012 General Meeting

The 2012 Annual Meeting was held 28 August in Stockholm. Notice for the Meeting was published 25 July 2012 in Dagens Industri and Post och Inrikes Tidningar, and was announced the same day in a press release. At the Meeting shareholders representing 9.0 million shares and 17.9 million votes, respectively, were present. This is equivalent to 40 percent of the number of shares outstanding and 56 percent of the votes in the Company.

Resolutions passed by the General Meeting included the following:

- A dividend of SEK 2.75 per share was declared in accordance with the proposal of the Board of Directors.
- Discharge from liability was granted to the Board of Directors and the President for their administration during 2011/12.
- All directors and the Chairman of the Board of Directors were re-elected in accordance with the proposal of the Election Committee.
- Fees for the Board of Directors and the auditors were determined.
- Routines were established for appointment of an election committee in preparation for the next Annual Meeting.
- Principles for remuneration and other terms of employment for senior management were resolved.
- In accordance with the proposal of the Board of Directors, the Annual Meeting resolved that the Company – in a departure from the pre-emptive rights of shareholders – to offer managers and members of senior management to acquire up to 225,000 call options on repurchased class B shares.
- The Board of Directors was authorised to acquire and sell shares in the Company, representing up to 10 percent of the shares – on one or more occasions – during a period ending immediately before the next following Annual General Meeting.

Board of Directors

It is the duty of the Board of Directors to manage the affairs of the Company in the best possible way and in so doing look after the interests of the shareholders. Lagercrantz Group AB's Board of Directors consisted during 2012/13 of six regular members who together represent broad commercial, technical and public experience:

- Pirkko Alitalo
- Anders Börjesson, Chairman
- Tom Hedelius, Vice Chairman
- Lennart Sjölund
- Roger Bergqvist
- Jörgen Wigh, President & Chief Executive Officer

A detailed presentation of the members of the Board of Directors, including information about other assignments, will be found on page 39. Other members of management of the Group participate in Board of Directors meetings as reporters or Secretary.

Chairman of the Board of Directors

The Chairman of the Board of Directors leads the work of the Board of Directors and has a special responsibility to follow the Company's development between the Board of Directors meetings, and to ensure that the members of the Board of Directors are provided with the information necessary to perform satisfactorily. The Chairman maintains ongoing contact with corporate management and holds meetings with them as needed. The Chairman is also responsible for evaluation of the work of the Board of Directors and for the Election Committee being informed of the result of such evaluation.

Work of the Board of Directors

The Board of Directors held ten meetings during the 2012/13 operating year during which minutes were taken, one of which was a statutory Board of Directors meeting in conjunction with Annual Meeting. The work of the Board of Directors follows rules of procedure that are confirmed on an annual basis at the statutory Board of Directors meeting. These rules of procedure lay down the division of labour between the Board of Directors and the President, the Chairman's and the President's responsibility, and the forms for the financial reporting.

The President is a member of the Board of Directors and presents reports at Board of Directors meetings. The Board has appointed the Group's Executive Vice President to serve as secretary. The

Board of Directors has a quorum when at least four directors are present and, where possible, decisions are made after discussion that leads to consensus. The Board of Directors was complete at all meetings during the year.

During regularly scheduled Board of Directors Meetings the Company's economic and financial position are dealt with; one item on the agenda deals with acquisitions. The Board of Directors is kept informed by way of information in writing about the Company's business and other relevant information.

During 2012/13 the Board of Directors devoted special attention to acquisition issues, market development and business model. One extra Board of Directors meeting was held during one meeting solely aimed at discussing the Group's position and strategy.

The work of the Board of Directors is evaluated annually following an established procedure which includes discussions around:

- Agenda and material for the Board of Directors
- Number of meetings
- Strategic plan and orientation
- Overarching responsibility
- Competence
- Work of the Chairman

The Board of Directors dealt with the most recent evaluation during a meeting in the month of February 2013. In accordance with the Code, the Board of Directors evaluated the work of the President & CEO at a meeting without the presence of corporate management.

The total fee to the Board of Directors of Lagercrantz Group for 2012/13 amounted to SEK 1,300,000 (1,217,000). In accordance with an Annual Meeting resolution, the Chairman of the Board of Directors received SEK 400,000 (400,000), the Vice Chairman SEK 300,000 (300,000) and the other directors who are not employees of the Company received SEK 200,000 (200,000) each. Refer to Note 6.

Compensation Committee

The Board of Directors has appointed a compensation committee within itself with the task of preparing the proposal of the Board of Directors for the Annual Meeting's guidelines for compensation to the President and CEO, and other members of senior management. The Committee also has the task of following up on and implementing the resolutions of the Annual Meeting with respect to principles for compensation to members of senior management. During 2012/13 the Compensation Committee consisted of Anders Börjesson, Chairman of the Board of Directors, and Tom Hedelius, Vice Chairman of the Board of Directors. The President & CEO presents reports but does not participate in matters concerning him. The Compensation Committee held one meeting during the year. All members were present at this meeting.

Audit Committee

The Board of Directors has appointed an audit committee the duty of which is to analyse and discuss the Company's risk management, governance and internal control. During 2012/13 the Committee consisted of all directors with the exception of the President & CEO. In the opinion of the Board of Directors, this is most appropriate in view of Lagercrantz Group's size and business. The Audit Committee maintains contact with the Company's auditors to discuss the orientation and scope of the audit work. In connection with the adoption of the annual financial statements, the Company's auditors report on their observations during the course of their audit and their assessment of the internal control. At its disposal the Audit Committee also has an internal control group.

The Committee held one meeting during the year. All members were present at this meeting.

Because of the structure with an internal control group that supervises and reports discrepancies to the Committee, and the extensive work that a traditional examination by the Company's auditors would entail, the Board of Directors has chosen to deviate from the recommendation of the Swedish Code of Corporate Governance calling for a review of the semi-annual report or the third quarter interim report.

Auditors

Registered Audit Company KPMG AB was elected to serve as auditor at the 2009 Annual General Meeting. The audit firm has appointed Joakim Thilstedt, Authorised Public Accountant, to serve as auditor in charge.

In order to ensure oversight and control by the Board of Directors, it is annually given an opportunity to voice its opinion on the auditors' planning of the audit's scope and focus. After completing its review of internal control and accounting records, the auditors report on their findings at the Board of Directors meeting in May. In addition hereto, the auditors are offered to attend Board of Directors meetings when the Board of Directors or the auditors feel that there is a need.

The independence of the auditors is ensured by the audit firm's internal guidelines. Their independence has been confirmed to the Audit Committee.

Management

The Chief Executive Officer and Group management draw up and implement Lagercrantz Group's over-arching strategies and deal with issues such as acquisitions, disposals and major capital investments. Such issues are prepared by Group management for decision by the Parent Company's Board of Directors. The President & CEO is responsible for day-to-day management of the Company in accordance with decisions and guidelines of the Board of Directors.

Lagercrantz Group's Group management consists of the President and the Group's Chief Financial Officer. The management team consists of Group management and division heads/business area managers, in total eight persons who constitute senior management. A detailed presentation of the management group will be found under Management on page 39. The management team meets on a monthly basis to discuss the Group's and the subsidiaries' results and financial position, as well as issues pertaining to strategy, result follow-up, forecasts and the general development of the business. At these meetings the Group Controller and one person in business development are also present. Among the tasks are also issues concerning acquisitions, joint projects, consolidated financial reporting, communication with the stock market, internal and external communication, and co-ordination and follow-up of security, environment and quality.

Compensation to senior management

Lagercrantz Group's principles for compensation to members of senior management entail that compensation to the President & CEO and other persons in the management team may consist of basic salary, variable compensation, pension, other benefits and financial instruments.

Guidelines adopted for compensation of members of senior management as resolved by the 2012 Annual General Meeting and information about existing incentive programmes are set forth in Note 6 of this Annual Report and are summarized below.

The aggregate compensation must be in line with market conditions as well as competitive, and should be commensurate with responsibility and authority. The annual variable portion of the compensation should be maximised to about 40 percent of the fixed salary. The variable portion should also be based on actual performance relative to set goals, and on individual performance.

The retirement age shall be 60–65 years and in addition to the ITP plan, there should in the normal instance only be defined contribution pension plans. In case of termination, there may be severance pay equivalent to a maximum of one year's salary. There shall be no other share-price-based incentive programmes than the present and to the Annual Meeting proposed incentive programme.

In individual cases and if special reasons exist, the Board of Directors may diverge from the above guidelines.

The proposal of the Board of Directors to the 2013 Annual General Meeting for guidelines for compensation to members of senior management is that the principles for compensation to the President & CEO and other senior managers should be unchanged.

Operative governance

The Group's operative activities are handled in subsidiaries of the Lagercrantz Group. There is active board-of-directors work in all subsidiaries under the management of division heads. Subsidiary boards of directors follow day-to-day operations and set business plans. Operations are conducted in accordance with the rules, guidelines and policies adopted by Group management, and by guidelines instituted by each respective subsidiary Board of Directors. Subsidiary chief executives are charged with profit centre and profitability responsibility for their respective companies, as well as responsibility to secure growth and development in their respective companies. Allocation of investment capital in the Group is determined following a decision by parent company Lagercrantz Group's Board of Directors in accordance with an annually updated capital expenditure policy.

Operative governance in the Lagercrantz Group is distinguished by clear demands from Group management and considerable liberty for each respective subsidiary to make decisions and act to fulfil set goals.

Internal control

The purpose of internal control is to ensure that the Company's strategies and goals are followed up and that the investment of the shareholders is protected. A secondary purpose is to ensure Group-wide accurate and relevant information to the stock market in compliance with generally accepted accounting principles in Sweden, laws, regulations and other requirements on listed companies. The Board of Directors of Lagercrantz Group has delegated the practical responsibility to the President & CEO, who in turn has allocated the responsibility to the other members of senior management and to subsidiary chief executives.

Control activities take place in the entire organisation at all levels. Follow-up is included as an integrated element of management's day-to-day work.

For the financial reporting there are policies and guidelines, and also automatic control in systems as well as reasonability assessment of flows and amounts.

Management makes regular assessments of any new financial risks that may arise and the risk for errors in the existing financial reporting. To its aid in this regard, management has an internal control group consisting of persons from the finance department. The group is charged with responsibility to review the Group's internal control routines and compliance therewith, and report its observations and recommendations to the Audit Committee.

Controls are made taking transaction flows, staffing and control mechanisms into account. There is focus on possible errors in the financial reporting with respect to significant earnings and balance sheet items and areas where there is a risk that the consequences of any errors would be considerable.

The Board of Directors is of the opinion that a trading operation of Lagercrantz Group's scope, in a decentralised organisation, in a well-defined market, does not require a more extensive review function in the form of an internal audit department. The Board of Directors makes a renewed assessment of this issue on an annual basis.

So as to ensure good capital market communication, the Board of Directors has adopted a communications policy. This policy dictates what should be communicated, by whom and how. The basic premise is that regular financial information is provided in the form of:

- Press releases about significant events or price-sensitive information.
- Interim reports, year-end report and press release in conjunction with the Annual General Meeting
- Annual Report

Through openness and transparency, the Board of Directors and management of Lagercrantz Group work to provide the Company's owners and the stock market with relevant and accurate information.

Election Committee

The principal task of the Election Committee is to suggest directors, Chairman of the Board of Directors and auditors and to suggest the fees for directors, the Chairman and the auditors in such a way that the Annual General Meeting can make well-founded decisions. The 2012 Annual Meeting decided to give the Chairman of the Board of Directors the assignment of contacting the largest shareholders by vote before 31 December 2012, requesting them to appoint candidates, thereby forming an election committee together with the Chairman of the Board of Directors. In accordance herewith, an election committee was formed consisting of:

- Anders Börjesson, Chairman
- Tom Hedelius, Vice Chairman
- Johan Lannebo, Lannebo Fonder
- Tomas Ramsälv, Odin Fonder
- Gustaf Setterblad, Didner & Gerge Fonder

The Election Committee has access to the evaluation made by the Board of Directors of its work, and information about the Company's business and strategic orientation. The suggestions of the Election Committee as well as its motives will be published in connection with the notice for the Annual Meeting and will also be made available at the Company's website. The mandate period of the Election Committee lasts until a new election committee has been appointed. No fees are payable for election committee work.

In a deviation from the Swedish Code of Corporate Governance, the Chairman of the Board of Directors, Anders Börjesson, has also held the post of Chairman of the Election Committee. Tom Hedelius, Vice Chairman of the Board, has also been a member of the Election Committee. The explanation for this deviation is that Anders Börjesson and Tom Hedelius also are the Company's largest owners in terms of votes. Lagercrantz Group's strategic orientation, as well as its business and governance model, is based on aspects such as strong engagement and know-how on the part of the Company's principal owners. This approach permeates Lagercrantz Group's corporate culture and has proved to be vital for the Group's successful development.

The Board of Directors and the Election Committee are of the opinion that a majority of the members of the Board of Directors is independent relative to the Company and corporate management, and that at least two of these directors also are independent relative to the Company's major shareholders.

Inccentive programme

A long-term incentive programme has been in place since 2006 for managers and members of senior management in the Group in accordance with an annual meeting resolution. The purpose of the programme is to raise motivation and create participation for managers and members of senior management regarding the opportunities for the company's development. The object of the programme is also to motivate managers and members of senior management to continued employment in the Group. The programme is a revolving programme based on call options on repurchased Class B shares held in treasury. Options have been issued in 2006, 2007, 2008, 2009, 2010, 2011 and 2012 based on the decision by the annual general meeting each year. The 2010, 2011 and 2012 programmes are currently outstanding. Outstanding programmes mean that shares can be acquired on three different occasions, two of which fall within three years from issuance and thus constitute a deviation from the Swedish Code of Corporate Governance. The purpose of this is to allow redemption on several occasions. A complete description of outstanding option programmes will be found in Note 6.

EVENTS AFTER THE DATE OF THE REPORT OF FINANCIAL POSITION

No events of significance for the Company have occurred since the date of the report on financial position, 31 March 2013.

FUTURE DEVELOPMENT

The Group's two most important tasks for the future are to continue developing existing businesses, also focusing on growth, organically as well as through acquisitions.

The financial and political uncertainty continues in many parts of the world. It remains unclear what the real economic effects of this uncertainty will be, so the Group has adopted a cautious attitude and follows the changes in the surrounding world diligently.

Since the Group has been working on lowering its costs and increasing its added value, improved profitability has been created and the Group now stands well prepared for the future. To this is added the revenue and profit that follows from successful acquisitions. The Group's ambition is to continue increasing the element of proprietary products, primarily through acquisitions.

DIVIDEND

The Board of Directors proposes a dividend of SEK 3.25 (2.75) per share. The dividend is equivalent to a total of MSEK 73 (61) and constitutes 46 percent (49) of the year's profit. The size of the dividend is based on consideration to the Group's capital structure and future possibilities for expansion. The Board of Directors is of the opinion that the proposed dividend leaves room for the Group to fulfil its obligations and to make the necessary capital expenditures.

PROPOSED ALLOCATION OF EARNINGS

The Board of Directors proposes that that the funds available for distribution, SEK 633,832 thousand, are allocated as follows:

Dividend to the shareholders, SEK 3.25 × 22,520,009 shares*	73,190
To be carried forward	560,642
Total	**633,832**

** Based on the total number of shares outstanding as of 31 March 2013. The total amount to be paid as dividend may until record date due to repurchase of shares and transfer of shares to participants in long-term share savings programmes.*

In making the proposal for dividend, the Company's dividend policy, equity/assets ratio and financial position in other respects was taken into account and due consideration was given to the Company's ability to fulfil present and anticipated payment obligations in a timely manner and to carry out necessary capital expenditures.

BOARD ASSURANCE

The consolidated and the Parent Company income statements and the consolidated statement of financial position and the Parent Company's balance sheet will be subject to approval at the Annual General Meeting to be held 27 August 2013. We regard the consolidated financial statements as prepared in accordance with the international financial reporting standards referred to in regulation (EG) No. 1606/2002 of 19 July 2002 of the European Parliament and the Council on the application of international financial reporting standards and as providing a true and fair view of the financial position and performance of the Group. The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and provide a true and fair view of the financial position and results of the Parent Company. The Board of Directors Report for the Group and the Parent Company provides a true and fair overview of the business activities, financial position and results of the Group and the Parent Company and describes the significant risks and uncertainty factors facing the Group and the Parent Company.

