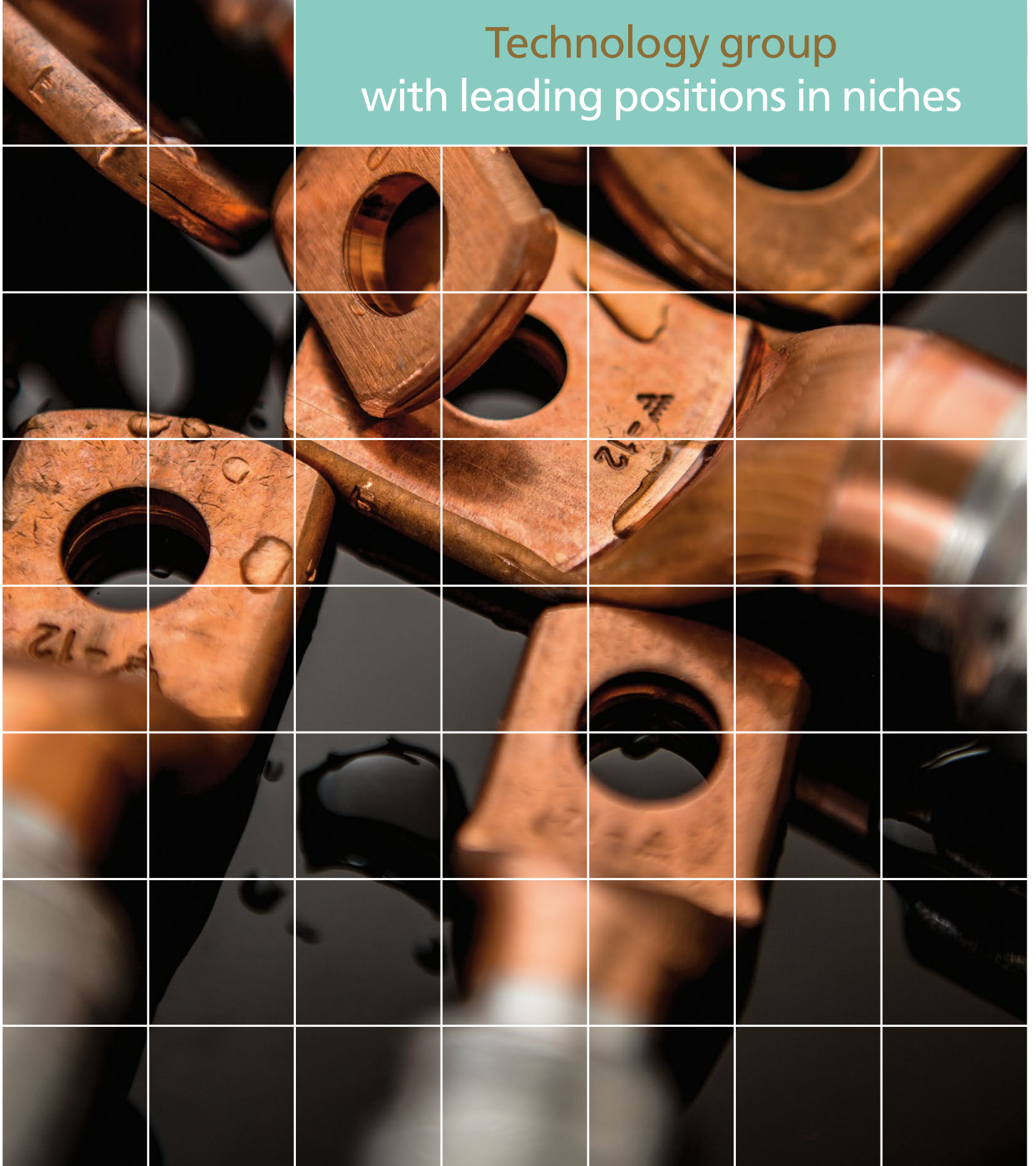