Stockholm, 25 June 2013

Anders Börjesson
Chairman

Tom Hedelius
Vice Chairman

Roger Bergqvist
Director

Pirkko Alitalo
Director

Lennart Sjölund
Director

Jörgen Wigh
President & Chief Executive Officer

Our audit report was submitted 25 June 2013

KPMG AB

Joakim Thilstedt
Authorised Public Accountant

Consolidated Income Statement

Amounts in MSEK	Note	2012/13	2011/12
Net revenue	3, 4	2,328	2,265
Cost of goods sold		-1,617	-1,609
Gross profit		**711**	**656**
Other operating revenue	7	21	13
Selling costs		-334	-323
Administrative expense		-146	-134
Research and development expenses		-30	-21
Other operating expenses	8	-9	-7
Operatig profit	3, 5, 6, 9, 10, 13	**213**	**184**
Profit from finance items			
Financial income	11	3	3
Financial expense	12	-16	-16
Profit before taxes	13	**200**	**171**
Taxes	14	-41	-45
Profit for the year		**159**	**126**
Earnings per share, after dilution, SEK	40	7.07	5.63
Earnings per share, SEK	40	7.09	5.66
Number of shares outstanding after repurchases ('000)		22,520	22,217
Weighted number of shares outstanding after repurchases adjusted for dilution ('000)		22,501	22,392
Weighted number of shares outstanding after period's repurchases ('000)		22,426	22,242
Proposed dividend per shares, SEK		3.25	2.75

Consolidated Statement of Comprehensive Profit

Amounts in MSEK	Note	2012/13	2011/12
Profit for the year		159	126
Other comprehensive profit			
Change in hedging reserve		–	1
Change in translation reserve		-23	1
Comprehensive profit for the year		**136**	**128**

Consolidated Statement of Financial Position

Amounts in MSEK	Note	2013-03-31	2012-03-31
ASSETS	3		
Non-current assets			
Intangible non-current assets			
Goodwill	15	515	361
Trade marks	16	129	108
Other intangible assets	17	99	84
		743	**553**
Tangible non-current assets			
Buildings, land & land improvements	18	48	30
Leasehold improvements	19	1	2
Machinery and equipment	20	47	38
Equipment, tools and fittings	21	29	17
		125	**87**
Financial non-current assets			
Other long-term receivables	24, 33	2	2
		2	**2**
Deferred tax asset			
Deferred tax asset	31	6	8
		6	**8**
Total non-current assets		**876**	**650**
Current assets			
Inventories, etc.	25		
Raw materials and supplies		73	64
Work in progress		21	21
Finished goods and merchandise		138	144
		232	**229**
Short-term receivables	33		
Trade receivables	26	362	362
Recognised but not invoiced income	27	20	14
Tax assets		22	12
Other eceivables		32	20
Prepaid expenses and accrued revenue		23	22
		459	**430**
Cash and cash equivalents	33	36	37
Total current assets		**727**	**696**
TOTAL ASSETS		**1,603**	**1,346**

Consolidated Statement of Financial Position

Amounts in MSEK	Note	2013-03-31	2012-03-31
EQUITY AND LIABILITIES			
Equity and liabilities	29		
Share capital		49	49
Other contributed capital		345	345
Reserves		-41	-18
Profit brought forward		352	244
Total equity attributable to the Parent Compny's equity holders		**705**	**620**
Long-term liabilities	3, 33, 34		
Long-term interest-bearing liabilities			
Provision for pensions	30	51	50
Liabilities to credit institutions	34	4	0
Other long-term interest-bearing liabilities		1	1
		56	**51**
Long-term non-interest-bearing liabilities			
Deferred tax liability	31	82	68
Other provisions	32	2	4
		84	**72**
Total long-term liabilties		**140**	**123**
Current liabilities	3, 33, 34		
Current interest-bearing liabilities			
Committed credit facility	34	272	170
Liabilities to credit institutions	34	7	0
		279	**170**
Current non-interest-bearing liabilities			
Advance payments from customers		1	0
Trade payables		196	205
Tax liabilities		30	37
Other liabilities		143	86
Accured expenses and prepaid income		107	97
Provisions	32	2	8
		479	**433**
Total current liabilities		**758**	**603**
TOTAL EQUITY AND LIABILITIES		**1,603**	**1,346**

PLEDGED ASSETS AND CONTINGENT LIABILITIES BY THE GROUP

Amounts in MSEK	Note	2013-03-31	2012-03-31
Pledged assets			
For own liabilities and provisions	34		
Corporate mortgages		6	3
		6	**3**
Contingent liabilities	39		
Garantees, FPG/PRI		1	1
Guaranteees, other		6	2
		7	**3**

Statement of Changes in Consolidated Equity

Amounts in MSEK 2013-03-31	Share capital	Other contributed capital	Reserves Translation reserve	Retained earnings	Total equity
Opening balance	49	345	-18	244	620
COMPREHENSIVE PROFIT					
Net profit for the year				159	159
Other comprehensive profit			-23	–	-23
Comprehensive profit for the year			**-23**	**159**	**136**
Dividend				-62	-62
Exercised options for repurchased shares				11	11
Payment, option programme		0			0
Closing balance	**49**	**345**	**-41**	**352**	**705**

Amounts in MSEK 2012-03-31	Share capital	Other contributed capital	Reserves Hedging reserve	 Translation reserve	Retained earnings	Total equity
Opening balance	49	345	-1	-19	171	545
COMPREHENSIVE PROFIT						
Net profit for the year					126	126
Other comprehensive profit			1	1	–	2
Comprehensive profit for the year			**1**	**1**	**126**	**128**
Dividend					-50	-50
Repurchase of own shares					-11	-11
Exercised options for repurchased shares					8	8
Payment, option programme		0				0
Closing balance	**49**	**345**	**–**	**-18**	**244**	**620**

Note 29 contains additional information about equity.

Consolidated Statement of Cash Flows

Amounts in MSEK	Note	2012/13	2011/12
Operating activities			
Profit after finance items	36	200	171
Adjustment for items not included in cash flow, etc.	37	41	36
		241	**207**
Paid taxes		-66	-23
Cash flow from operating activities before changes in working capital		**175**	**184**
Cash flow from changes in working capital			
Increase (-) / Decrease (+) in inventories		21	2
Increase (-) / Decrease (+) in operating receivables		3	-30
Increase (+) / Decrease (-) in operating liabilities		-22	19
Cash flow from operating actiivities		**177**	**175**
Investment activities			
Investment in businesses	38	-199	-48
Acquisition of intangible non-current assets		-4	-6
Acquisition of tangible non-current assets		-26	-15
Disposal of tangible non-current assets		1	1
Cash flow from investement activities		**-228**	**-68**
Financing activities			
Repurchase of own shares		–	-11
Exercising options for repurchased shares		11	8
Dividend paid		-62	-50
Change in long-term loan liabilities		0	-75
Change in committed credit facility		102	1
Cash flow from financing activities		**51**	**-127**
Cash flow for the year		**0**	**-20**
Cash and cash equivalents at beginning of year		37	56
Translation difference in cash and cash equivalents		-1	1
Cash and cash equivalents at end of year		**36**	**37**

CHANGE IN NET LOAN LIABILITIES/RECEIVABLES

Amounts in MSEK	Note	2012/13	2011/12
Net loan liability (+) / receivable receivable (-) at beginning of year		185	243
Change in interest-bearing liabilities		102	-85
Interest-bearing liabilities in acquired businesses		10	8
Change in interest-bearing pension provisions		1	0
Cash and cash equivalents in acquired businesses		-46	-7
Change in cash and cash equivalents, other		47	26
Net loan liability (+) / receivable receivable (-) at end of year		**299**	**185**

Parent Company Income Statement

Amounts in MSEK	Note	2012/13	2011/12
Net revenue	3, 4	30	28
Cost of goods sold		–	–
Gross profit		**30**	**28**
Administrative expense		-44	-44
Operating result	3, 6, 9, 10, 13	**-14**	**-16**
Result from finance items			
Financial income	11	179	216
Financial expense	12	-25	-28
Profit after finance items	13	**140**	**172**
Year-end allocations			
Change in untaxed reserves		-2	-1
Profit before taxes		**138**	**171**
Taxes	14	-2	-1
Profit for the year		**136**	**170**

Parent Company Statement of Comprehensive Profit

Amounts in MSEK	Note	2012/13	2011/12
Net profit for the year		136	170
Other comprehensive profit		–	–
Comprehensive profit for the year		**136**	**170**

Parent Company Balance Sheet

Amounts in MSEK	Note	2013-03-31	2012-03-31
ASSETS			
Non-current assets			
Equipment, tools and fittings	21	0	0
		0	**0**
Financial non-current assets			
Shares in Group companies	22	1 119	835
Due from Group companies	23	101	116
Deferred tax asset	31	1	1
		1,221	**952**
Total non-current assets		**1,221**	**952**
Current assets			
Short-term receivables	33		
Due from Group companies	33	69	60
Tax receivables		3	3
Other receivables		15	3
Prepaid expenses and accrued income	28	3	3
		90	**69**
Cash and cash equivalents	33	0	0
Total current assets		**90**	**69**
TOTAL ASSETS		**1,311**	**1,021**

Parent Company Balance Sheet

Amounts in MSEK	Note	2013-03-31	2012-03-31
EQUITY AND LIABILITIES			
Equity	29		
Share capital		49	49
Legal reserve		13	13
Restricted funds		**62**	**62**
Retained earnings		498	379
Net profit for the year		136	170
Unrestricted funds		**634**	**549**
Total equity		**696**	**611**
Untaxed reserves		5	3
Long-term liabilities	33, 34		
Long-term interest-bearing liabilities			
Provision for pensions	30	22	22
Due to Group companies		3	1
Total long-term liabilities		**25**	**23**
Current liabilities	33, 34		
Currrent interest-bearing liabilities			
Committed credit facility	34	268	164
		268	**164**
Short-term non-interest-bearing liabilities			
Trade payables		2	2
Due to Group companies		217	175
Tax liabilities		3	3
Other liabilities		85	30
Accrued expenses and prepaid income	35	10	10
		317	**220**
Total current liabilities		**585**	**384**
TOTAL EQUITY AND LIABILITIES		**1,311**	**1,021**

PARENT COMPANY PLEDGED ASSETS AND CONTINGENT LIABILITIES

Amounts in MSEK	Note	2013-03-31	2012-03-31
Pledged assets		None	None
Contingent liabilities			
Garantees, FPG/PRI		26	26
Guarantees, other		1	2
		27	**28**

The Parent Company guarantees subsidiary pension liabilities via FPG/PRI.

Summary of Changes in Parent Company Equity

Amounts in MSEK

2013-03-31	**Share capital**	**Legal reserve**	**Unrestricted equity**	**Total equity**
Closing balance according to balance sheet last year	49	13	549	611
COMPREHENSIVE PROFIT				
Profit for the year			136	136
Other comprehensive profit			–	–
Total profit for the year			**136**	**136**
Dividend			-62	-62
Exercised options for repurchased shares			11	11
Payment, option programme			0	0
Closing balance	**49**	**13**	**634**	**696**

Amounts in MSEK

2012-03-31	**Share capital**	**Legal reserve**	**Unrestricted equity**	**Total equity**
Closing balance according to balance sheet last year	49	13	431	493
COMPREHENSIVE PROFIT				
Net profit for the year			170	170
Other comprehensive profit			–	–
Comprehensive profit for the year			**170**	**170**
Dividend			-50	-50
Exercised options for repurchased shares			8	8
Payment, option programme			1	1
Repurchase of own shares			-11	-11
Closing balance	**49**	**13**	**549**	**611**

Note 29 contains additional information about equity.

Parent Company Statement of Cash Flow

Amounts in MSEK	Note	2012/13	2011/12
Operating activities			
Profit after finance items	36	140	172
Adjustment for items not included in cash flow, etc.	37	-24	-29
		116	**143**
Paid taxes		-1	-4
Cash flow from operating activities before changes in working capital		**115**	**139**
Cash flow from changes in working capital			
Increase (-) / Decrease (+) in operating receivables		-29	12
Increase (+) / Decrease (-) in operating liabilities		58	61
Cash flow from operating activities		**144**	**212**
Investment activities			
Investments in businesses		-242	-52
Acquisition of tangible non-current assets		0	0
Disposal/reduction in financial assets		14	-20
Cash flow from investment activities		**-228**	**-72**
Financing activities			
Repurchase of own shares		–	-11
Exercised options for repurchased shares		11	8
Paid dividend		-62	-50
Change in long-term loan liabilities		2	-75
Change in committed credit facility		133	-12
Cash flow from financing activities		**84**	**-140**
Cash flow for the year		**0**	**0**
Cash and cash equivalents at beginning of year		0	0
Translation difference in cash and cash equivalents		–	–
Cash and cash equivalents at year-end		**0**	**0**

Notes to the Financial Statements

Note 1 Accounting policies

(a) Compliance with standards and law

The Consolidated Income Statement, the Parent Company Income Statement, the Consolidated Statement of Financial Position and the Parent Company Balance Sheet will be subject to adoption by the Annual General Meeting to be held 27 August 2013. The consolidated financial statements have been compiled in accordance with International Financial Reporting Standards (IFRS) issued by the Accounting Standards Board (IASB) and interpretations from IFRS Interpretations Committee as approved by the EU Commission for application within EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups of the Swedish Financial Reporting Board has also been applied. The Parent Company applies the same accounting policies as the Group, except in the cases stated below under the section "Parent Company accounting policies". Discrepancies that do exist between the Parent Company's and the Group's policies are prompted by limitations in applying IFRS to the Parent Company as a result of the Swedish Annual Accounts Act (ÅRL) and the Swedish Act on securing pension obligations, and in certain cases for tax reasons.

(b) Assumptions for compiling the parent Company's and the Group's financial reports

The Parent Company's functional currency is SEK, which also constitutes the reporting currency for the Parent Company and the Group. This means that the financial reports are presented in Swedish kronor. All amounts, unless otherwise specifically stated, are rounded to the nearest million. Assets and liabilities are reported at historical acquisition values, except for certain financial assets and liabilities, which are valued at fair value. Financial assets and liabilities reported at fair value consist of derivative instruments, financial assets classified as financial assets valued at fair value through the income statement.

Non-current assets and available-for-sale groups of disposals are reported at the lower of previously reported value and fair value, after deduction of selling expenses.

Set-off of receivables and liabilities and of revenue and costs occurs only where required or expressly permitted in an accounting recommendation.

The financial reports encompass the Administration Report with proposed allocation of earnings and the financial statements with notes. The consolidated financial statements and the Parent Company's annual accounts have been approved for publication by the Board of Directors 25 June 2013. The consolidated income statement and statement of financial position and the Parent Company's income statements and balance sheets are subject to adoption by the Annual General Meeting to be held 27 August 2013.

Preparing the financial reports in accordance with IFRS requires management to make judgments and estimates and make assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and costs. Estimates and assumptions are based on historical experience and a number of other factors that under prevailing circumstances are deemed reasonable. The result of these judgments and assumptions is then used to judge the reported value of assets and liabilities that would not be evident from other sources. The actual outcome may differ from these estimates and judgments.

Estimates and assumptions are reviewed on a regular basis. Changes in estimates are reported in the period when the change is made, where the change affects that period only, or in the period when the change is made, and in future periods where the change affects the current period as well as future periods.

Judgments made by management with application of IFRS with significant impact on the financial reports and estimates made that may lead to significant adjustments in the financial reports of subsequent years are described in greater detail in Note 2 and elsewhere.

By events after the end of the period under review are meant favourable as well as unfavourable events that occur between the end of the period under review and the date in the next following financial year when the financial reports are signed by the members of the Board of Directors. Information is provided in the annual report about significant events after the end of the period under review that are not accounted for when the income statement and the statement of financial position are adopted. Only events that confirm circumstances prevailing before the end of the reporting period are taken into account at the time of adoption of the financial statements.

The stated accounting policies for the Group have been consistently applied for all periods presented in the Group's financial reports, unless otherwise specifically stated. The Group's accounting policies have been consistently applied in reporting and consolidating the Parent Company and subsidiaries.

Changed accounting policies

There are no changed accounting policies applied by the Group after 1 April 2012, which have had any material effect on the Group's accounting.

Early application of new or revised or revised IFRS interpretations during the 2012/13 financial year

A number of new IFRS or interpretations enter into force only in coming financial years and have not been applied early in the preparation of these financial statements.

New and revised IFRS not yet applied

New standards, aside from IAS 19, additions to standards and new interpretation statements published before the presentation of the Annual Report are not believed to have significant impact on the consolidated financial statements, beyond expanded information about, among other things, financial instruments and shares in other companies.

The changed version of IAS 19 will be applied from 1 April 2013 or later. The amendment involves significant changes, primarily in reporting defined benefit pensions, i.a. as follows:

- Elimination of the possibility of deferring the reporting of actuarial gains and losses using the so-called "corridor method";
- The return calculated on managed assets must be based on the discount rate used for calculating the pension benefit;
- Immediate reporting of all changes in obligations and managed assets. The so-called "revaluations", i.e. actuarial items and the difference between actual return and the return based on the discount interest rate for the managed assets, are reported in other comprehensive profit, while the year's vested pension rights and net interest income will be reported in the income statement.

This changed standard will have an effect on the Group's financial reports. For the 2011/12 financial year, the changes would have increased the opening balance of the pension liability by MSEK 8, and would have reduced equity by MSEK 6, including tax effects taken into account. In additions to these changes in connection with the new version of IAS 19, the liability can also be affected by the fact that taxes linked to pension benefits must be taken into account in the actuarial assumptions. How this will be handled is still under investigation.

(c) Operating segment reporting

An operating segment is a part of the Group that conducts business from which it can generate income and incur costs and for which independent financial information is available. Operating segments are reported in a manner that corresponds with the Group's internal reporting, which is followed up by the Group's highest executive decision-maker. The Group's highest executive decision-maker is the function responsible for allocating resources to and evaluating operating segments results. Refer to Note 3 for additional description of the breakdown and presentation of operating segments.

(d) Classification, etc.

Non-current assets and long-term liabilities in the Parent Company and the Group essentially consist only of amounts that are expected to be recovered or paid more than twelve months from the end of the reporting period. Current assets and short-term liabilities in the Parent Company and the Group essentially consist only of amounts that are expected to be recovered or paid within twelve months of the end of the reporting period.

(e) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which Lagercrantz Group AB has a controlling influence. Controlling influence means a direct or indirect right to govern an entity's financial and operative strategies for the purpose of obtaining economic advantages. When judging whether controlling influence exists, the existence and effect of potential voting rights that are exercisable, or can be converted without delay, are taken into consideration.

Subsidiaries are reported in accordance with the purchase method of accounting. This method means that the acquisition of a subsidiary is viewed as a transaction where the Group indirectly acquires the assets of the subsidiary and assumes its debt and contingent liabilities. The acquisition cost to the Group is determined by an acquisition analysis in conjunction with the acquisition. In this acquisition analysis the fair values of acquired identifiable assets, and assumed liabilities and contingent liabilities, as well as any holdings without controlling influence are determined. Transaction expenses incurred are carried directly to the year's income statement. The difference between the acquisition cost of the shares in the subsidiary and the fair value of acquired assets, assumed liabilities and contingent liabilities is recorded as goodwill in the Group. When the difference is negative, it is recorded directly in the income statement.

Conditional purchase money is reported at fair value at the time of acquisition and is re-assessed at each reporting date and any change in valuation is carried to the year's income statement.

An acquisition that does not refer to 100 percent of the subsidiary gives rise to a holding without controlling influence. There are two alternative ways of reporting holdings without controlling influence. These two alternatives are to report holdings without controlling interest as a proportion of net assets, or to report holdings without controlling interest at fair value, which means that holdings without controlling interest includes a proportion of goodwill. The choice of which of the two alternative methods to apply is made individually for each acquisition.

The financial statements of subsidiaries are consolidated from the time of acquisition until the date when such controlling influence ceases to exist.