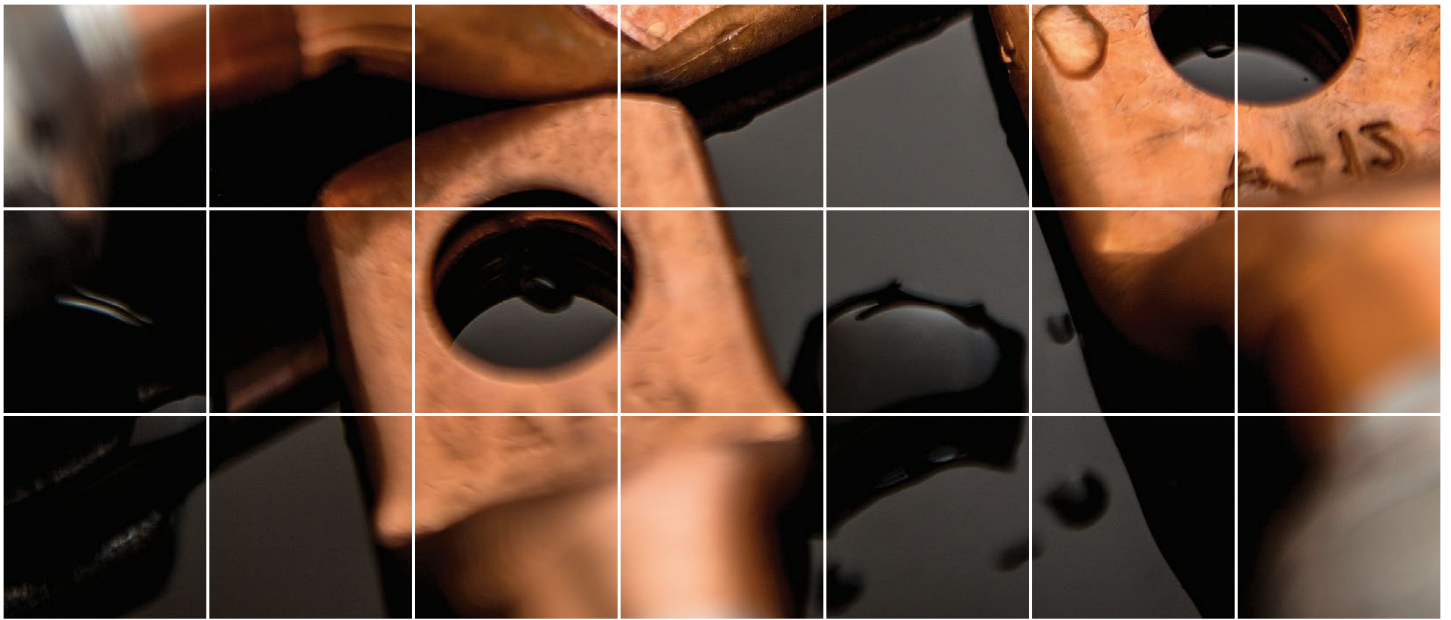