(ii) Transactions eliminated in consolidation

Intra-Group receivables and liabilities, revenue or costs and unrealised gains or losses arising in intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

(f) Foreign currency

(i) Transactions in foreign currency

Transactions in foreign currency are restated to the functional currency using the rate of exchange prevailing on the day of the transaction. Monetary assets and liabilities in foreign currency are converted to the functional currency at the rate of exchange prevailing at the end of the reporting period. Foreign exchange rate differences that arise in conversion are accounted for in the income statement. Non-monetary assets and liabilities reported at historical acquisition values are converted at the rate of exchange prevailing at the time of the transaction. Non-monetary assets and liabilities reported at fair value are converted to the functional currency at the rate of exchange prevailing at the time of fair value valuation. The exchange rate change is then reported in the same way as other changes in value.

(ii) Financial statements of foreign entities

Assets and liabilities in foreign entities, including goodwill and other surplus values, and other surpluses and deficits in the Group are converted to Swedish kronor at the rate of exchange prevailing at the end of the reporting period. Revenue and costs in a foreign entity are converted to Swedish kronor at an average rate. Translation differences that arise in connection with conversion of a foreign net investment, and the resultant effects of hedging of net investments, are reported directly in other comprehensive income and are accumulated as a separate component of equity, the translation reserve. When foreign entities are sold, the accumulated translation differences attributable to the entity are realised after deduction of any foreign exchange hedging and reclassified from the translation reserve in equity to profit/loss for the year.

Lagercrantz Group has elected to zero out the accumulated translation differences in foreign entities attributable to the time before 1 April 2004, i.e. the time for adopting IFRS.

(g) Revenue

(i) Sale of goods

Revenue from the sale of goods is reported in the income statement when significant risks and rewards associated with ownership of the goods have been transferred to the buyer, i.e. typically in connection with delivery. If the product requires installation at the buyer, and the installation constitutes a significant part of the delivery, revenue is recognised when the installation is completed. Revenue is not recognised if it is probable that the economic rewards will not inure to the benefit of the Group.

(ii) Revenue from the sale of real property

Revenue from the sale of real property is normally recorded on the closing date, unless risks and rewards have been transferred to the buyer at an earlier occasion.

(iii) Service assignments

Revenue from service assignments is normally reported when the service is performed. Revenue from service assignments of the service and maintenance agreement type is reported in accordance with the principles for so-called gradual revenue recognition. The degree of completion is normally determined based on the relationship between sunken expenditure at the end of the reporting period and the estimated total expenditure. In certain companies, recorded time is used as a basis for degree of completion. A probable loss is accounted for immediately in the consolidated income statement.

(iv) Rental income

Rental income from real properties is reported on a straight-line basis in the income statement based on the terms of the lease. The aggregate cost of benefits provided is reported as a reduction of rental income on a straight-line basis over the term of the lease.

(v) Government grants

Government grants are reported in the statement of financial position as prepaid income when there is reasonable assurance that the grant will be received and that the Group will be able to fulfil the conditions associated with the grant. Grants are systematically assigned to the right periods in the same way and over the same periods as the costs the grants are intended to compensate for. Government grants related to assets are reported as a reduction of the reported value of the asset.

(h) Operating expenses and finance income and expense

(i) Payments relating to operating leases

Payments related to operating leases are reported on a straight-line basis in the income statement. Benefits received in connection with signing a contract are reported as a part of the total leasing cost in the income statement.

(ii) Payments relating to finance leases

The minimum leasing fees are allocated to interest expense and repayment of the outstanding liability. The interest expense is distributed over the leasing period in such a way that each accounting period is charged with an amount equivalent to a fixed rate of interest for the liability reported during the respective period. Variable fees are expensed in the periods when they arise.

(iii) Finance income and expense

Finance income and expense consists of interest income on bank funds, receivables and interest-bearing securities, interest expense on loans, dividend income, exchange rate differences, changes in value of financial assets valued at fair value through the income statement, impairment of financial assets and gains and losses on hedging instruments reported in the income statement.

Interest income on receivables and interest expense on liabilities are calculated using the effective rate method. The effective rate is the rate that is the present value of all estimated future payments during the expected period of fixed interest that equals the reported value of the receivable or the liability. The interest component of financial lease payments is reported in the income statement using the effective rate method. Interest income includes accruals and deferrals of transaction costs and any rebates, discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

Interest expense includes accrued and deferred amounts of issuing costs and similar direct transaction costs in connection with raising loans.

Borrowing costs are reported in the income statement using the effective rate method, except to the extent they are directly attributable to the purchase, design or production of assets that take significant time to complete for their intended use or for sale, in which case they are part of the acquisition cost of the assets in question.

Dividend income is reported when the right to receive payment has been determined.

(i) Financial instruments

Financial instruments are valued and reported in the Group in accordance with the rules in IAS 39. Financial instruments reported among assets in the statement of financial position include on the asset side liquid funds, trade receivables, advance payments to suppliers and derivatives. Liabilities include trade payables, loan liabilities, advance payments from customers and derivatives.

Reporting in and removal from the Statement of Financial Position

A financial asset or a financial liability is recorded in the statement of financial position when the company becomes party to the contractual terms of the instrument in question. Trade receivables are recorded in the statement of financial position when an invoice has been sent out. A liability is recorded when the counterparty has performed and a contractual obligation exists to pay, even if an invoice has not been received. Trade payables are recorded when an invoice has been received. A financial asset is removed from the statement of financial position when the rights in the contract are realised, fall due or the company loses control over it. The same holds true for a part of a financial asset. A financial liability is removed from the statement of financial position when the obligation in the contract is fulfilled, or when the liability is extinguished in some other way. Acquisition and disposal of financial assets are reported on the transaction date.

Valuation

Financial instruments, which are not derivatives, are initially valued at acquisition cost, equivalent to the fair value of the instrument. A financial instrument's classification determines how it is valued after the first recording occasion. IAS 39 classifies financial instruments in categories. The classification depends on the purpose behind acquiring the financial instrument. The relevant categories for the Group are as follows:

Financial assets at fair value through the income statement, Loans receivable and trade receivables, Financial liabilities valued at fair value through the income statement, Other financial liabilities and Derivatives used for hedge accounting.

Financial assets valued at fair value through the income statement

This category consists of two sub-groups: financial assets held for trading and other financial assets that the company initially has chosen to place in this category (in accordance with the so-called Fair Value Option). Financial instruments in this category are valued on a current basis at fair value with changes in value reported through the income statement. The first sub-group includes derivatives with positive fair value, except for derivatives, which are identified, and effective hedging instruments (see below).

Loan receivables and trade receivables

Loan receivables and trade receivables are non-derivative assets with fixed payments or with payments that can be determined, and which not are listed on an active market. Receivables arise when companies provide funds, goods or services directly to a customer without intention of trading in the receivable that arises. They are included in current assets, with the exception of items that mature later than 12 months after the end of the reporting period, which are classified as non-current assets. Loan receivables and trade receivables include items Trade receivables and Other receivables in the statement of financial position. Assets in this category are valued at accrued acquisition value.

Trade receivables are reported in the amount expected to be collected, i.e. after deduction for doubtful credits. Impairment charges are reported as operating expenses.

Financial liabilities valued at fair value through the income statement

This category consists of financial liabilities held for trading and derivatives not used for hedge accounting. Liabilities in this category are valued on an ongoing basis at fair value with the change in value in the income statement.

The Group held no material instruments belonging to this category during the financial year.

Other financial liabilities

Financial liabilities not held for trading are valued at accrued acquisition value. The Group's loan liabilities, financial lease liabilities, trade payables and advance payments from customers belong to this category.

Derivatives used for hedge accounting

All derivatives are accounted for at fair value in the statement of financial position. Changes in value are accounted for in the income statement in the case of actual hedge accounting. Hedge accounting is described in greater detail below, under Derivatives and hedge accounting.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and equivalent institutions, and short-term liquid investments with a term to maturity of less than three months, exposed to minimal risk for fluctuation in value.

Financial investments
Financial investments are classified as either non-current assets or short-term investments depending on the purpose of the holding. If the term or the expected holding period is more than one year, they are classified as non-current assets and if they are shorter than one year as short-term investments.

(j) Derivatives and hedge accounting
The Group's derivative instruments are acquired to hedge interest and foreign exchange rate risks to which the Group is exposed. An embedded derivative is reported separately unless it is closely related to the host contract. Derivatives are valued initially at fair value, with the effect that transaction costs are charged to the period's earnings. After the initial reporting derivative instruments are valued at fair value and changes in value are reported as described below.

In order to meet the requirements for hedge accounting in accordance with IAS 39, there must be an unambiguous link to the secured item. It is also required that the hedge protects the secured item in an effective manner, that hedging documentation has been drafted and that such efficiency can be measured. Gains and losses are reported in the income statement for items that have been hedged.

Hedging of prognosticated sales in foreign currency – cash flow hedging
Forward contracts used for hedging of highly likely prognosticated sales in foreign currency are reported in the report of financial position at fair value. Changes in value for the period are reported in other comprehensive income and the accumulated changes in value are reported as a separate component of equity (hedging reserve) until the hedged flow affects he year's result, at which time the accumulated changes in value of the hedging instrument are reclassified to the year's result in connection with the hedged item (sales revenue) affects the year's result.

Hedging of period with fixed interest – cash flow hedging
Interest rate swaps are used to hedge against the uncertainty of future interest flows relating to loans with variable interest. Interest rate swaps are valued at fair value in the statement of financial position. In the income statement, the interest coupon portion is reported on a current basis as interest income or interest expense. Other changes in the value of interest rate swaps are reported in other comprehensive income and are included as a part of the hedging reserve in equity until the hedged item affects the income statement and as long as the criteria for hedge accounting and effectiveness are fulfilled.

Receivable and liabilities in foreign currency
Forward contracts can be used for hedging an asset or a liability against foreign exchange rate risk. For such hedging, no hedge accounting is required since the hedged item as well as the hedging instrument is reported at fair value through the income statement with respect to foreign exchange rate differences. Changes in value of operations-related receivables and liabilities are recognised in the operating result, while changes in value of financial receivables and liabilities are reported in net finance items.

Net investments
Investments in foreign subsidiaries (net assets including goodwill) have been partially hedged by raising loans in the corresponding currency. Such loans are translated at the end-of-period exchange rate. The period's translation differences relating to financial instruments used as hedging instruments in hedging a net investment in a Group company is reported, to the extent the hedge is effective, in other comprehensive income and the accumulated changes are reported as a special component of equity (the translation reserve). This procedure is used to neutralise the translation differences that affect other comprehensive income when the Group's companies are consolidated.

(k) Tangible non-current assets

(i) Owned assets
Tangible non-current assets are reported as assets in the statement of financial position if it is probable that future economic advantages will inure to the company's benefit and the acquisition value of the asset can be calculated in a reliable manner.

Tangible non-current assets are reported in the Group at acquisition value, less accumulated depreciation and any charges for impairment. The acquisition value includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Examples of directly attributable costs included in the acquisition value are costs for shipping and handling, installation, legal ratification, consulting services and legal services. Borrowing costs directly attributable to the purchase, design or production of assets that take significant time to complete for their intended use or for sale are included in the acquisition value.

Tangible non-current assets that consist of parts with different periods of utilisation are treated as separate components of tangible non-current assets.

The reported value of a tangible non-current asset is removed from the statement of financial position upon disposal or sale, or when no future economic benefits are expected to be derived from use or disposal/sale of the asset. Gains or losses that arise upon sale or disposal of an asset are defined as the difference between the selling price and the reported value of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expense.

(ii) Leased assets
IAS 17 is applied to leased assets. Leases are classified in the consolidated financial statements either as financial or operating leases. Leases where substantially all of the economic risks and rewards associated with ownership have been transferred to the lessee are classified as financial leases. Where that is not the case, the lease is an operating lease.

Assets rented under financial leases are reported as assets in the statement of financial position. The obligation to pay future leasing fees is reported as long- and short-term liabilities. The leased assets are depreciated according to plan, whereas lease payments are reported as interest and repayment of debt.

In the case of operating leases the lease payment is expensed over the term of the lease based on usage, which may vary from what has actually been paid as leasing fees during the year.

(iii) Additional expenditure
Additional expenditure is added to the acquisition value only to the extent it is probable that the future economic benefits associated with the asset will inure to the benefit of the company and the acquisition value can be calculated in a reliable manner. All other additional expenditure is recognised as an expense in the period when it arises.

(iv) Depreciation principles
Assets are depreciated on a straight-line basis over their estimated period of use. Land is not depreciated. The Group applies component depreciation, which means that depreciation is based on the estimated period of use of individual components.

Estimated period of use:

■ Buildings, property used in operations	15 – 50 years
■ Plant and machinery	3 – 10 years
■ Equipment, tools, fixtures and fittings	3 – 5 years

Property used in operations consists of a number of components with varying periods of use. The main classification is buildings and land. The land component is not depreciated since its period of use is considered to be unlimited. Buildings, however, consist of a number of components the period of use of which varies. The periods of use have been deemed to vary between 15 and 50 years for these components.

Assessment of the residual value and period of use of assets is made on an annual basis.

(l) Intangible assets

(i) Goodwill
Goodwill represents the difference between the acquisition value for an acquisition and the fair value of the acquired assets, assumed debt and contingent liabilities.

In adopting IFRS, the Group has applied IFRS retroactively to goodwill in acquisitions after 1 August 2002 and before 1 April 2004. The classification and accounting procedures of acquisitions before 1 August 2002 have not been re-assessed in accordance with IFRS 3 when preparing the consolidated opening balance in accordance with IFRS as of 1 April 2004.

Goodwill is valued at acquisition cost, less any accumulated impairment charges. Goodwill is distributed to cash-generating units and tests are performed on an annual basis to determine if assets have suffered any impairment. (Refer to Accounting policies (n).

For acquisitions of businesses where the acquisition cost is less than the net value of acquired assets, assumed debt and contingent liabilities, the difference is carried directly to the income statement.

(ii) Research and development
Expenditure for research and development aimed at obtaining new scientific or technological knowledge is reported as costs as incurred.

Expenditure for development, where the research result or other knowledge is applied to achieve new or improved products or processes, is reported as an asset in the statement of financial position, if the product or the process is technically or commercially usable and the company has sufficient resources to complete the development and then utilise or sell the intangible asset. The reported value includes expenditure for material, direct expenditure for salaries and indirect expenditure attributable to the asset in a reasonable and consistent manner. Other expenditure for development is reported as costs directly in the income statement as incurred. Development costs reported in the balance sheet are carried at acquisition value, less accumulated amortisation and any impairment losses.

(iii) Other intangible assets
Other intangible assets, not including trademarks, acquired by the Group are reported at acquisition value, less accumulated amortisation and impairment. Also included here are capitalised IT expenditure for development and purchase of software. Acquired trademarks are carried at acquisition value, less any impairment. The life of trademarks is indefinite. Their value is therefore tested annually for impairment. Sunk costs for internally generated goodwill and internally generated trademarks are reported in the income statement when the cost is incurred.

(iv) Additional expenditure
Additional expenditure for capitalised intangible assets is recorded as an asset in the statement of financial position only to the extent it increases the future economic benefits for the specific asset to which it is attributable. All other expenditure is expensed as incurred.

(v) Amortisation
Amortisation is recorded in the income statement on a straight-line basis over the

estimated period of use of intangible assets, unless such periods of use are indefinable. Goodwill, trademarks and intangible assets with an indefinable period of use are tested on an annual basis for any impairment suffered, or as soon as there are indications that the asset in question has suffered a loss of value. Intangible assets subject to amortisation are amortised from the date when they are available for use.

The estimated periods of use are:

- Patents, innovations and customer relationships 5–20 years
- Capitalised development expenses and software 3–7 years

(m) Inventories

Inventories are valued at the lower of acquisition value and net realisable value. Net realisable value is the estimated selling price in current operations, after deduction of estimated costs for completion and for accomplishing a sale.

The acquisition value of inventories is calculated by applying the first-in first out method (FIFO), or weighted average acquisition cost and includes expenditure arising at the acquisition of the inventory assets and transportation thereof to their current location and state. For manufactured goods and work in progress, the acquisition value includes a reasonable portion of indirect costs based on normal capacity utilisation.

(n) Impairment of assets

The reported value of the Group's assets is tested on each balance sheet date with a view to determining if any impairment has been suffered. IAS 36 is applied for testing for any need for impairment charges for assets other than financial assets, which are tested in accordance with IAS 39, assets held for sale and groups of assets reported in accordance with IFRS 5, inventories, assets under management used for financing compensation to employees and deferred tax assets.

The value of exempted assets as above the valuation is tested in accordance with each respective standard.

If there is any indication that impairment has been suffered, the recoverable value of the asset is calculated. The recoverable value of goodwill, other intangible assets with indefinable period of use and intangible assets not yet ready for use is calculated annually.

Where it is not possible to allocate essentially independent cash flows to an individual asset, assets are grouped to the lowest level where essentially independent cash flows can be determined (a so-called cash-generating unit) for purposes of testing whether impairment has been suffered. An impairment loss is recorded when an asset's or a cash-generating unit's value exceeds the recovery value. An impairment loss is charged to the income statement.

Impairment losses of assets attributable to a cash-generating unit are in the first instance allocated to goodwill. Proportional impairment charges are then made against other assets in the unit.

The recovery value of other assets is the higher of fair value less selling expenses and the value in use. Future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset for the purpose of calculating the value in use.

(i) Impairment of financial assets

The recoverable value of assets belonging to the categories held-to maturity investments, loans and trade receivables are reported at accrued acquisition value is calculated as the present value of future cash flows discounted using the effective rate of interest prevailing when the asset was first accounted for. Assets with short remaining term are not discounted. An impairment loss is reported as a cost in the income statement.

(ii) Reversal of impairment losses

Impairment losses on held-to-maturity investments, or loans and accounts receivable reported at accrued acquisition value, are reversed if a later increase of the recovery value can objectively be attributed to an event that occurred after the impairment loss was incurred.

Impairment losses on other assets are reversed where there has been a change in the assumptions on which the calculation of the recoverable value was made.

An impairment loss is reversed only to the extent the reported value of the asset after the reversal does not exceed the value the asset would have had if no impairment loss had been incurred, taking into account the amortisation that would then have been made. Impairment losses on goodwill are not reversed.

(o) Shareholders' Equity

The Group's equity can be divided into share capital, other contributed capital, reserves, retained earnings and minority holdings without controlling influence.