Technology group
with leading positions in niches





Lagercrantz Group

*To be a leading supplier of value-creating technology
with market-leading positions in several expansive niches
... is our vision*

Lagercrantz Group AB (publ) is a technology group that offers value-adding technology, either with proprietary products or with products from leading suppliers. The Group is comprised of some 40 companies, each company with a focus on a specific sub-market – a niche. All the Group’s subsidiaries are B2B companies – high value-creation is a common feature, including a high degree of customisation, support, service and other services. All our companies try to create and maintain a leading position in their niche.

The operations are decentralised, and each subsidiary is followed-up based on clear objectives. This decentralisation allows for a high degree of independence, with freedom and accountability for each subsidiary’s management, and business decisions that are made close to customers and the market. The businesses share a highly qualified technical sales process, selling only to other companies – “business-to-business”

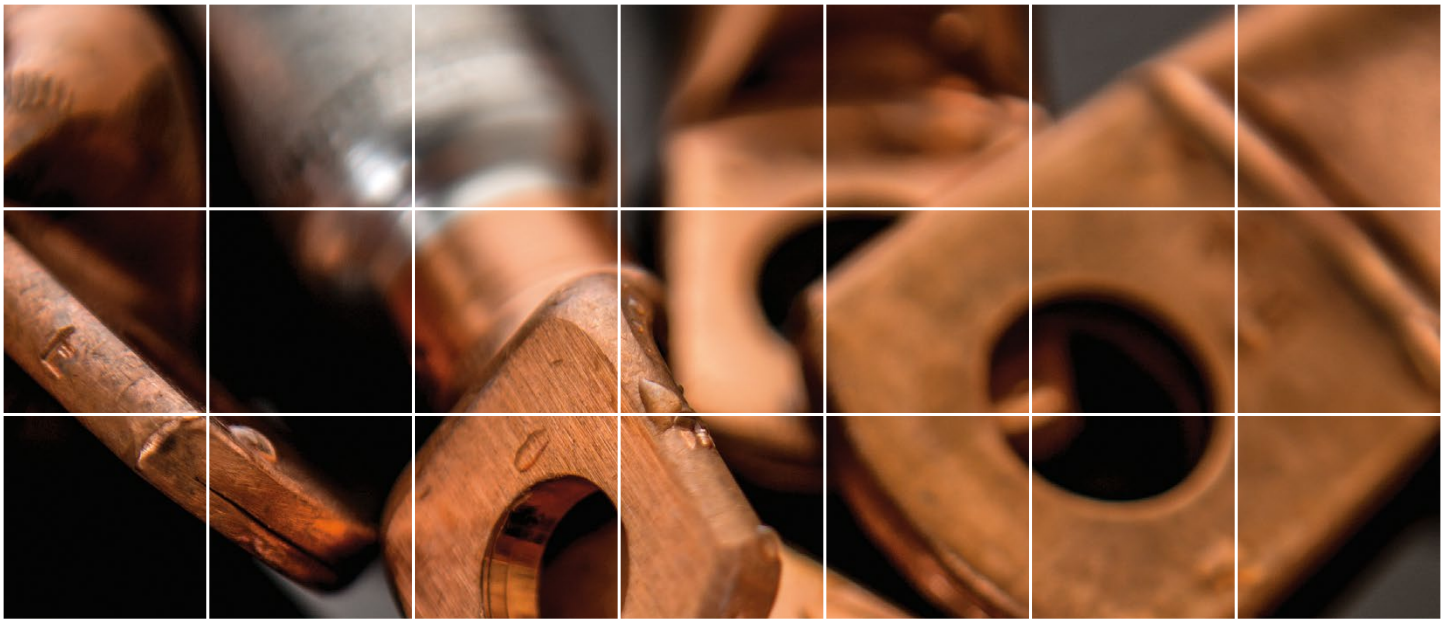
(B2B). Each subsidiary strives to develop a leading position in a limited market, product/customer or geographical niche.

VALUE CREATION AS A VISION

Leading means good growth and profitability and the creation of a positive development that benefits customers and business partners alike.

Value-creation means adding value to the goods and services offered by providing our own unique products and solutions, by customisation and by offering ancillary services such as technical knowledge, service, support and other services.

A market-leading position means being number one or two in a defined sub-market – a niche.



GOALS

Lagercrantz Group's financial goals are:

- Earnings growth of 15 percent per year.
- Return on equity of no less than 25 percent.

Growth is measured over a business cycle as profit after net financial items. The return on equity goal is converted internally to a return on working capital of no less than 45 percent per business concept and profit centre. Lagercrantz aims to confirm its position as a profitable and growing company by developing its existing operations and acquiring additional companies with strong market positions in expansive niches.

Lagercrantz works with group-wide strategies and on building a strong corporate culture in order to achieve its goals relating to earnings growth and profitability.

STRATEGIES

Strong market positions in niches

Every Lagercrantz subsidiary strives to achieve a strong market position in its own niche. By focusing on their niche, companies can specialise in a limited market, develop a strong offer and meet competition from other, larger, players that are not as specialised. Companies can also optimise their internal processes and become the fast and flexible first choice in their market. A niche consists of a well-defined technology area, customer segment or geographical area with a total market value that generally amounts to MSEK 200 – 1,000.

High value added

With good market knowledge and specialised technical expertise, Lagercrantz's subsidiaries create added value for customers and suppliers by customising, developing and combining different products in the solutions offered. The value added has been continually enhanced by increasing

the offer of proprietary products and phasing out standard components with low margins.

Acquisitions

The growth targets are reached through organic growth and through acquisitions. Acquired companies either strengthen our market position in existing areas, or pave the way for entry into new areas. We strive to acquire companies with tried-and-tested business models, strong market positions in their niches, good earnings capacity, strong managements, limited risk and good growth potential. We aim to carry out 3 – 5 acquisitions per year.

CORPORATE CULTURE

Shared values

Our shared values are an important part of our corporate culture and consist of accountability and freedom, simplicity and efficiency, together with willingness to change.

Decentralisation and management by objectives

Each subsidiary conducts its operations with a great deal of freedom, but subject to accountability. The most important business decisions are thus taken where knowledge is greatest – close to customers and the market. Each subsidiary prepares an annual business plan with targets for earnings and return on working capital. These plans are followed up on an ongoing basis, and action is taken as and when needed. In addition, the companies are systematically compared to each other every quarter, which stimulates improvements.

Businessmanship

Businessmanship means creating added value for our customers by understanding the market and combining customer needs with the right technology. This requires a holistic and business-like perspective as well as an ability to identify opportunities.

Continued success for Lagercrantz



“More customers have gradually come to understand and appreciate our increasingly clear focus on product companies with growth and export ambitions”

During the 2014/15 financial year, Lagercrantz continued to perform well. Profit reached MSEK 265, which is an all-time high for the fifth consecutive year. The increase during the year was just over 15 percent. The operating margin, (EBIT, percent) was record high at 9.7 percent and earnings per share amounted to SEK 8.96 (7.81).

The market during the year was characterised by continued stability and a gradual, slow improvement.

Of our most important markets, Sweden and Denmark performed well while the weak performance in Finland continued. In Norway, the market turned downwards due to the lower oil price, which we estimate has also affected the mood and willingness to invest in other sectors like the construction market, for example. The underlying organic growth for the Group was positive in all quarters during the year with total growth of 5 percent for the year.

During 2014 and 2015, we also enticed six more companies to become a part of our Group. Our concept is unquestionably attractive for many sellers. The most important factors explaining why companies want to be part of the Lagercrantz Group are that companies can continue to operate independently after they have joined the Group, with their own brand and previous location, and we provide methodical help with growth-related questions, etc. More customers have gradually come to understand and appreciate our increasingly clear focus on product companies with growth and export ambitions.

THE STRATEGY BEHIND THE SUCCESS

Lagercrantz Group's strong performance and ability to grow in expansive niches are a result of the strategy that we have been pursuing consistently for the past few years. The organisational model involving decentralisation and management by objectives is well-established. Each subsidiary works according to clearly defined earnings and working capital targets as part of its business plan, which is adopted annually, including

concrete actions and efforts. Management by objectives also encourages identification of new opportunities when the market shows limited growth.

The acquisition strategy is another important success factor. We are continuing to acquire profitable B2B technology companies with strong market positions in niches. The six acquisitions we have completed during 2014 and 2015, will add about MSEK 350 to business volume on an annual basis. Of the year's earnings growth, almost half was organic while the rest came from acquisitions and to a lesser extent from currency effects.

Our focus on increasing value added is another important reason behind the Group's success. With relatively small, flexible profit centres, we want to quickly meet customer demands by developing and adapting products and solutions that create added value. The value added also increases as the share of proprietary products rises. Proprietary products currently represent 38 percent of sales and the Group's gross margin has risen steadily since 2004/05 thanks to this.

I want to end the year by extending my heart-felt thanks to all our dedicated associates for their outstanding work and fine efforts during the year.