(i) Repurchase of own shares

Holdings of own shares in treasury and other equity instruments are reported as a reduction of equity. The acquisition of such instruments is reported as a deduction item against equity. Proceeds from the sale of equity instruments are reported as an increase in equity. Any transaction costs are carried directly to equity.

(ii) Dividends

Dividends are reported as a liability after the General Meeting has approved the dividend.

(iii) Earnings per share

Calculating earnings per share is based on consolidated net income attributable to the parent company's shareholders and the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution the average number of shares outstanding is adjusted to account for the effects of diluting potential shares of common stock, which during reported periods are attributable to options issued to employees. Dilution from options affects the number of shares outstanding and occurs only when the strike price is lower than the market price.

(p) Employee benefits

(i) Defined contribution plans

Obligations relating to fees for defined contribution plans are reported as an expense in the income statement when it occurs.

(ii) Defined benefit plans

The Group's net obligations relating to defined benefit plans are calculated separately for each plan through an estimate of the future compensation that the employee has earned as a result of his/her employment in both the current and prior periods.

Calculations are performed by a qualified actuary using the so-called projected unit credit method. Commitments are then valued at the present value of expected future payments with due consideration to future pay increases. The discount rate used is the interest at the end of the reporting period on an investment grade corporate bond, including housing bonds, with a term equivalent to the Group's pension commitments. When there is no active market for such corporate or housing bonds, the market rate for government bonds with an equivalent term is used. In the cases of funded plans, the fair value of managed assets reduces the calculated value.

When the calculation leads to an asset for the Group, the reported value of the asset is limited to the net of unreported actuarial losses and unreported costs for service during prior periods and the present value of repayments from the plan, or reduced future payments into the plan.

When the benefits under a plan are improved, the proportion of the increase in benefits pertaining to the employee's service during prior periods is reported as a cost in the income statement, distributed on a straight-line basis over the average period until the benefits are fully vested. Where the benefits are fully vested, the cost is reported in the income statement directly.

All actuarial gains and losses as of 1 April 2004, the date for adoption of IFRS, have been reported. The so-called corridor rule is applied for actuarial gains and losses arising when the Group's obligations for different plans are calculated after 1 April 2004. Under the corridor rule, the portion of the accumulated actuarial gains and losses that exceed 10 percent of the greater of the obligations' present value and the fair value of managed assets is reported in the result over the expected average remaining employee service period of the employees covered by the plan. No other actuarial gains and losses are taken into account.

Obligations for retirement pension to salaried employees in Sweden in accordance with the ITP plan are handled mainly within the so-called FPG/PRI system. Obligations for family pensions are secured by insurance in Alecta, however. These obligations are also of the defined benefit type, although the Company has not had access to the information necessary to report these obligations as a defined benefit plan. These pensions secured by insurance in Alecta are therefore reported as defined contribution plans. At the end of 2012, Alecta's surplus in the form of collective solvency margin was 129 percent (2011: 113 percent). The collective solvency margin is defined as the market value of Alecta's assets in percent of the insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond to IAS 19. Alecta's surplus can be distributed to the policyholders and/or the insured.

When there is a difference between how the pension cost is determined in a legal entity and a group, a provision or a receivable is reported relating to special payroll tax based on this difference. Such provision or receivable is not subject to present value calculation. The net of interest on pension liabilities and the anticipated return on the relevant managed assets is reported in the net of finance items. Other components are reported in operating income.

(iii) Benefits in the event of termination

In connection with termination of personnel, a provision is set aside only where the company is demonstrably obligated, without a realistic opportunity to reverse the decision, by a formal detailed plan to terminate an employment before the normal point in time. When benefits are given as an offer to encourage voluntary termination, a cost is reported where it is probable that the offer will be accepted and that the number of employees who will accept the offer can be estimated with reliability.

(iv) Option programmes

The call option programme for the group enables members of senior management to acquire shares in the company. The employees have paid a market-valuated premium for this opportunity. Premiums received are carried in equity as a transaction with the owners.

(q) Provisions

A provision is reported in the statement of financial position where the Company has a formal or informal undertaking or obligation as a consequence of a transpired event and where it is probable that an outflow of economic resources will be required to settle the undertaking or obligation, and an accurate assessment of the amount can be made. Where the effect of the timing of the payment is significant, provisions are calculated based on discounting the expected future cash flow at an interest rate that reflects current market assessments of the time value of money and, where applicable, the risks associated with the obligation.

(i) Warranties

A provision for warranties is reported when the underlying products or services are sold. The provision is based on historical data on warranties and compilation of possible outcomes in relation to the probabilities associated therewith.

(II) Restructuring
A provision for restructuring is reported when the Group has adopted a comprehensive and formal restructuring plan, and the restructuring has either begun, or been publicly announced. No provisions are set aside for future operating costs.

(III) Loss contracts
A provision for loss contracts is reported when the anticipated benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligation or contract.

(r) Taxes
Income taxes consist of current taxes and deferred taxes. Income taxes are reported in the income statement, except when the underlying transaction is reported in other comprehensive income, or directly against equity, in which case the associated tax effect is also reported in other comprehensive income or in equity.

Current taxes are taxes to be paid or refunded relating to the current year, with application of the tax rates resolved, or in practice resolved, as of the end of the reporting period. Also included are adjustments of current taxes attributable to prior periods.

Deferred taxes are calculated in accordance with the balance sheet method based on temporary differences between reported values and values for tax purposes of assets and liabilities. The following temporary differences are not taken into account: Temporary difference arising upon first recording of goodwill, first recording of assets and liabilities that are not acquisition of a business, and at the time of the transaction do not affect either the reported result or the result for tax purposes. Also not accounted for are temporary differences attributable to shares in subsidiaries and associated companies not expected to be reversed within the foreseeable future. The valuation of deferred taxes is based on how the reported values of assets or liabilities are expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as of end of the reporting period.

Deferred tax claims relating to deductible temporary differences are reported only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax claims is reduced when it no longer is deemed probable that it will be possible to utilise them.

(s) Contingent liabilities
A contingent liability is reported when there is a possible undertaking emanating from events that have occurred and the existence of which are confirmed only by the occurrence of one or more future uncertain events, or when there is an undertaking not reported as a liability or provision because it is unlikely that an outflow of resources will be required.

(t) Cash flow statement
Payments have been divided into categories: Operating activities, investing activities and financing activities. The indirect method is used for flows from operating activates.

The year's changes of operating assets and operating liabilities have been adjusted for effects of exchange rate differences. Acquisitions and disposals are reported in investment operations. The assets and liabilities held by the entities acquired and sold at the time of change are not included in the statement of changes in working capital, nor are changes of balance sheet items reported in investment and financing operations.

Liquid funds include cash and bank flows and also short-term investments, the conversion to bank funds of which can occur at a beforehand essentially known amount. Liquid funds include short-term investments with a term of less than three months.

(u) Parent Company accounting policies
The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for legal entities of the Swedish Financial Reporting Board. Statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the Parent Company in the annual accounts for the legal entity should apply all IFRS and statements approved by EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due regard to the relationship between accounting and taxation. The recommendation sets out which exceptions and additions are to be made from IFRS.

In all, this results in differences between the Group's and the Parent Company's accounting in the areas indicated below.

Classification and presentation
The Parent Company's income statement and balance sheet are presented in accordance with the format used in the Swedish Annual Accounts Act. Differences compared to IAS 1 Presentation of Financial Statements applied in preparing the consolidated financial statements are primarily in the area of reporting of finance income and expense, non-current assets and equity.

Subsidiaries
Shares in subsidiaries are reported in the Parent Company in accordance with the purchase method of accounting. Dividends received are reported as revenue only to the extent they originate from profit earned after the acquisition. Dividends that exceed such earned profit are regarded as a repayment of the investment and reduce the reported value of the share.

Revenue

Financial instruments and hedge accounting
Due to the relationship between accounting and taxation, the rules regarding financial instruments and hedge accounting in IAS 39 are not applied to the Parent Company as a legal entity.

Anticipated dividends
Anticipated dividends from subsidiaries are reported in those cases when the Parent Company alone has the right to decide on the size of the dividend and the Parent Company has decided on the size of the dividend before publication of its financial reports.

Tangible non-current assets

Owned assets
Tangible non-current assets in the Parent Company are reported at acquisition value after deduction of accumulated depreciation and any impairment losses in the same way as the Group, but with the addition of any write-ups.

Borrowing costs
In the Parent Company borrowing costs are charged to income during the period to which they apply. No borrowing costs are capitalised among assets.

Leased assets
In the Parent Company all lease contracts are reported in accordance with the rules for operating leases.

Taxes
In the Parent Company untaxed reserves are reported including deferred tax liability. In the consolidated financial statements, on the other hand, untaxed reserves are divided into deferred tax liability and equity.

(v) Group contributions and shareholder contributions for legal entities
The Company reports group contributions and shareholder contributions in accordance with the statement of the Swedish Financial Reporting Board. Shareholder contributions are carried directly to the recipient's equity and is capitalised in the form of shares with the donor, to the extent no impairment charge is warranted. Starting in 2011, group contributions received as dividends and group contributions rendered as investment in shares in subsidiaries, or if nothing of value is added, as an impairment loss against the shares through the income statement. Group contributions were previously carried directly to equity.

(x) Mergers
Mergers are accounted for in accordance with BFNAR 1999:1.

(y) Financial guarantees
Lagercrantz group has chosen not to apply the rules in IAS 39 regarding financial guarantees for subsidiaries in accordance with RFR 2.

Note 2 Critical estimates and judgements

The Board of Directors and management have discussed the development, the choice of and disclosures relating to the Group's important accounting policies and estimates, and the application of these policies and estimates. Certain critical accounting estimates performed in conjunction with application of the Group's accounting policies are described below.

Test for impairment of goodwill
Each year the Group investigates if any impairment of goodwill has occurred. The recoverable value of the cash-generating units is determined through a calculation of the value in use. This calculation is based on the strategic plan of the business in question and expected future cash flows for the operation. The discount factor used for present value calculations of expected future cash flows is the weighted average cost of capital (WACC). The year's review has demonstrated that there is no need for an impairment charge. Refer to Note 15 for further information.

Deferred taxes
The value of tax loss carryforwards and other deferred tax claims/liabilities is taken into consideration to the extent that it is deemed probable that it will be possible to utilise them in the future.

Exposure to foreign currencies
An analysis of the exposure to foreign currencies and the risks associated with changes in foreign exchange rates is provided in Note 41.

Pension assumptions
Pension assumptions are an important element of the actuarial methods used to measure pension obligations and they can have an effect on the reported pension liability and the annual cost of pensions. Two critical assumptions – the discount rate and expected return on managed assets – are important for measuring the year's pension cost as well as the present value of the defined benefit pension obligations. These assumptions are reviewed at least once per year for each plan in each country. Other assumptions may relate to demographic factors, such as retirement age, mortality and personnel turnover and are not reviewed as often. The current outcome often differs from the actuarial assumptions for economic and other reasons. The discount rate makes it possible to measure future cash flows at present value at the time of measurement. This interest rate should correspond to the return on investment grade corporate bonds, or government bonds (including housing bonds) or, if no functioning market for such bonds exists, government bonds. A lowered discount rate increases the present value of the pension liability and the annual cost.

Note 3 Segment reporting

Segment reporting is drawn up for the Group's operating segments and is based on top management's, i.e. the management group's follow-up of business operations. The Group's internal reporting system is thus built based on follow-up of earnings, cash flows and the return generated by the Group's goods and services. This follow-up generates top management's decisions about the best possible allocation of resources to what the Group produces and sells in the segments. Directly attributable items have been included in segment earnings and non-current as well as items that can be allocated in a reasonable and reliable manner. Segment investments in non-current assets include all capital expenditures, both in intangible and tangible assets. Assets added as a result of acquisitions are not included, but amortisation of group surplus values is.

Operating segments
The Group consists of the following operating segments:

- **Division Electronics**: Sells special components and solutions for electronics.
- **Division Mechatronics**: Active in niche production of cabling, electrical connection systems and similar products.
- **Division Communications**: Active in IT-related areas such as Digital image/technical security, Access and Software.
- **Division Niche Products**: Primarily produces and sells proprietary products with a strong position in its market niche.

Sales and profit by operating segment

	Electronics		Mechatronics		Communications		Niche Products	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Revenue								
External sales	623	606	703	770	785	739	217	150
Internal sales	14	18	8	11	1	0	–	–
Total revenue	**637**	**624**	**711**	**781**	**786**	**739**	**217**	**150**
Profit								
Operating profit	**48**	**42**	**83**	**97**	**64**	**43**	**35**	**26**

	Parent Company and eliminations		Total	
	2012/13	2011/12	2012/13	2011/12
Revenue				
External sales	–	–	2,328	2,265
Internal sales	-23	-29	–	–
Total revenue	**-23**	**-29**	**2,328**	**2,265**
Profit				
Operating profit	**-17**	**-24**	**213**	**184**
Finance income			1	3
Finance expense			-14	-16
Profit before taxes			**200**	**171**
Taxes			-41	-45
Net profit			**159**	**126**

Transfer pricing between operating segments is on market terms.

Other disclosures by operating segment

	Electronics		Mechatronics		Communications		Niche Products	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Assets	370	300	483	435	342	334	362	250
Undistributed assets	–	–	–	–	–	–	–	–
Total assets	**370**	**300**	**483**	**435**	**342**	**334**	**362**	**250**
Liabilities	76	76	112	136	125	108	35	23
Undistributed liabilities	–	–	–	–	–	–	–	–
Total liabilities	**76**	**76**	**112**	**136**	**125**	**108**	**35**	**23**
Capital expenditures	12	6	12	8	2	5	4	2
Depreciation, amortisation and impairment	10	7	11	11	9	11	9	6

	Parent Company		Total	
	2012/13	2011/12	2012/13	2011/12
Assets	18	6	1,575	1,325
Undistributed assets	–	–	28	21
Total assets	**18**	**6**	**1,603**	**1,346**
Liabilities	97	64	445	407
Undistributed liabilities	–	–	453	319
Total liabilities	**97**	**64**	**898**	**726**
Capital expenditures	0	0	30	21
Depreciation, amortisation and impairment	0	0	39	35

External sales by geographic market

The basis for sales by geographic market is the country where invoicing takes place.

	2012/13	2011/12
Sweden	775	732
Denmark	454	453
Norway	473	416
Finland	156	143
United Kingdom	43	49
Germany	116	120
Poland	47	34
Other Europe	146	168
Rest of world	118	150
	2,328	**2,265**

Capital expenditures and non-current assets by geographic market

	Capital expenditures		Non-current assets	
	2012/13	2011/12	2013-03-31	2012-03-31
Sweden	17	12	593	425
Denmark	8	6	79	84
Norway	2	1	98	43
Finland	1	2	65	72
Germany	1	0	20	18
Poland	1	0	15	0
Other Europe	0	0	0	0
Rest of world	0	0	0	0
Undistributed assets	–	–	6	8
	30	**21**	**876**	**650**

Parent Company

	2012/13	2011/12
Internal net revenue by operating segment		
Electronics	9	8
Mechatronics	8	9
Communications	10	10
Niche Products	3	1
	30	**28**
Internal net revenue by geographic market		
Sweden	15	15
Denmark	8	8
Norway	3	2
Finland	3	2
Germany	1	1
Other countries	0	0
	30	**28**

Note 4 Distribution of net revenue

Net revenue by product category

	2012/13	2011/12
Group		
Trading	1,102	1,128
Niche production	301	350
Proprietary products	683	588
Systems integration	155	117
Service and other	87	82
	2,328	**2,265**

In the case of other types of revenue, dividend and interest income are reported in net finance items. Refer to Note 11.

Note 5 Operating expenses by type of cost

	2012/13	2011/12
Group		
Cost of goods sold	1,410	1,472
Compensation-related personnel costs	510	441
Depreciation and amortisation	39	35
Other operating expenses	177	146
Total operating expenses	**2,136**	**2,094**

Note 6 Employees, personnel costs, and fees to Board of Directors and auditors

Average number of employees

	2012/13	Of whom men	2011/12	Of whom men
Parent Company				
Sweden	10	80%	9	78%
Other Group companies				
Sweden	475	74%	424	73%
Denmark	176	56%	178	53%
Norway	47	74%	38	76%
Finland	91	51%	71	46%
Germany	22	64%	23	70%
Poland	43	79%	10	70%
Other countries	–	–	–	–
Total in Group companies	**854**	**68%**	**744**	**69%**
Group total	**864**	**68%**	**753**	**69%**

Salaries, other compensation and social benefits

	2012/13		2011/12	
	Salaries and compensation	Social benefits	Salaries and compensation	Social benefits
Parent Company	20	12	16	11
(of which pension cost)		(5)[1]		(5)[1]
Other Group companies	371	107	321	93
(of which pension cost)		(29)		(24)
Group total	**391**	**119**	**337**	**104**
(of which pension cost)		(34)[2]		(29)[2]

1) MSEK 2 (1) of the Parent Company's pension costs refers to the group Board of Directors and President. This group also includes executive vice presidents and presidents of subsidiaries. There are no outstanding pension obligations.
2) MSEK 6 (5) of the Group's pension costs refers to the group Board of Directors, President, executive vice presidents and subsidiary presidents. The Group's pension obligations to this group amount to MSEK 0 (0).

Salaries and other compensation by country and among and other employees

	2012/13		2011/12	
	Board of Directors and president	Other employees	Board of Directors and president	Other employees
Sweden				
Parent Company	8	12	7	9
(of which bonus, etc.)	(1)	(2)	(1)	(1)
Other Group companies in Sweden	15	172	14	145
(of which bonus, etc.)	(2)	(4)	(1)	(6)
Sweden total	**23**	**184**	**21**	**154**
	(3)	(6)	(2)	(7)
Outside Sweden				
Denmark	9	84	9	87
(of which bonus, etc.)	(1)	(2)	(0)	(4)
Norway	6	34	3	24
(of which bonus, etc.)	(0)	(2)	(0)	(1)
Finland	3	32	3	22
(of which bonus, etc.)	(0)	(0)	(0)	(1)
Germany	1	9	1	10
(of which bonus, etc.)	(–)	(–)	(–)	(–)
Poland	1	5	1	2
(of which bonus, etc.)	(–)	(–)	(–)	(–)
Other countries	–		–	
(of which bonus, etc.)	(–)	(–)	(–)	(–)
Group companies outside Sweden, total	**20**	**164**	**17**	**145**
(of which bonus, etc.)	(1)	(4)	(1)	(6)
Group total	**43**	**348**	**38**	**299**
(of which bonus, etc.)	(4)	(10)	(3)	(13)

The group Board of Directors and Presidents includes directors, presidents and executive vice presidents.

Gender distribution in management

	2013-03-31 Proportion of women	2012-03-31 Proportion of women
Parent Company		
Board of Directors	17%	17%
Other members of senior management	0%	0%
Group total		
Board of Directors	6%	7%
Other executives	3%	3%

Principles for compensation to the Board of Directors and other members of senior management

Fees paid to the Chairman of the Board of Directors and to members of the Board of Directors were set by the Annual Meeting. No separate fees are paid for committee work. In accordance with Annual Meeting resolution, compensation to members of senior management consists of compensation to the President & CEO and other members of senior management in the form of basic salary, variable compensation, pension and financial instruments. The aggregate compensation shall be adjusted to conditions on the market and be competitive, and should be commensurate with responsibility and authority. The variable annual portion of the compensation shall be maximised to approximately 40 percent of the fixed salary. The variable portion of the compensation should also be based on outcome relative to set goals and on individual performance. The retirement age shall be 60–65 years and in addition to an ITP plan, only defined contribution pension plans will normally be offered. In the case of termination, a severance payment in a maximum amount of one year's salary may be offered, in addition to salary during the period of notice. In addition to the incentive programme proposed to the Annual General Meeting, no other share-based or share-price-related programmes will be offered.

As far as compensation to the President and other members of senior management is concerned, the Board of Directors has appointed a compensation committee consisting of the Chairman of the Board of Directors and the Vice Chairman of the Board of Directors, with the Chairman as reporter. The task of the committee is to evaluate and suggest principles of compensation to the Board of Directors (refer to the Corporate Governance). The Board of Directors submits proposals to the Annual Meeting for resolution.

The proposal to the 2013 Annual General Meeting is set forth in the Board of Directors Report.

Compensation and other benefits to the Board of Directors and other members of senior management 2012/2013

SEK thousand	Basic salary, directors fee	Variable compensation	Other compensation	Other benefits	Pension cost	Total
Chairman of the Board of Directors						
Anders Börjesson	400					400
Director						
Tom Hedelius	300					300
Pirkko Alitalo	200					200
Lennart Sjölund	200					200
Roger Bergqvist	200					200
President & CEO						
Jörgen Wigh	2,882	804	198	93	875	4,852
Executive Vice President						
Magnus Söderlind	1,836	513	120	86	450	3,005
Other members of senior management						
5 persons	6,148	1,207	170	336	2,021	9,882
Total	**12,166**	**2,524**	**488**	**515**	**3,346**	**19,039**

Compensation and other benefits to the Board of Directors and other members of senior management 2011/2012

SEK thousand	Basic salary, Directors fee	Variable compensation	Other compensation	Other benefits	Pension cost	Total
Chairman of the Board of Directors						
Anders Börjesson	400					400
Director						
Tom Hedelius	300					300
Pirkko Alitalo	200					200
Lennart Sjölund	200					200
Roger Bergqvist	117					117
President & CEO						
Jörgen Wigh	2,698	569	70	96	820	4,253
Executive Vice President						
Niklas Enmark	749			39	116	904
Magnus Söderlind	1,714	362	44	97	433	2,650
Other members of senior management						
4.5 persons	5,474	805	128	292	1,531	8,230
Total	**11,852**	**1,736**	**242**	**524**	**2,900**	**17,254**

In addition to the President & CEO, other members of senior management refers to the management group consisting of: executive vice presidents 1 person (1.3), other senior executives, including business area heads 5 (4.5) persons. Compensation to this group, a total of 8 (7.8) persons in 2012/13, was covered by the resolution at the 2012 Annual Meeting regarding compensation principles for members of senior management. The Compensation Committee verified compliance with the Annual Meeting resolution. Among other things, the Compensation Committee has verified conformity with market conditions by comparing with compensation in other similar listed companies.

Pensions

The retirement age for the President & CEO is 60 years. The retirement age of other members of senior management is 65 years. Pension is paid equivalent to the ITP plan, which is a defined contribution plan.

Severance payment

The period of notice for the President is 12 months when termination is at the initiative of the Company and 6 months when termination is at the initiative of the President. In the case of termination at the initiative of the President, the President is entitled a severance payment of the equivalent of one year's salary in addition to salary during period of notice. No severance payment is payable in the case of termination at the initiative of the President. The severance payment is not prorated against other income.

The period of notice for the other members of Group management is 6–12 months when termination is at the initiative of the Company and up to 6 months when termination is at the initiative of the employee. In the case of termination at the initiative of the Company, members of Group management are entitled to a severance payment of the equivalent of up to one year's salary, in addition to salary during the period of notice. No severance payment is payable in the case of termination at the initiative of the employee. The severance payment is not prorated against other income.

Option programme

The 2012 Annual Meeting resolved an incentive programme for members of senior management in the Lagercrantz Group. This programme consists of call options for Lagercrantz Group repurchased shares, where each call option gives the holder a right to acquire one class B repurchased share. Redemption can take place during three time periods: (i) during two week period 1 April 2014 – 30 September 2014, (ii) during two weeks from the when the Company publishes its Interim Report for the period 1 April 2014 – 31 March 2015, and (iii) during the period 21 September – 2 October 2015.

Similar call option programmes for members of senior management were resolved by the 2010 and 2009 Annual Meetings.

In all cases the share is acquired at a redemption price determined as a percentage mark-up of an average share price after the Annual General Meeting in accordance with listed paid prices. The programmes cover members of senior management and managers with a direct possibility of affecting the Group's profit. The members the Board of Directors do not have the right to acquire call options, with the exception of the Company's President & CEO. One prerequisite for being awarded call options is that the employee has concluded a special pre-emption agreement with the Company. Pre-emption shall occur at the market value at the time of termination of employment, a tender offer for all outstanding and in cases when the call options are to be transferred to a third party. In all other respects the call options are freely transferable. The Company did not invoke the pre-emption agreement during 2012/13. The premium for the call options shall be equivalent to the market value of the call options in accordance with external valuation applying the generally accepted valuation method (the Black & Scholes model).

The award resolved by the 2010 Annual General Meeting comprised 26 persons and a total of 260,000 call options. Awards varied between 5,000 and 40,500 options per person. The President & CEO acquired 40,500 and other members of senior management 105,000. The measuring period to determine the average share price, which was SEK 35.00, was 6 September – 17 September 2010. The redemption price for the shares resolved was 120 percent of the average price, was set as SEK 42.00, but was subsequently adjusted to SEK 41.00 due to the dividend paid. The market value of the call options was set at SEK 2.00 per option by an independent valuation institution. About MSEK 0.4 of the cost for the current option programme was charged to 2010/11 earnings. The effect on equity amounted to MSEK 0.4.

The award resolved by the 2011 Annual General Meeting comprised 27 persons and a total of 180,000 call options. Awards varied between 2,500–23,500 options per person. The President & CEO acquired 23,500 and other members of senior management 50,500. The measuring period to determine the average share price, which was SEK 47.67, was 5 September – 16 September 2011. The redemption price for the shares resolved was 120 percent of the average price, was set as SEK 57.20. The market value of the call options was set at SEK 3.30 per option by an independent valuation institution. The effect on equity amounted to MSEK 0.2.

The award resolved by the 2012 Annual General Meeting comprised 30 persons and a total of 225,000 call options. Awards varied between 4,000–26,500 options per person. The President & CEO acquired 26,500 and other members of senior management 89,000. The measuring period to determine the average share price, which was SEK 58.60, was 3 September – 14 September 2012. The redemption price for the shares resolved was 120 percent of the average price, was set as SEK 70.30. The market value of the call options was set at SEK 4.00 per option by an independent valuation institution. The effect on equity amounted to MSEK 0.1.

In addition hereto, redemption of options relating to the 2009 and 2010 programmes meant an increase in equity of MSEK 10, in connection with the Company's sale of class B shares held in treasury to the option holders.

Fees and reimbursement to auditors

	Group		Parent Company	
	2012/13	2011/12	2012/13	2011/12
KPMG				
Audit assignments	3	2	0.5	0.5
Tax advisory assignments	0	0	0.0	0.1
Other assignments	0	1	0.1	0.0
Other auditors				
Audit assignments	1	1	–	–
Tax advisory assignments	0	0	–	–
Other assignments	0	0	–	–

By audit assignment is meant examination of the annual accounts and the administration by the Board of Directors and the President, other tasks the Company's auditors are obligated to perform, and advice or other assistance prompted by observations in the course of such examination.

Note 7 Other operating revenue

	2012/13	2011/12
Group		
Capital gains	1	1
Rental income	0	0
Other compensation and contributions	6	2
FX gains on receivables/liabilities of an operating character	5	6
Miscellaneous	9	4
	21	**13**

Note 8 Other operating expenses

	2012/13	2011/12
Group		
FX losses on receivables/liabilities of an operating character	-6	-6
Other expenses	-3	-1
	-9	**-7**

Note 9 Depreciation and amortisation of tangible and intangible non-current assets

	2012/13	2011/12
Group		
Depreciation and amortisation according to plan by type of asset		
Intangible assets	-18	-16
Buildings and land	-2	-1
Leasehold improvements	-1	-1
Plant and machinery	-10	-9
Equipment, tools, fixtures and fittings	-8	-8
	-39	**-35**
Depreciation and amortisation according to plan by function		
Cost of goods sold	-11	-10
Research and development	-12	-9
Selling costs	-12	-12
Administrative expenses	-4	-4
	-39	**-35**
Parent Company		
Depreciation according to plan by type of asset		
Equipment, tools, fixtures and fittings	0	0
	0	**0**
Depreciation and amortisation according to plan by function		
Administrative expenses	0	0
	0	**0**

Note 10 Leasing fees relating to operating leases and rental contracts

	2012/13	2011/12
Group		
Operating leasing fees and rents paid during the financial year	41	38
Amounts of future annual payments:		
1 year after current financial year	36	31
2 years after current financial year	20	20
3 years after current financial year	13	10
4 years after current financial year	6	3
5 years after current financial year	4	3
	79	**67**
Parent Company		
Operating leasing fees and rents paid during the financial year	2	2
Amounts of future annual payments:		
1 year after current financial year	2	2
2 years after current financial year	1	1
More than 3 years after the current financial year	0	0
	3	**3**

Leasing fees and rent for premises account for the largest part of leasing costs.

Note 11 Finance income

	2012/13	2011/12
Group		
Interest income	1	1
FX gains	2	2
	3	**3**
Parent Company		
Other interest income and similar items		
Interest income from Group companies	4	4
Group contributions received	37	44
Dividend income	138	168
	179	**216**
Other interest income and similar items		
FX gains	0	0
Other interest income	0	0
	0	**0**
Total finance income	**179**	**216**

Note 12 Finance expense

	2012/13	2011/12
Group		
Interest expense, pensions	-3	-2
Other interest expense	-10	-11
Effect of interest hedging	–	-1
FX losses	-3	-2
Miscellaneous	0	0
	-16	**-16**
Parent Company		
Result from shares in Group companies		
Interest expense to Group companies	-1	-2
Group contributions rendered	-5	-12
FX losses	-4	-2
Impairment charges	-5	–
	-15	**-16**
Other interest expense and similar items		
Other interest expense	-10	-11
Effect of interest hedging	–	-1
Miscellaneous	0	0
	-10	**-12**
Total finance expense in the Parent Company	**-25**	**-28**

Note 13 Exchange rate differences affecting profit

	2012/13	2011/12
Group		
Exchange rate differences affecting operating profit	-2	-1
Financial exchange rate differences	-1	0
	-3	**-1**
Parent Company		
Financial exchange rate differences	-4	-2
	-4	**-2**

Note 14 Taxes on the year's profit

	2012/13	2011/12
Group		
Current tax expense (-) / tax income (+)		
Tax expense for the period	-45	-40
Adjustment of taxes attributable to prior years	0	0
	-45	**-40**
Deferred tax expense (-) / tax income (+)		
Deferred taxes on temporary differences	3	-3
Deferred taxes on change of capitalised tax value of tax loss carryforward	1	-2
	4	**-5**
Total reported tax expense / tax income in the Group	**-41**	**-45**

The value of tax loss carryforwards is taken into account when it is believed that they will result in lower tax payments in the future.

Reconciliation of effective tax	2012/13	2011/12
Group		
Profit before taxes	200	171
Tax according to Parent Company's tax rate, 26.3%	-53	-45
Effect of lowered tax rate in Sweden to 22%	10	–
Effect of other tax rates for other Group companies outside Sweden	1	0
Non-deductible expenses	-1	-1
Other tax-exempt income	2	1
Taxes attributable to prior years	0	0
Reported effective taxes	**-41**	**-45**

	2012/13	2011/12
Parent Company		
Current tax expense (-) / tax income (+)		
Tax expense for the period	-2	-1
	-2	**-1**
Deferred tax expense (-) / tax income (+)		
Deferred taxes on temporary differences	0	0
	0	**0**
Total reported tax expense / tax income in the Parent Company	**-2**	**-1**

Reconciliation of effective tax	2012/13	2011/12
Parent Company		
Profit before taxes	138	171
Tax according to the current tax rate, 26.3%	-36	-45
Effect of impairment charges	-2	–
Dividends from Group companies	36	44
Non-deductible expenses	0	0
Reported effective taxes	**-2**	**-1**

Note 15 Goodwill

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	361	320
Additions	161	42
Exchange rate difference	-7	-1
Closing balance	**515**	**361**

	2013-03-31	2012-03-31
Goodwill allocated to Group companies		
Acte Solutions AB	2	2
Ampol Serwis Sp Z o.o.	5	–
CAD-Kompagniet A/S	23	24
COBS AB	8	8
Direktronik AB	9	9
Elkapsling AB	44	–
Elpress AB	40	40
ISG Systems AB	12	12
Idesco OY	19	20
ISIC A/S	5	5
K&K Active OY	28	30
Leteng AS	22	23
Nordic Alarm AB	20	20
Norwesco AB	31	31
Plåt och Spiralteknik i Torsås AB	25	–
STV Sv Tele & Video Konsult AB	5	5
SwedWire AB	61	61
Svensk Stålinredning AB	21	21
Thermod AB	37	–
Unitronic AG	15	16
Vanpee AB	7	–
Vanpee AS	43	–
Vanpée & Westerberg A/S	12	13
Vendig AB	21	21
Total goodwill	**515**	**361**

Test for impairment of goodwill

The Group's reported goodwill amounts to MSEK 515 (361). Goodwill is not amortised after the transition to IFRS. Instead the value of goodwill is tested in accordance with the rules set forth in IAS 36. A test was performed during March 2013. Goodwill is allocated to cash-generating units, which typically coincide with the entity acquired. In cases where the acquired business is integrated into other Lagercrantz businesses to such an extent that it is not possible to keep separate the assets and cash flows attributable to the entity acquired, a test of goodwill values is performed at a higher level. The recovery value is calculated based on the value in use and a current assessment of the cash flows for the next five-year period. Assumptions are made for sales growth, gross margin, level of overhead, working capital requirement and the need for capital expenditures. In the normal case these parameters are set to correspond to the prognosticated levels for the next financial year, mainly based on the relevant entity's business plan calling for a growth rate of 0–10 (0–10) percent per year. For the year's thereafter, a rate of growth based on estimated sustained growth rate of about 2 (3) percent is applied.

Cash flows have been discounted using a weighted capital cost equivalent to about 11 percent before taxes (about 12–13.5 percent last year). Calculations demonstrate that value in use exceeds the reported value. The test for impairment of demonstrate that the value in use exceeds the reported value. The test for impairment of goodwill thus did not result in a need for an impairment charge. The sensitivity of these calculations mean that the value of goodwill can still be defended even if certain of the parameters included were to change. If, for instance, the sustainable rate of growth was 1 percent instead of 2 percent, the value in use still exceeds the reported value. The values can also be defended if the recovery value of each respective company were to decline by 15 percent.

Other tests for impairment: No events or changed circumstances have been identified that would warrant a test of other intangible non-current assets.

Note 16 Trade marks

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	108	108
Additions	23	0
Exchange rate differences	-2	0
Closing balance	**129**	**108**
Trademarks are allocated to Group companies as follows		
Acte Solutions AB	3	3
COBS AB	3	3
Direktronik AB	2	2
Elkapsling AB	10	–
Elpress AB	15	15
ISIC A/S	8	8
Leteng AS	17	17
Nordic Alarm AB	7	7
Norwesco AB	15	15
STV Sv Tele & Video Konsult AB	3	3
SwedWire AB	25	25
Thermod AB	7	–
Vanpee AS	5	–
Vanpée & Westerberg A/S	9	10
Total trade marks	**129**	**108**

Each year an assessment is made to determine if any impairment of trademarks has occurred in accordance with the same principles as for goodwill.

Note 17 Other intangible assets

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	152	131
Additions	35	23
Reclassification	0	-2
Exchange rate differences	-4	0
	183	**152**
Accumulated amortisation according to plan		
Opening balance	-68	-54
Year's amortisation according to plan	-18	-16
Reclassification	0	2
Exchange rate differences	2	0
	-84	**-68**
Closing balance	**99**	**84**

Other intangible assets primarily consist of patents, customer relationships, capitalised development costs and software. Of the total reported value MSEK 21 (23) refers to internally generated intangible assets. A total of MSEK 18 (12) expensed as research and development during the year.

Note 18 Buildings, land and land improvements

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	33	33
Additions	1	–
Additions via new companies	22	–
[1]	**56**	**33**
Accumulated depreciation according to plan		
Opening balance	-3	-2
Additions via new companies	-3	–
Year's depreciation according to plan	-2	-1
	-8	**-3**
Closing balance	**48**	**30**

[1] Acquisition values include no capitalised interest.