FUTURE

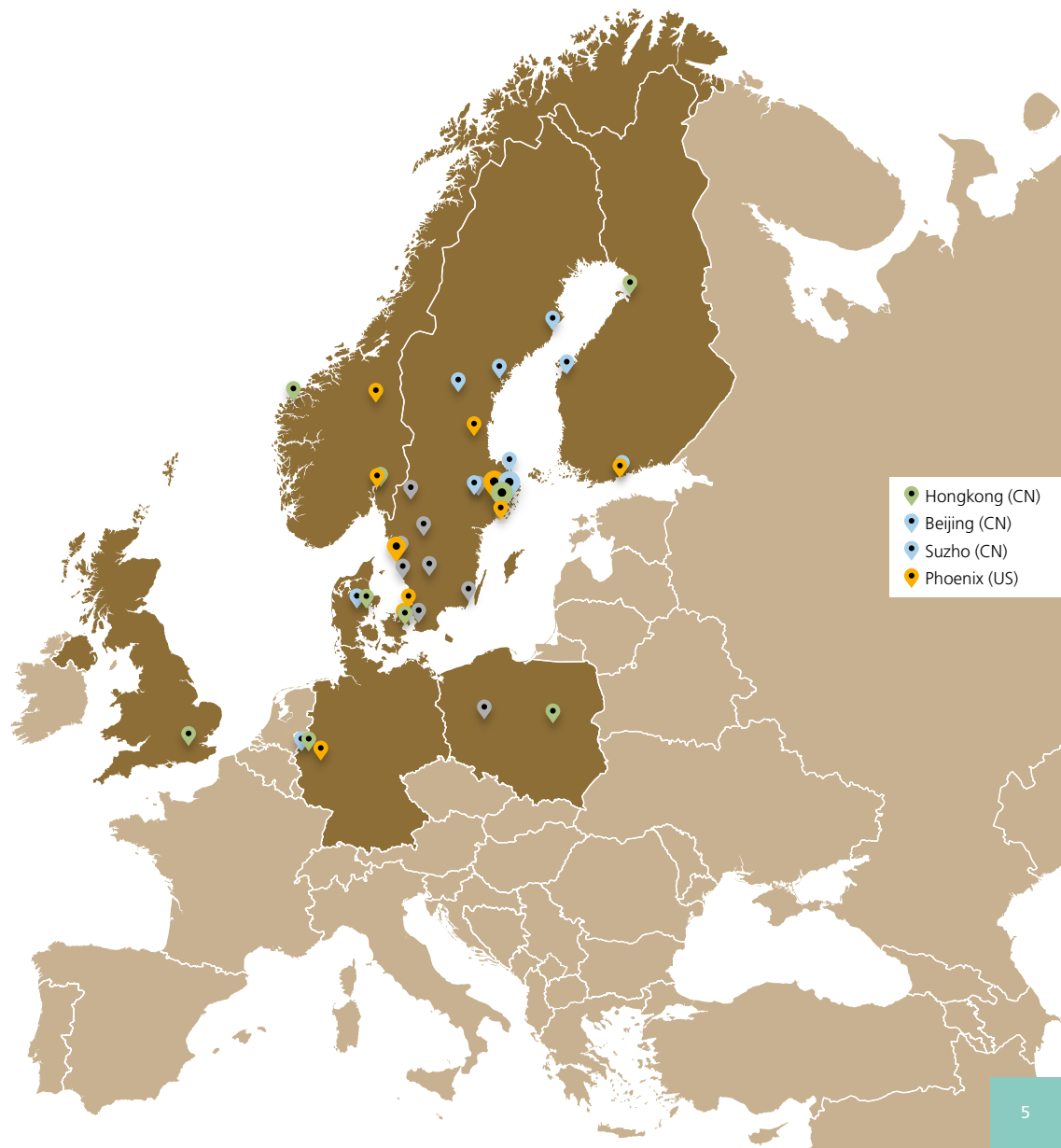
Our business concept is strong and with a continued positive underlying market trend, the opportunities for Lagercrantz are still good. Growth in existing units is high on the agenda and our strong financial position allows for further attractive acquisitions. By continuing to boost the proportion of proprietary products, especially through acquisitions of market-leading niche product companies, there is good potential to continue growing our margins and boosting profitability. All in all, I have a strong belief in the future of Lagercrantz.