Note 19 Leasehold improvements

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	7	6
Additions	0	1
Exchange rate differences	0	0
	7	**7**
Accumulated depreciation according to plan		
Opening balance	-5	-4
Year's depreciation according to plan	-1	-1
Exchange rate differences	0	0
	-6	**-5**
Closing balance	**1**	**2**

Note 20 Plant and machinery

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	129	123
Additions	7	8
Additions via new companies	26	0
Reclassification	4	0
Sales and disposals	-2	-2
Exchange rate differences	-1	0
	163	**129**
Accumulated depreciation according to plan		
Opening balance	-91	-83
Additions via new companies	-17	0
Reclassification	-1	–
Sales and disposals	2	1
Year's depreciation according to plan	-10	-9
Exchange rate differences	1	0
	-116	**-91**
Closing balance	**47**	**38**

Note 21 Equipment, tools, fixtures and fittings

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	102	116
Additions	18	7
Additions via new companies	11	1
Sales and disposals	-6	-22
Reclassification	-4	0
Exchange rate differences	-2	0
	119	**102**
Accumulated depreciation according to plan		
Opening balance	-85	-98
Additions via new companies	-4	-1
Sales and disposals	5	22
Reclassification	0	0
Year's depreciation according to plan	-8	-8
Exchange rate differences	2	0
	-90	**-85**
Closing balance	**29**	**17**
Parent Company		
Accumulated acquisition values		
Opening balance	1	1
Additions	0	0
	1	**1**
Accumulated depreciation according to plan		
Opening balance	-1	-1
Year's depreciation according to plan	0	0
	-1	**-1**
Closing balance	**0**	**0**

Note 22 Shares in Group companies

	2013-03-31	2012-03-31
Parent Company		
Accumulated acquisition values		
Opening balance	941	880
External acquisitions	291	61
Adjustment of additional consideration	-2	–
	1,230	**941**
Accumulated impairment charges		
Opening balance	-106	-106
Impairment for the year	-5	–
	-111	**-106**
Closing balance	**1,119**	**835**

Specification of the Parent Company's and the Group's holdings of shares in Group companies

Group company[1] / Organisation number/ Registered office	Number of shares	Stake in %[2]	Carrying value 2013-03-31	2012-03-31
Acte Solutions AB, 556600-8032, Stockholm	500	100.0	13	13
Acte Systems AS, 927 714 574, Bergen, Norway	600	100.0	1	1
Acte Components Ltd, 4209447, Hampshire, UK	49,999	100.0	0	0
Acte AS, 923 148 442, Oslo, Norway	5,000	100.0	44	44
Acte Oy, 239 992, Helsinki, Finland	300	100.0	3	3
Ampol Serwis Sp Z o.o.,9950050690, Grodzisk Wielkopolski, Poland	160	100.0	16	–
Thermod Polska Sp Z o.o., 9950209469, Grodzisk Wielkopolski, Poland	100	100.0	–	–
COBS AB, 556524-3788, Göteborg	3,000	100.0	21	21
Direktronik AB, 556281-9663, Nynäshamn	3,000	100.0	24	24
Elkapsling AB, 551713-9240, Ånge	15,000	100.0	107	
Elpress AB, 556031-5607, Kramfors	80,000	100.0	99	99
Elpress A/S, CVR 26162629, Silkeborg, Denmark	100	100.0	–	–
Elpress GmbH, HBR 3252, Viersen, Germany	100	100.0	–	–
Elpress (Beijing) Electrical Components Co. Ltd, Beijing, China	100	100.0	–	–
Kablema AB, 556746-2196, Kramfors	100	100.0	–	–
EFC Finland Oy, 1750567-0, Korsholm, Finland	1,550	100.0	13	13
Idesco OY, 2024497-7, Uleåborg, Finland	403,391	90.2	30	30
Idesco AB, 556742-3008, Stockholm	1,000	100.0	0	–
ISG Systems AB, 556468-2192, Höganäs	200	100.0	18	18
K& K Active OY, 0980670-5, Helsinki, Finland	100	100.0	51	51
Kablageproduktion i Västerås AB, 556509-1096, Västerås	5,000	100.0	20	20
Lagercrantz Communication AB, 556260-2127, Solna	1,000	100.0	3	3
Leteng AS, 952 002 872, Tynset, Norway	12,968	95.0	51	51
Nordic Alarm AB, 556318-0032, Solna	38,300	100.0	30	30
Norwesco AB, 556038-4090, Täby	15,000	100.0	61	61
Plåt och Spiralteknik i Torsås AB, 556682-9197, Torsås	10,000	100.0	46	–
STV Sv Tele & Video Konsult AB, 556307-4565, Stockholm	65,000	100.0	16	16
Svensk Stålinredning AB, 556842-6000, Värnamo	100,000	100.0	32	32
SwedWire AB, 556297-0060, Varberg	100,000	100.0	95	95
Thermod AB, 556683-7125, Klässbol	1,000	100.0	55	–
Unitronic AG, HRB 40042 , Düsseldorf, Germany	153,600	100.0	28	28
Secos GmbH , Baar, Switzerland	20,000	100.0	–	–
Vanpee AB, 556213-2406, Stockholm	50,000	100.0	20	20
Vanpee Norge AS ,976 286 324, Oslo, Norway	100	100.0	60	–
Vendig AB, 556626-7976, Skara	5,000	100.0	29	31
VP Ledbelysning AB, 556084-5975, Nyköping	4,000	100.0	2	
Lagercrantz A/S, 81 74 67 10, Copenhagen, Denmark	6	100.0	131	131
Acte A/S, 71 28 89 19, Copenhagen, Denmark	2	100.0	–	–
Lagercrantz Asia Ltd, Hong Kong	20,000	100.0	–	–
Acte Poland Sp Z o.o., 5 753, Warszawa, Poland	2	100.0	–	–
Elfac A/S, 17 46 50 31, Silkeborg, Denmark	1	100.0	–	–
ISIC A/S, 16 70 45 39, Århus, Denmark	33,400	100.0	–	–
Vanpée & Westerberg A/S, 25 69 58 01, Copenhagen, Denmark	500	100.0	–	–
Betech Data A/S, 10 51 07 32, Copenhagen, Denmark	1	100.0	–	–
CAD-Kompagniet A/S, 21 69 77 88, Copenhagen, Denmark	8	100.0	–	–
			1,119	**835**

[1] Group companies are reported at book value; other companies are owned indirectly via Group companies.
[2] Refers to ownership stake of capital, which also coincides with the proportion of votes for the total number of shares outstanding.

Note 23 Due from Group companies

	2013-03-31	2012-03-31
Parent Company		
Accumulated acquisition values		
Opening balance	116	96
Incremental receivables	94	93
Receivables paid	-105	-72
Exchange rate differences	-4	-1
Closing balance	**101**	**116**

Note 24 Other long-term receivables

	2013-03-31	2012-03-31
Group		
Accumulated acquisition values		
Opening balance	2	2
Incremental receivables	0	0
Receivables paid	0	0
Closing balance	**2**	**2**

Note 25 Inventories

impairment charges were made against inventories in the amount of MSEK 1 (10).

Note 26 Trade receivables

Aging of unimpaired trade receivables due	2013-03-31	2012-03-31
Group		
Trade receivables not due	320	315
Trade receivables due in 0 – 30 days	37	44
Trade receivables due in > 30 – 90 days	5	3
Trade receivables due in > 90 – 180 days	0	0
Trade receivables due in > 180 days	0	0
Total	**362**	**362**

Provision account for bad debt losses	2013-03-31	2012-03-31
Group		
Opening balance	2	3
Reversal of previously made impairment charges	0	-1
Year's impairment losses	1	0
Exchange rate differences	0	0
Closing balance	**3**	**2**

Bad debt losses realised during the year have been charged to the income statement in the amount of MSEK 2 (0).

Note 27 Earned but not yet invoiced revenue

	2013-03-31	2012-03-31
Group		
Work in progress		
Accumulated recognised contract income	64	68
Invoicing	-44	-54
Total claim on clients	**20**	**14**
Accumulated contract costs and recognised income (after deduction of recognised loss) at end of period	64	68
Advance payments received	0	–
Amount held back by clients	–	–

Contract income from fixed price contracts are reported using gradual profit recognition. Calculations are made based on completed time relative to estimated time to complete the entire contract.

Note 28 Prepaid expenses and accrued income

	2013-03-31	2012-03-31
Parent Company		
Prepaid rent	0	0
Prepaid insurance premiums	0	0
Other items	3	3
	3	**3**

Note 29 Equity

Parent Company

According to Swedish law, shareholder's equity shall be divided between funds that may not be paid as dividends (restricted funds) and funds that may be paid as dividends (unrestricted funds).

Restricted reserves

Restricted funds consist of share capital and the following reserves:

Legal reserve

The purpose of the legal reserve is to set aside the portion of net earnings not required to cover a loss brought forward.

Unrestricted equity

Unrestricted funds consist of retained earnings and premium reserve.

Retained earnings

Consist of the preceding year's unrestricted equity after any allocation to legal reserve and after any dividends paid. Constitute the total unrestricted equity together with this year's income, i.e. the amount available for payment as dividends to the shareholders.

Share capital

Distribution and change of class of share

Classes of shares	Number of shares	Number of votes
Class A shares, 10 votes per share	1,091,966	10,919,660
Class B shares, 1 votes per share	22,081,343	22,081,343
Class B shares held in treasury	-653,300	-653,300
Total	**22,520,009**	**32,347,703**

	Class A shares	Class B shares
Number of shares outstanding at beginning of period	1,094,654	22,078,655
Redemption of shares		
Conversion of class A shares	-2,688	2,688
Number of shares outstanding at the end of the period	**1,091,966**	**22,081,343**
Number of class B shares held in treasury		
At the beginning of the period	–	956,300
Shares used in connection with redemption of options		-303,000
At the end of the period	**–**	**653,300**

The share capital amounted to MSEK 48.9 at the end of the period. The class B share is listed on OMX Nordic Exchange Stockholm. According to the Articles of Association the share capital shall be not less than MSEK 25 and not more than MSEK 100. The quotient value of the share is SEK 2.11. The proposed dividend for the year is SEK 3.25 (2.75) per share.

The options programmes described in Note 6 are secured by shares repurchased at an average cost of SEK 31.75.

When the call options are exercised at a redemption price of SEK 39.60, SEK, 57.20 and SEK 70.30, respectively, per share, the number of shares outstanding may increase by the number of option redeemed, or a total 562,500 shares. The number of shares held in treasury will then decline accordingly.

Group

The Group's equity consists of share capital and the following items:

Other contributed capital

Refers to equity capital contributed by the owners.

Reserves

Reserves refer to restatement reserve and hedging reserve.

The restatement reserve includes all FX rate translation differences that arise when translating the financial statements of foreign operations. These entities prepare their financial statements in other currencies than the Group and the Parent Company, which report in Swedish kronor (SEK). The restatement reserve additionally consists of exchange rate differences that arise upon revaluation of net investments in foreign operations.

The hedging reserve includes the effective portion of the accumulated net change in fair value of a cash flow hedging instrument attributable to hedging transactions that have not yet transpired.

Retained earnings

Retained earnings include earned profit in the Parent Company and its subsidiaries. Profit for the year is reported separately in the report of financial position. Prior provisions to the legal reserve, not including transferred premium reserves, are included in this equity item.

Capital management

The Group's goal, as expressed in its finance policy, is to have a good capital structure and financial stability in the interest of retaining the confidence of investors, credit institutions and the market in general In addition, this constitutes a foundation for continued development of the business operations. Capital is defined as total shareholders' equity, not including minority interests.

The ambition of the Board of Directors is to retain a balance between a high return and the security of a large capital base. The Group's goal is to achieve a return on equity of at least 25 percent per year. For the 2012/13 financial year the return was 24 percent (22). This improvement was achieved through a profit increase to MSEK 159 (126) and the fact that average equity during the year amounted to MSEK 663 (583), i.e. that profit increased more than equity. This is, in part, due to a dividend paid during the year in the amount of approximately MSEK 62.

The Group's dividend policy is to pay a dividend amounting to 30–50 percent of the year's profit, taking the Group's cash flow and capital expenditure requirements into account. The Board of Directors is proposing to the 2013 Annual General Meeting a dividend of SEK 3.25 (2.75) per share. The proposed dividend translates to a dividend share of 46 percent (49). The dividend is also equivalent to 10 percent (10) of consolidated equity as of 31 March 2013.

The Group's Board of Directors has a mandate from the 2012 Annual Meeting to repurchase shares. During the year the Group has not repurchased any shares over and above prior years' repurchases. The timing of these repurchases were determined in part by the market price of the share. A portion the repurchased shares are intended to cover the Group's commitment under outstanding option programmes, where members of senior management and certain key persons have the opportunity to acquire class B shares by exercising acquired options. There is no formal repurchase plan. Decisions to buy and sell shares in the Group are instead made by the Board of Directors within the framework of the mandate given by Annual General Meeting. The Board of Directors is again proposing to the 2013 Annual General Meeting to pass a resolution to repurchase own shares. There was no change in the Group's capital management during the year.

Note 30 Provisions for pensions and similar obligations

Defined benefit obligations and the value of managed assets Lagercrantz Group has defined benefit pension plans in just a few countries. The plans in Sweden cover certain Group companies. The plans provide benefits based on the compensation and the years of service the employees have at or close to retirement. The pension plan according to ITP, secured by insurance with Alecta, is reported as a defined contribution plan since the Company has not had access to information detail making it possible to report this plan as a defined benefit plan.

	2013-03-31	2012-03-31
Group		
Present value of unfunded defined benefit obligations	56	58
Net obligations before adjustments	**56**	**58**
Adjustments:		
Actuarial gains and losses on pension obligations	-5	-8
Subtotal of accumulated unreported actuarial gains (+) and losses (-)	-5	-8
Net amount in report of financial position, obligation (+), asset (-)	**51**	**50**
The net amount is recorded in the following items in the report of financial position:		
Provision for pensions and similar obligations	51	50
Net amount in the report of financial position	**51**	**50**

Distribution of amount on plans in the following countries

	2013-03-31	2012-03-31
Sweden	50	49
Norway	0	0
Germany	1	1
Amount in the report of financial position	**51**	**50**

Actuarial gains and losses may arise when the present value of the obligation and the fair value of managed assets are determined. They arise either when the actual outcome differs from the previously made assumption, or when assumptions are changed. The portion of the accumulated actuarial gains and losses at the end of the preceding year that exceeds 10 percent of the higher of the present value of the obligations and the fair value of managed assets is expensed and distributed evenly over the average remaining time of employment of the employee.

Pension cost	2012/13	2011/12
Group		
Defined benefit plans		
Cost of pensions earned during the year	0	0
Interest expense	-3	-2
Actuarial gains (-) and losses (+) reported during the year	0	0
Cost of defined benefit plans	**-3**	**-2**
Cost of defined contribution plans	-31	-27
Total cost of compensation after termination of employment	**-34**	**-29**

The pension cost relating to the most important defined benefit pension plans is reported in the income statement on the lines Selling costs, Administrative expenses and The interest component of the pension cost reported as a financial expense Interest expense. Since virtually no salaries are earned in this category, it is the interest portion that dominates and is reported as a financial espense in the amount of MSEK 3 (2). The pension cost for contribution pension plans amounted to MSEK 31 (27). The pension cost for defined benefit and defined contribution pension plans amounted to MSEK 34 (29).

Reconciliation of net amount of pensions in the report of financial position
The following table explains how the net amount in the report of financial position changed during the period:

	2012/13	2011/12
Opening balance: Present value of obligation	**50**	**50**
Cost of defined benefit plans	3	2
Pension payments	-2	-2
Payment of fees by the company	0	0
Change in actuarial gains/losses	0	0
Translation differences	0	0
Closing balance: Present value of obligation	**51**	**50**
Net amount in report on financial position, closing balance	**51**	**50**

Actuarial assumptions
The following significant actuarial assumptions have been applied when calculating the obligations:

(weighted average values)	2013-03-31	2012-03-31
Discount interest rate	3.7%	3.7%
Expected inflation	2.0%	2.0%
Future salary increases	3.0%	3.0%
Personnel turnover	5.0%	5.0%
Change in income amount	3.0%	3.0%

As in prior years, the basis for discount interest rate in Sweden is the housing bond rate. The Group estimates that MSEK 3 will be paid during 2013/14 to funded and unfunded defined benefit plans.

	2013-03-31	2012-03-31
Parent Company		
Provision for pensions	22	22
	22	**22**

Pledged assets for pension obligations
The Parent Company has guaranteed the PRI liabilities of Group companies.

Note 31 Deferred taxes

2013-03-31	Deferred tax asset	Deferred tax liability	Net
Group			
Other non-current assets	3	-55	-52
Other provisions	1	–	1
Untaxed reserves	–	-27	-27
Other	1	0	1
Tax loss carryforwards	1	–	1
	6	**-82**	**-76**

2012-03-31	Deferred tax asset	Deferred tax liability	Net
Group			
Other non-current assets	4	-50	-46
Other provisions	2	–	2
Untaxed reserves	–	-18	-18
Other	1	0	1
Tax loss carryforwards	1	–	1
	8	**-68**	**-60**

Unreported deferred tax assets
Deferred tax claims relating to tax loss carryforwards of MSEK 1 (1) have not been recognised. The value of tax loss carryforwards is taken into account to the extent it is deemed possible that they will result in lower tax payments in the future.

Change in deferred taxes in temporary differences and tax loss carryforwards

	Opening balance	Reported via the income statement	Closing balance
Group			
Other non-current assets	-46	8	-52
Other provisions	2	-1	1
Untaxed reserves	-18	-3	-27
Other	1	0	1
Tax loss carryforwards	1	0	1
	-60	**4**	**-76**

The difference on the change by type of tax not carried via the income statement is explained by deferred taxes in connection with acquisitions and by translation differences.

The Company reports no deferred taxes on temporary differences attributable to investments in Group companies. Any effects in the future will be recognised when the Company can no longer control the reversal of such differences, or when it for other reasons is no longer probable that reversal will take place within the foreseeable future.

The Parent Company has a deferred tax asset of MSEK 1 (1).