May 2015

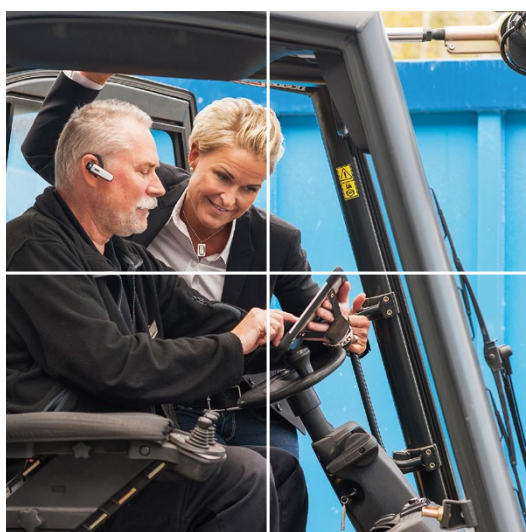
Jörgen Wigh, President & CEO

Niche companies in four divisions

LAGERCRANTZ GROUP			
ELECTRONICS 11 profit centres · 7 countries	MECHATRONICS 8 profit centres · 5 countries	COMMUNICATIONS 12 profit centres · 6 countries	NICHE PRODUCTS 8 profit centres · 2 countries
ACTE A/S (DK, UK and CN) ACTE AS (NO) ACTE Solutions AB (SE) ACTE Sp. z o.o. (PL) Unitronic AG (DE) Vanpee A/S (DK) Vanpee AB (SE) Vanpee AS (NO) El-produkter AS (NO) Idesco Oy (FI) ISIC A/S (DK)	Cue Dee AB (SE and CN) EFC Finland Oy (FI) Elfac A/S (DK) Elkapsling AB (SE) Elpress (SE, DE, DK and CN) Enkom Oy (FI) Kablageproduktion AB (SE) Norwesco AB (SE)	Betech Data A/S (DK) CAD-Kompagniet A/S (DK) COBS AB (SE) Direktronik AB (SE) Excidor AB (SE) ISG Systems AB (SE) K&K Active Oy (FI) Leteng AS (NO) Load Indicator AB (SE) Nordic Alarm AB (SE) Precimeter Control AB (SE, DE and US) Projectspine A/S (DK) STV Video Data AB (SE)	Asept International AB (SE) Dooman Teknik AB (SE) Plåt & Spiralteknik AB (SE) Steele AB (SE) Svenska Industriborstar AB (SE) SwedWire AB (SE) Thermod (SE and PL) Vendig AB , (SE)



ELECTRONICS



Electronics	2014/15	2013/14	2012/13
Net revenue, MSEK	803	691	675
Operating profit, MSEK	66	56	48
Operating margin, %	8.2	8.1	7.1

The division consists of 11 profit centres, all niched within electronics, electromechanics, electrical components and lighting control.

The ACTE companies in the Nordic region and Poland and Unitronic in Germany, which account for approximately 55 percent of business volume, are value-adding distributors. On an agency basis, they sell products from world-leading suppliers in a geographical market. They add value by creating demand, by offering design-in services, and by customising and storing products for suppliers. These companies further add value by providing service, support and other services. In recent years, the range has increasingly moved towards speciality products, modules and customised industrial computers as well as monitors. The share of electromechanics has also increased. The customers are primarily OEM customers within electronics, automation and the healthcare sector.

The Vanpee companies in Sweden, Norway and Denmark, which account for about 20 percent of business volume, are value-adding distributors in electricity and lighting components and are specialised in lighting control. In line with increased requirements for energy savings, this is a growth area within Electronics. Vanpee's customers that mainly operate in the construction industry are offered expertise in the planning of lighting monitoring projects as well as components for lighting and electrical products. Most sales occur through electrical wholesalers. Total annual sales in this area account for 20 percent of the division's sales volume.

Aside from this, Electronics has three niche product companies that develop and sell proprietary products. Together they account for about 25 percent of the division's business volume. Idesco is a Finnish company that develops proprietary RFID readers and "tags" for the access control industry and unique solutions for other applications within the RFID field. Its customers are primarily system integrators for access control systems and alarms. Idesco is a leading player in the Finnish market and has clear export ambitions in several nearby countries.

ISIC offers proprietary industrial computers and monitors for applications in especially demanding environments. The customers impose stringent requirements as they are subject to certification and regulatory supervision. Examples include navigation equipment for ships. ISIC has a strong international position in its niche.

El-produkter designs, markets and sells lighting based on LED technology. The products are sold under a proprietary trademark to the professional installer market in Norway.

The division's eight profit centres mainly offer electricity-related products and systems. Four of the companies are product companies, and three of the companies manufacture customised cables. The division also has a small value-adding distributor of electricity-related products in the Finnish market.

The product company Elpress is the largest profit centre in the Group, with distributor networks in several markets and subsidiaries in Denmark, Germany and China. A leader in its niche, which accounted for about 35 percent of the division's business volume in 2014/15, Elpress offers electrical connectors, including cable terminals and associated equipment that meets most international standards. The Nordic region is the company's largest market, but the primary growth lies in the export market, to international industrial customers within the wind, transformer and train industries.

The two product companies Elkapsling and Norwesco, together accounted for about 20 percent of the division's business volume during 2014/15. Elkapsling manufactures electric enclosures of varying sizes, design, protection ratings and equipment. The products are characterised by a high degree of customisation, short delivery times and high quality that is able to handle a variety of harsh environments. A major part of sales are currently to the Swedish market, but greater focus on the rest of the Nordic region is expected to generate future growth.