Note 32 Other provisions

	2013-03-31	2012-03-31
Group		
Other provisions as long-term liabilities		
Costs for restructuring measures	0	0
Warranty provisions	1	2
Other	1	2
	2	**4**
Other provisions as short-term liabilities		
Costs for restructuring measures	2	8
Other	0	0
	2	**8**
Opening balance	**12**	**2**
Provisions set aside during the period	3	13
Amount utilised during the period	-11	-3
Closing balance	**4**	**12**

Restructuring
Restructuring costs for which provisions have been set aside primarily refer to structural measures, and measures attributable to personnel changes.

Note 33 Financial assets and liabilities

Financial instruments by category

Fair values of financial assets and liabilities essentially correspond to reported values. Fair value of contingent considerations is measured using the fair value option contained in IAS 39, category 3. Derivatives are valued at fair value based on current, observable data and included in IAS 39, category 2.

Group

2013-03-31	Loan and trade receivables	Derivatives for hedge accounting	Total
Assets in the report of financial position			
Long-term receivables	2		2
Trade receivables	362		362
Cash and cash equivalents	36		36
Total	**400**	**–**	**400**

The consolidated report of financial position shows other receivables in the amount of MSEK 32. All items are non-financial.

2013-03-31	Financial liabilities	Derivatives for hedge accounting	Total
Liabilities in the report of financial position			
Short-term liabilities to credit institutions	279		279
Trade payables	196		196
Other current liabilities	72	–	72
Total	**547**	**–**	**547**

The consolidated report of financial position shows other liabilities in the amount of MSEK 143. There are no derivatives as of the balance sheet date. Contingent consideration payments are carried in the amount MSEK 72 measured at fair value via the income statement. Financial liabilities are for the most part payable within 12 months. Other items are non-financial.

2012-03-31	Loan and trade receivables	Derivatives for hedge accounting	Total
Assets in the report of financial position			
Long-term receivables	2		2
Trade receivables	362		362
Cash and cash equivalents	37		37
Total	**401**	**–**	**401**

The consolidated report of financial position shows other liabilities in the amount of MSEK 20. All items are non-financial.

2012-03-31	Financial liabilities	Derivatives for hedge accounting	Total
Liabilities in the report of financial position			
Current liabilities to credit institutions	170		170
Trade payables	205		205
Other current liabilities	28	–	28
Total	**403**	**–**	**403**

The consolidated report of financial position shows other liabilities in the amount of MSEK 86. There are no derivatives as of the balance sheet date. Contingent consideration payments are carried in the amount of MSEK 28 measured at fair value via the income statement. Financial liabilities are for the most part payable within 12 months. Other items are non-financial.

Change in contingent consideration

	2012/13	2011/12
Opening balance	28	21
Year's liabilities	51	7
Settled liabilities	-4	–
Revalued liabilities	-3	–
Translation difference	–	–
Closing balance	**72**	**28**

Parent Company

2013-03-31	Loan and trade receivables	Derivatives for hedge accounting	Total
Assets in the balance sheet			
Long-term receivables from subsidiaries	101		101
Other current liabilities	69		69
Cash and cash equivalents	0		0
Total	**170**	**–**	**170**

2013-03-31	Financial liabilities	Derivatives for hedge accounting	Total
Liabilities in the balance sheet			
Long-term liabilities to Group companies	3		3
Current liabilities to credit institutions	268		268
Trade payables	2		2
Other current liabilities	286		286
Total	**559**	**–**	**559**

MSEK 69 of other liabilities refer to contingent consideration measured at fair value.

2012-03-31	Loan and trade receivables	Derivatives for hedge accounting	Total
Assets in the balance sheet			
Long-term receivables from subsidiaries	116		116
Other current liabilities	60		60
Cash and cash equivalents	–		–
Total	**176**	**–**	**176**

2012-03-31	Financial liabilities	Derivatives for hedge accounting	Total
Liabilities in the balance sheet			
Long-term liabilities to Group companies	1		1
Long-term liabilities to credit institutions	0		0
Current liabilities to credit institutions	164		164
Trade payables	2		2
Other current liabilities	198		198
Total	**364**	**–**	**364**

MSEK 23 of other liabilities refer to contingent consideration measured at fair value.

Note 34 Interest-bearing liabilities and provisions

The Group's interest-bearing liabilities are allocated in the report on financial position as follows: Provision for pensions MSEK 51 (50), Long-term liabilities MSEK 5 (1), Current liabilities to credit institutions MSEK 279 (171) and Other current liabilities MSEK 0 (0), Total MSEK 335 (222). The provision for pensions is defined as an interest-bearing provisions since the present value of defined benefit pension obligations is calculated using a discount rate in accordance with IAS 19. For details, refer to Note 30.

Credit terms on trade payables in the Group follow normal industry practice. Nominal value of interest-bearing liabilities and provisions essentially agree with book values.

Liabilities to credit institutions

	2013-03-31	2012-03-31
Group		
Current portion	7	0
Maturity, 2–5 years from the date of report on financial position	3	0
Maturity, more than five years the date of report on financial position	1	–
	11	**0**
Parent Company		
Current portion	–	–
Maturity, 2–5 years from the balance sheet date	–	–
Maturity, more than five years the balance sheet date	–	–
	–	**–**

Committed credit facilities

	2013-03-31	2012-03-31
Group		
Approved credit limit	517	518
Unutilised portion	-245	-348
Utilised portion	**272**	**170**

Credit limits on committed credit facilities are renewed on an annual basis.

	2013-03-31	2012-03-31
Parent Company		
Approved credit limit	500	500
Unutilised portion	-232	-336
Utilised portion	**268**	**164**

Credit limits on the committed credit facility is renewed on an annual basis.

Pledged assets for committed credit facilities

	2013-03-31	2012-03-31
Group		
Corporate mortgages	3	3
	3	**3**

Note 35 Accrued expenses and prepaid income

	2013-03-31	2012-03-31
Parent Company		
Personnel costs	7	6
Other items	3	4
	10	**10**

Note 36 Paid interest

	2012/13	2011/12
Group		
Interest income	1	1
Interest expense	-10	-12
Parent Company		
Interest income	4	4
Interest expense	-10	-13

Note 37 Adjustment for items not included in cash flow

	2012/13	2011/12
Group		
Depreciation and amortisation	39	35
Other provisions	1	1
Impairment losses and disposals	1	-1
Capital gain/loss on sale of non-current assets	1	2
Change in interest accrual	1	1
Other items	-2	-2
	41	**36**
Parent Company		
Depreciation and amortisation	0	0
Impairment losses	5	–
Group contribution not yet disbursed	5	12
Group contribution not yet received	-37	-44
Other items	3	3
	-24	**-29**

Note 38 Investment in businesses

The following companies were acquired during the year (100 percent unless otherwise stated). Acquired companies are Plåt & Spiralteknik i Torsås AB (PST), the Thermod companies and Elkapsling AB. All acquisitions were paid for in cash.

Specification of acquisitions

Plåt & Spiralteknik i Torsås AB (PST) was acquired during the second quarter. PST is a niched player that develops, manufactures and markets shaftless spiral conveyors. The company is a part of Niche Products from July 2012. PST had 2012 sales of approximately MSEK 40 with good profitability. The company is located in Torsås.

Also acquired during the second quarter were the Thermod companies, of which Thermod AB and Ampol Serwis Sp.zo.o, with subsidiary Thermod Polska Sp.zo.o. are parts. The Thermod companies develop, manufacture and sell niched inner doors made of fibreglass-reinforced plastic laminate with high durability and quality for refrigeration and freezer rooms and environments with stringent demands on hygiene and moisture resistance. The companies are part of Niche Products from August 2012. The Thermod companies had 2012 sales of approximately MSEK 55 with good profitability. The companies are located in Klässbol and Grodzisk Wielkopolski, Poland.

Finally, during the second quarter, Lagercrantz Group acquired the Vanpee companies, including Vanpee AB and Vanpee Norway. The Vanpee companies are value-adding distributors in the lighting industry, with leading component-suppliers in the portfolio. The Vanpee companies are part of division Mechatronics from August 2012. The Vanpee companies had sales during the 2012 financial year of MSEK 65 with good profitability. The companies are located in Oslo and Bromma.

Elkapsling AB was acquired during the third quarter. The company is a niched player that develops, manufactures and sells enclosures which are used to protect electrical and telecoms installations where demands on durability and tightness are high. The company is a part of division Mechatronics from December 2012. During 2012 Elkapsling had sales of MSEK 85 with good profitability. The company is located in Ånge.

Since information on the acquisitions on an individual basis is immaterial, data is provided only in aggregated form. Lagercrantz Group typically utilizes contingent consideration as a complement to the initial purchase price. The amount of estimated total purchase price includes contingent consideration in the amount of MSEK 51 for Thermod AB, Vanpee AS and PST AB. The estimate is based on a probability-weighted expected value. Non-payment of contingent consideration is the lowest outcome possible, which, however, is highly unlikely. Contingent consideration constitutes MSEK 72 of not yet disbursed purchase money. The outcome depends on earnings achieved by the companies. Intangible surplus values refer primarily to strong product ranges and innovations that warrant good prices and a favourable position in the marketplace. Goodwill is justified by the value of technical expertise the companies have and good profitability.

Net assets of the acquired companies at the time of acquisition

MSEK	Carrying value in the companies	Fair value adjustment	Fair value in the Group
Intangible non-current assets	0	51	51
Other non-current assets	28	5	33
Inventories	29	–	29
Other current assets	42	–	42
Cash and cash equivalents	45	–	45
Interest-bearing liabilities	-10	–	-10
Other liabilities	-49	-13	-62
Net identifiable assets/liabilities	**85**	**43**	**128**
Goodwill			163
Estimated purchase money			**291**

Effect on cash flow

	2012/13	2011/12
Group		
Intangible non-current assets	-215	-59
Tangible non-current assets	-34	-1
Inventories	-29	-8
Other current assets	-86	-19
Provisions	19	5
Long-term liabilities	6	8
Current liabilities	48	12
Total purchase money	**-291**	**-62**
Cash and cash equivalents in the acquired businesses	45	7
Effect of the year's acquisitions on the Group's cash and cash equivalents	**-246**	**-55**
Adjustment of estimated contingent consideration, prior acquisitions	-4	–
Repayment of/increase in liabilities relating to acquired businesses	51	7
Cash flow attributable to capital investments in businesses	**-199**	**-48**

No temporary tax differences arose in connection with the year's acquisitions.

Distribution of intangible assets in connection with acquisitions

	2012/13	2011/12
Goodwill	163	42
Trade marks	22	–
Other intangible assets	30	17
Total intangible assets via acquisitions	**215**	**59**

Contribution of the acquired entities to the Group's revenue and profit

	2012/13	2011/12
Revenue	135	17
Contribution to profit before acquisition costs	23	4
Transaction costs	-2	-1
Amortisation of surplus values	-2	-1
Contribution to profit after acquisition costs	**19**	**2**
Financing costs	-6	0
Contribution to profit after financing costs	**13**	**2**

Contribution of the acquired entities to the Group's revenue and profit had they been included for the entire year

	2012/13	2011/12
Revenue	246	78
Contribution to profit before acquisition costs	41	14
Transaction costs	-2	-1
Amortisation of surplus values	-4	-2
Contribution to profit after acquisition costs	**35**	**11**
Financing costs	-10	-2
Contribution to profit after financing costs	**25**	**9**

Transaction overhead for the year's acquisitions in the amount of MSEK 2 (1) is reported as administrative expenses.

Note
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44

Note 39 Contingent liabilities

	2013-03-31	2012-03-31
Group		
Guarantee undertakings FPG/PRI	1	1
Other guarantees	6	2
	7	**3**

Note 40 Earnings per share

	2012/13	2011/12
Earnings per share, SEK	7.09	5.66
Earnings per share after dilution, SEK	7.07	5.63

The calculation of earnings per share for 2012/13 was based on profit for the year attributable to the Parent Company's equity holders amounting to MSEK 159 (126) and on a weighted average number of shares outstanding during 2012/13 of 22,425,586 (22,242,208). The weighted number of shares outstanding amounts to 22,500,744 (22,391,925).

Instruments that may give rise to future dilutive effect

During 2012/13 the Company had three call option programmes outstanding, the redemption prices (SEK 39.60, SEK 57.20 and SEK 70.30 per share) in two cases exceeded the average price of the (SEK 63.02 per share). These options give rise to a dilutive effect and have been included in the calculation of earnings per share after dilution. Refer to Note 6 for a description of the option programme. Repurchased shares are use as a hedge for this programme.

Note 41 Risk management

Financial risks

Efficient and systematic risk evaluation of financial risks as well as business risks is essential to Lagercrantz. Lagercrantz Group's model for risk management does not involve avoidance of risk, but is rather aimed at identifying, managing and pricing these risks.

The Board of Directors of Lagercrantz is responsible for adopting the finance policy that sets guidelines, goals and limits for financial management and management of financial risks within the Group. The finance policy governs the distribution of responsibility between the Board of Directors of Lagercrantz, Group management and the Group's companies. Group management has the operative responsibility to secure the Group's financing and to manage cash liquidity, financial assets and liabilities in an efficient manner.

Foreign exchange risk

Despite the fact that Lagercrantz has an international presence, its operations are local in nature as far as foreign exchange risk is concerned. Foreign exchange risk is the greatest financial risk to which Lagercrantz Group is exposed. It is defined as the risk for negative effect on profit caused by foreign exchange rate fluctuations. Foreign exchange rate fluctuations affect the Company's profit, equity and competitive situation in different ways:

- The result is affected when sales and purchases are in different currencies (transaction exposure).
- The result is affected when assets and liabilities are in different currencies (translation exposure).
- The result is affected when profit of subsidiaries in different currencies is translated into Swedish kronor (translation exposure).
- Equity is affected when the subsidiaries' net assets in different currencies are translated into Swedish kronor (translation exposure).

Transaction exposure

In an internationally active trading company such as Lagercrantz Group it is important to offer customers and suppliers opportunities to pay in their own currency. This means that the Group continually assumes currency risks, both in terms of trade receivable and trade payables in foreign currency.

Since the largest part of sales is in the Nordic Region, Lagercrantz Group has a surplus of foreign currency flows in that region. These flows are exposed to transaction risks. The Group's purchases and sales in important foreign currencies amounted to MSEK 1,296 and MSEK 1,577, respectively.

Purchases/sales of important currencies

Amounts in MSEK	Purchases	Sales
USD	248	128
EUR	797	762
GBP	16	19
DKK	113	394
NOK	51	207
JPY	25	21
PLN	46	46
Group total	**1,296**	**1,577**

Cash and cash equivalents by currency

Amounts in MSEK	2013-03-31	2012-03-31
SEK	2	6
USD	2	1
EUR	6	15
DKK	6	4
NOK	12	2
Other currencies	8	9
Group total	**36**	**37**

According to the guidelines of Lagercrantz Group, its foreign exchange exposure should be reduced to a certain extent. Currency exposure that arises is eliminated to the greatest extent possible by currency clauses and invoicing in the same currency as that in which purchases are made. Forward foreign exchange cover is used sparingly. The long-term benefit of forward foreign exchange cover is deemed to be small in combination with the growing complexity of reporting financial derivative instruments.

Translation exposure in the report of financial position

An individual subsidiary should normally have no translation risk in its own balance sheet. This means that a subsidiary's receivables and liabilities in foreign currency should be balanced. Subsidiaries also normally do their borrowing in their own currency. In practice, this only comes into play when loans are raised in conjunction with the acquisition and in the case of loans between subsidiary and parent company. Equity in foreign Group companies is normally not hedged since investments in subsidiaries are considered to be of a long-term character. There may be exceptions, however. The translation exposure in consolidated equity can, during certain periods with sharp foreign currency rate fluctuations, be substantial. The largest exposures are in DKK, USD, EUR and NOK. The effect of translation differences on equity is set forth in the summary of changes in shareholders' equity.

Exchange rate sensitivity

As a rule of thumb it can be said that a change of the euro exchange rate (including the Danish krona, with an exchange rate linked to the EUR) by plus or minus 5 percent is estimated to change Lagercrantz Group's gross profit by plus or minus MSEK 8, respectively, on an annual basis given the conditions prevailing during the financial year. A change of the US dollar exchange rate by plus or minus 5 percent would give rise to a corresponding effect of minus or plus, respectively, MSEK 4. A corresponding change in the Norwegian exchange rate gives rise to an effect of minus or plus, respectively, of MSEK 3. Exchange rate changes also have other effects on earnings since parts of the overhead are denominated in foreign currency, especially DKK and EUR, and because of measures continually taken to minimise the effects of foreign exchange rate changes. This makes the ultimate effects on profit difficult to predict and analyse. The rule of thumb should therefore be used carefully.

Interest rate risk

The Group's financial policy states the borrowing and the period of fixed interest thereon should not be longer than the period during which a borrowing need is deemed to exist. The overarching policy is that up to 50 percent of the borrowing should be for a term of one to five years.

Interest risk arises in two ways:

- The company may have invested in interest-bearing assets the value of which changes when there is an interest rate change.
- The cost of the company's borrowing may change when the interest rate level changes.

Lagercrantz Group has no long-term surplus liquidity and does not normally invest funds in anything but short-term bank deposits/short-term money market instruments with a term of less than 90 days. As a consequence, there is no appreciable interest rate risk in the Group's short-term investments. Changes in the interest rate level therefore primarily affect the Company's borrowing cost. A change in the weighted average interest rate by 1 percent for the Group is expected to affect the interest expense before taxes by approximately MSEK 2 on an annual basis, given the conditions that prevailed during the financial year. The Group's goal is to have a well balanced liquidity reserve available in the form of cash and cash equivalents, and committed credit facilities.

Weighted average effective interest rates on loans

	Group		Parent Company	
	2012/13	2011/12	2012/13	2011/12
Long-term liabilities to credit institutions	3.63%	4.83%	–	4.83%
Short-term liabilities to credit institutions	2.13%	2.94%	2.13%	2.77%

Credit risk

Lagercrantz Group's credit risk with respect to trade receivables is highly diversified through a large number of projects and other business agreements of varying size and type, with a large number of customer categories in a multitude of geographic markets. The Company therefore has no significant concentration of credit risks. Financial credit and counterparty risk is identified, managed and reported in accordance with the framework defined in the Group's finance policy, risk policy and rules of attestation. In connection with financing of projects and other business agreements, Lagercrantz may in certain cases assume responsibility for bank guarantees, in the form of Parent Company guarantees towards a third party, for the purpose of securing financing during a limited period of time. According to the finance policy, as few credit counterparties as possible shall be strived for and they should always be highly creditworthy. No material losses of a financial character were sustained during the year.

Liquidity risk

Established relationships with the capital markets is a prerequisite for Lagercrantz Group's prospects for securing a supply of capital on a long-term basis on terms on market conditions. Given the credit facilities in place, there is good preparedness for temporary fluctuations in the liquidity needs of the Group. For maturity dates, refer to Note 34. Lagercrantz Group's confirmed bank credit facilities consist of:

- Committed credit facility in the amount of MSEK 500 in the Parent Company.
- Committed credit facilities in the amount of MSEK 17 in subsidiaries.

Capital risk

The Group's goal with respect to its capital structure is in line with the purpose of securing the ability to continue operations, allowing it to continue generating a return to its shareholders and benefits for other stakeholders, and to maintain a capital structure that gives a low overall capital cost. The risk inherent in the Group's level of capital is judged in terms such as equity ratio and interest coverage ratio. The present levels of these metrics adequately fulfil the requirements, the so-called covenants, imposed by providers of capital.

Note 42 Related party disclosures

Related party relationships

The Parent Company has a related-party relationship with its Group companies. The Company's directors and their close family members control approximately 32 percent of the votes in the Company.

Related party transactions

The Parent Company invoices subsidiaries for intra-Group services. Sales among Group companies have occurred in small amounts. Transactions are on terms and conditions in line with market conditions. No other related party transactions have occurred within the Group. No other purchases or sales have occurred between the Parent Company and the Group companies.

Note 43 Events after the balance sheet date

Lagercrantz Group's subsidiary Svensk Stålinredning AB 4 June 2013 entered in to an agreement to acquire the operations in Frontwall i Anderstorp AB. Frontwall is a niched player that designs and delivers store fixtures such as so-called shop-in-shop solutions and product displays with a sales of approx. MSEK 30.

Note 44 Information about Lagercrantz Group AB

Lagercrantz Group AB (publ), with its registered office in Stockholm.
Box 3508, Torsgatan 2, SE-103 69 Stockholm, Sweden.
Organisation number 556282-4556.

The Company's primary object is to deal in and manufacture products in the fields of data and electronics – either itself or through wholly or partially owned Group companies – and to engage in other business compatible therewith. The average number of employees during the year was 9. The Parent Company's shares are registered on the NASDAQ OMX. The Annual Accounts and the consolidated financial statements were approved for publication by the Board of Directors and the President for publication 25 June 2013.

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Auditor's Report

To the annual meeting of the shareholders of Lagercrantz Group AB (publ), corp. id. 556282-4556

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Lagercrantz Group AB (publ) for the financial year 2012-04-01 – 2013-03-31. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 2–37.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 March 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the income statement and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Lagercrantz Group AB (publ) for the financial year 2012-04-01 – 2013-03-31.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility
Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions
We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 25 June 2013

KPMG AB

Joakim Thilstedt
Authorized Public Accountant

Board of Directors and Auditors

Anders Börjesson
Chairman
Born: 1948.
Edu: Bachelor of Science (Econ.).
Chairman of Addtech AB, B&B Tools AB and Cibenon AB. Director of Bostad Direkt AB, Futuraskolan AB, Inomec AB and Ventilationsgrossisten Nordic AB.
Holding (family): 492,588 class A shares and 402,850 class B shares.
Director since 2001.

Pirkko Alitalo
Director
Born: 1949.
Edu: Bachelor of Science (Econ.).
Holding: 5,000 class B shares.
Director since 2001.

Roger Bergqvist
Director
Born: 1948.
Edu: Economics and marketing at university level.
Director of B&B Tools AB, Proact IT Group AB, BE Group AB, Ventilationsgrossisten Nordic AB and Coroventa AB.
Holding: 6,000 class B shares.
Director since 2011.

Tom Hedelius
Vice Chairman
Born: 1939.
Edu: Doctor h. c. Economics.
Honorary Chairman of Svenska Handelsbanken AB. Chairman of Anders Sandrews stiftelse and Jan Wallanders and Tom Hedelius stiftelse. Vice Chairman of Addtech AB and B&B Tools AB.
Holding (family): 477,558 class A shares and 5,400 class B shares.
Director since 2001.

Lennart Sjölund
Director
Born: 1949.
Edu: Bachelor of Science (Econ.).
Chairman of ErySave AB, Quickcool AB, Parkallen Invest AB, Östanbäcks Timmerhus AB and Zarismo AB. Director of Godiva AB and New Nordic Healthbrands AB.
Holding (family):
85,000 class B shares.
Director since 2001.

Jörgen Wigh
President and Chief Executive Officer
Born: 1965.
Edu: Bachelor of Science (Econ.).
Holding: 19,686 class A shares, 136,100 class B shares and 50,050 call options on class B shares.
Director since 2006.

Auditors
Auditors appointed by the 2009 Annual Meeting are the registered auditing company KPMG AB. Auditor in charge is Joakim Thilstedt, Authorised Public Accountant.

Management

Jörgen Wigh
President and Chief Executive Officer
Born: 1965.
Edu: Bachelor of Science (Econ.).
Holding: 19,686 class A shares, 136,100 class B shares and 50,050 call options on class B shares.
Director since 2006.

Bengt Lejdström
Chief Financial Officer
Born: 1962.
Holding: 23,000 call options on class B shares.

Magnus Söderlind
Executive Vice President Responsible for business development
Born: 1966.
Holding: 66,125 class B shares and 36,000 call options on class B shares.

Sten Alfredsson
Vice President Mechatronics
Born: 1952.
Holding: 11,000 class B shares and 8,500 call options on class B shares.

Kjell Eriksson
Vice President Communications
Born: 1954.
Holding: 7,700 class B shares 23,000 call options on class B shares.

Ulf Gladh
Vice President Electronics
Born: 1961.
Holding: 18,500 class B shares and 23,000 call options on class B shares.

Anders Larsson
Group Controller
Born: 1961.
Holding: 16,000 class B shares and 12,000 call options on class B shares.

Per Ikov
Vice President Communications
Born: 1961.
Holding: 2,100 class B shares and 23,000 call options on class B shares.

Jonas Ahlberg
Vice President Niche Products
Born: 1966.
Holding: 18,000 call options on class B shares.

Holding refers to status per 15 June 2013.

Summary of Financial Performance

INCOME STATEMENT

Amounts in MSEK	2012/13	2011/12	2010/11	2009/10	2008/09
Net revenue	2,328	2,265	2,029	1,720	2,138
Operating profit before depreciation and amortisation	**252**	**219**	**176**	**92**	**130**
Depreciation and amortisation	-39	-35	-29	-25	-25
Operating profit	**213**	**184**	**147**	**67**	**105**
Financial income and expense	-13	-13	-10	-9	-11
Profit after finance items	**200**	**171**	**137**	**58**	**94**
Taxes & holdings without controlling influence	-41	-45	-35	-16	-26
Net profit for the year	**159**	**126**	**102**	**42**	**68**

BALANCE SHEET

Amounts in MSEK	2013-03-31	2012-03-31	2011-03-31	2010-03-31	2009-03-31
Assets					
Intangible non-current assets	743	553	505	283	306
Tangible non-current assets	125	87	91	51	56
Financial non-current assets	8	10	11	17	23
Other current assets	691	659	621	503	604
Cash and cash equivalents & short-term investments	36	37	56	29	60
Total assets	**1,603**	**1,346**	**1,284**	**883**	**1,049**
Equity and liabilities					
Equity and holdings without controlling influence	705	620	545	494	518
Interest-bearing provisions and liabilities	335	222	299	67	138
Non-interest-bearing provisions and liabilities	563	504	440	322	393
Total equity and liabilities	**1,603**	**1,346**	**1,284**	**883**	**1,049**
Capital employed	1,040	842	844	561	656
Pledged assets and contingent liabilities	13	6	32	31	63

CASH FLOW STATEMENT

Amounts in MSEK	2012/13	2011/12	2010/11	2009/10	2008/09
Profit after finance items	200	171	137	58	94
Adjustments for paid taxes & items not included in cash flow	-25	13	11	-2	1
Cash flow before changes in working capital	**175**	**184**	**148**	**56**	**95**
Cash flow from changes in working capital	2	-9	-30	31	42
Cash flow from operating activities	**177**	**175**	**118**	**87**	**137**
Cash flow from investment activities	-228	-68	-297	-18	-77
Cash flow from operating activities and investment activities	**-51**	**107**	**-179**	**69**	**60**
Cash flow from financing activities	51	-127	206	-99	-77
Cash flow for the year	**0**	**-20**	**27**	**-30**	**-17**

KEY FINANCIAL INDICATORS

Amounts in MSEK unless otherwise stated	2012/13	2011/12	2010/11	2009/10	2008/09
Change in revenue, %	2.8	11.6	18.0	-19.6	-1.6
Operating margin,%	9.1	8.1	7.2	3.9	4.9
Profit margin, %	8.6	7.5	6.8	3.4	4.4
Return on capital employed, %	23	22	21	11	17
Return on equity, %	24	22	20	8	14
Equity ratio, %	44	46	42	56	49
Debt equity ratio	0.5	0.4	0.5	0.1	0.3
Net debt equity ratio	0.4	0.3	0.4	0.1	0.2
Interest coverage ratio	13	11	12	6	7
Net interest-bearing liabilities (+) / receivables (-)	299	185	243	38	78
Number of employees at year-end	932	780	731	608	742
Average number of employees	864	753	692	661	782
Payroll, including social benefits	510	441	405	366	442
Revenue outside Sweden	1,553	1,533	1,355	1,155	1,486

PER-SHARE DATA

	2012/13	2011/12	2010/11	2009/10	2008/09
Number of shares outstanding at year-end after repurchases ('000)	22,520	22,217	22,196	21,978	21,978
Weighted number of shares outstanding after repurchases ('000)	22,426	22,242	22,046	21,978	22,287
Weighted number of shares outstanding after repurcases and dilution ('000)	22,501	22,392	22,133	21,978	22,287
Operating profit per share, SEK	9.47	8.22	6.64	3.05	4.71
Earnings per share, SEK	7.09	5.66	4.63	1.91	3.05
Earnings per share after dilution, SEK	7.07	5.63	4.61	1.91	3.05
Cash flow from operations per share after dilution, SEK	7.87	7.82	5.33	3.96	6.15
Cash flow per share after dilution, SEK	0.00	-0.89	1.22	-1.37	-0.76
Dividend per share, SEK (Year's dividend as proposed)	3.25	2.75	2.25	1.50	1.50
Equity per share, SEK	31.30	27.90	24.60	22.50	23.60
Latest market price per share, SEK	88.25	57.25	61.75	31.50	23.50

DEFINITIONS

Return on equity
Profit for the year in percent of average equity.

Return on capital employed
Profit after finannce items, plus financial expense in percent of average capital employed.

Equity per share
Equity in relation to number of shares outstanding at year-end after repurchases.

Average number of employees
Average number of annual employees during the year.

Cash flow per share after dilution
Cash flow for the year in relation to weighted number of shares outstanding after repurchases and dilution.

Cash flow from operations per share after dilution
Cash flow from operating activities in relation to weighted number of shares outstanding after repurchases and diluiton.

Net interest-bearing liabilities/receivables
Interest-bearing provisions and liabilities, less cash and cash equivalents, and short-term investments.

Net debt equity ratio
Interest-bearing provisions and liabilities, less cash and cash equivalents and short-term investments relative to equity, plus holdings without controlling interest.

Change in revenue
Change in net revenue in percent of preceding year's net revenue.

Interest coverage ratio
Profit after finance items, plus finance items divided by financial expense.

Operating margin
Operating profit in percent of net revenue.

Debt equity ratio
Interest-bearing liabilities in relation to equity, plus holdings without controlling interest.

Equity ratio
Equity, plus holdings without controlling interest in percent of balance sheet total.

Capital employed
Balance sheet total, less non-interest-bearing provisions and liabilities.

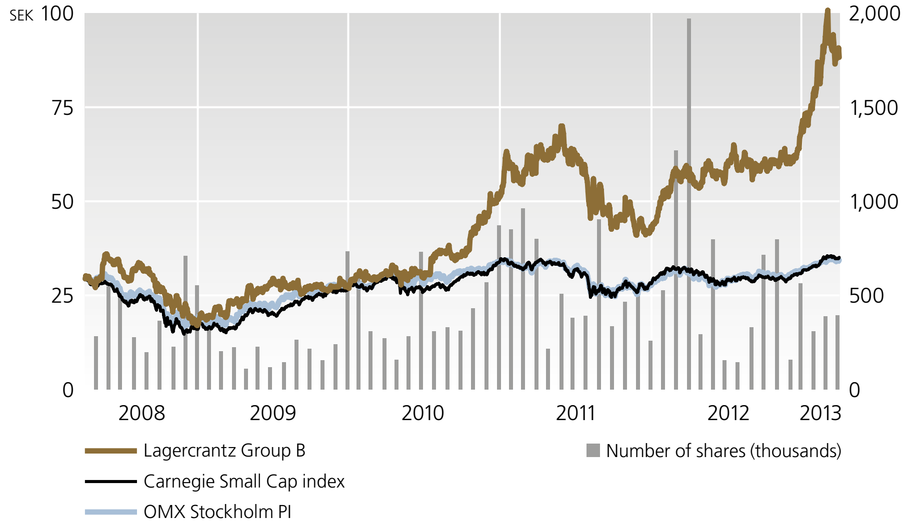
Earnings per share
Profit for the year attributable to the Parent Company's shareholders relative to weighted number of shares outstanding after repurchases.

Earnings per share after dilution
Profit for the year attributable to the Parent Company's shareholders relative to weighted number of shares outstanding after repurchases and dilution.

Profit margin
Profit after finance items, less stake in associated companies in percent of net revenue.

The Share

STRONG DEVELOPMENT OF THE SHARE



Over a five-year period, 1 April 2008 – 31 March 2013, the Lagercrantz share has appreciated by 200 percent. During the same period the broad OMX Stockholm Price Index has risen by 17 percent, and the Carnegie Small Cap Index, a benchmark index that shows the aggregate appreciation for smaller companies, has risen by 19 percent.

SHARE FACTS

Short name	LAGR B
ID	SSE14335
ISIN code	SE0000808396
Segment	Small Cap
Sector	Industrial goods and services
ICB code	2700
Listed since	3 September 2001

The share price on 31 March 2013 was SEK 88.25 (57.25). During the 2012/13 financial year (April – March) the share price rose by 54 percent (-12). During the same period OMX Stockholm Price Index rose by 10 percent (-9) and Carnegie Small Cap Index rose by 10 percent (-8). As of 31 March 2013 Lagercrantz had a market capitalization of MSEK 1,987 (1,327), calculated based on the number of shares outstanding after repurchases, but is included among companies in the Small Cap segment with a market capitalization of MEUR 150 on NASDAQ OMX Stockholm's main list.

PROPOSED DIVIDEND

For the 2012/13 financial year the Board of Directors proposes a dividend increase to SEK 3.25 (2.75) per share. The aggregate dividend payment is MSEK 73 (61).

TRADING VOLUME ON THE STOCK EXCHANGE

A total of 5 million shares (7.8) changed hands during the financial year, equivalent to a total value of MSEK 329 (420). The turnover rate for the shares outstanding was 24 percent (38). An average of 26 (47) transactions in Lagercrantz shares were made each trading day during the year.

REPURCHASE OF OWN SHARES

The 2012 General Meeting authorized the Board of Directors to repurchase shares. No shares were repurchased during the 2012/13 financial year. Lagercrantz Group's total holding of own shares as of 31 March 2013 was 653,300 class B shares, equivalent to 2.9 percent of the number of shares outstanding and 2 percent of the votes in Lagercrantz Group.

LARGEST SHAREHOLDERS IN LAGERCRANTZ GROUP 31 MARCH 2013

Owners	A shares	B shares	Stake	Votes
Anders Börjesson w family	492,558	402,850	4.0%	16.5%
Hedelius family	477,558	5,400	2.1%	14.8%
Lannebo Funds		2,794,072	12.4%	8.6%
Odin Funds		1,812,096	8.0%	5.6%
Didner & Gerge Funds		1,739,099	7.7%	5.4%
SEB Investment Management		1,396,890	6.2%	4.3%
Swedbank Robur Funds		1,213,526	5.4%	3.8%
SEB Asset Management S.A.		1,169,000	5.2%	3.6%
Nordea Investment Funds		843,400	3.7%	2.6%
Handelsbanken Funds		828,350	3.7%	2.6%
Rapp, Marianne		716,000	3.2%	2.2%
Säve family	20,000	468,549	2.2%	2.1%
Fondita Nordic Micro Cap SR		650,000	2.9%	2.0%
Mörner, Christina	10,000	346,411	1.6%	1.4%
Von Matérn, Margareta		341,661	1.5%	1.1%
Wigh, Jörgen	18,342	111,600	0.6%	0.9%
Bolinder, Jan		210,985	0.9%	0.7%
CBNY-DFA-INT SML CAP V		207,699	0.9%	0.6%
Matern family		200,806	0.9%	0.6%
Nordenvall, Björn		197,449	0.9%	0.6%
20 largest shareholders	**1,018,458**	**15,655,843**	**74.0%**	**79.9%**
Other owners	**73,508**	**5,772,200**	**26.0%**	**20.1%**
Total excl. shares held in treasury	**1,091,966**	**21,428,043**	**100%**	**100%**
Lagercrantz Group (treasury)		653,300		
Total	**1,091,966**	**22,081,343**		

OWNERSHIP STRUCTURE IN LAGERCRANTZ GROUP 31 MARCH 2013

Number of shares	Number of owners	Stake	Votes
1–500	2,179	1.8%	1.2%
501–1,000	554	2.0%	1.4%
1,001–10,000	594	7.9%	6.6%
10,001–50,000	78	7.0%	6.8%
50,001–100,000	18	5.6%	3.9%
100,001–	30	75.7%	80.1%
Total	**3,453**	**100%**	**100%**

Category	Number of owners	Stake	Votes
Institutional ownership	342	66.1%	47.7%
Private individuals	3,111	33.9%	52.3%
Total	**3,453**	**100%**	**100%**
of which Sweden based	3,308	81.1%	86.7%

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