The product company Norwesco develops, markets and manufactures a broad range of safety-related products within electricity, including safety switches, ground fault circuit breakers and cooker guards. The products are primarily aimed towards the Nordic installation market, and sales are conducted via electrical wholesalers.

The product companies' end customers typically are power grid owners, power, telecoms and data distributors, OEMs and other types of industrial customers. The establishment of new distributors in new markets should lead to an expanding volume in the future.

The three cable companies, Kablageproduktion, Elfac and EFC, which accounted for just over 40 percent of the division's business volume during 2014/15, manufacture customised cables. The products are manufactured in consultation with the customer and are based on customer needs, often from the early prototype stage all the way to the ongoing production stage, and in the latter part of the product life cycle for the aftermarket and spare parts market. For many years, the cable companies have successfully found their niches by providing a local, flexible alternative to competitors from low-cost countries.

The latest addition is the product company Cue Dee, which joined the Group in April and generates sales of about MSEK 180 on an annual basis. The company primarily manufactures brackets for various applications in the

MECHATRONICS



Mechatronics*	2014/15	2013/14	2012/13
Net revenue, MSEK	784	750	651
Operating profit, MSEK	118	108	83
Operating margin, %	15.1	14.4	12.7

*Cue Dee, which was acquired in April 2015 is not included

telecommunications sector. Other products are masts and towers for the telecoms industry but also to some extent for the wind power industry. Cue Dee also has a subsidiary in China. The business is often of an international character and mainly involves countries where mobile network expansion is taking place.

COMMUNICATIONS



The division consists of 12 profit centres, each with advanced positions in their respective niches. Customers are found in many market segments, both within the private and public sectors.

Digital imaging / technical security

The companies STV, COBS, Nordic Alarm and ISG, which together accounted for about 35 percent of the division's business volume in 2014/15, offer system solutions based wholly or in part on proprietary products. These applications are often business-critical and examples include speedy diagnoses within healthcare, increased security on streets and squares and security solutions for companies and homes designed for the elderly. The companies also supply solutions for increased traffic safety in road tunnels, high-security facilities and create more efficient communication solutions.

Software and Access products

During 2014/15, this area accounted for about 55 percent of the division's business volume and consists of a number of companies. The software distributor, Betech Data, offers world-leading CAD products for technical construction, design and visualisation, through selected resellers. CAD-Kompagniet offers technical consultants and staffing in industry, building design and architecture.

Direktronik and Leteng offer IT, telecommunication and audio-visual equipment, both directly to end customers and through resellers. The customers use the products to expand their IT networks, increase their data transfer capacity and to improve the efficiency of presentation equipment for use in meetings and internal communication.

Control products

This is a new area for the division, with huge potential for development. The recently acquired companies Excidor, Load Indicator and Precimeter offer special technical solutions in areas such as control systems for forest and construction machinery, force sensors and torque sensors for measuring applications and for control of molten metal levels and flows.

Communications	2014/15	2013/14	2012/13
Net revenue, MSEK	870	802	785
Operating profit, MSEK	55	51	64
Operating margin, %	6.3	6.4	8.2

The Niche Products division currently has eight profit centres where Steelo is the largest in terms of revenue and accounted for just over 25 percent of the division's business volume in 2014/15. Steelo offers storage and product exposure solutions with hardware stores and food retailers as important customers.

The product company Asept acquired during 2013 is continuing to perform strongly. The company focuses on hygienic and secure packing and dispensing systems for foodstuffs for large global food product manufacturers and fast food restaurant chains.

The subsidiaries Plåt & Spiralteknik and Vendig operate in the transports solutions area where they sell shaftless spiral conveyors and belt scrapers and other components for conveyor belts. Typical customers can be found within bio-energy, sawmills, waste management, quarries and mining.

Through SwedWire, the division conducts manufacturing and sales of galvanized steel wire for roads and other infrastructure. Thermod supplies customised doors in fibreglass-reinforced plastic with strict requirements in relation to heat insulation, hygiene and moisture resistance. These products can be found in the Nordic region and Poland within the food retail sector, hospitals, schools and swimming pools.

Through the acquisition of the product company Dooman, garage modules for disability vehicles have been added to the division's range of fibreglass products.

During the year, Svenska Industriborstar was acquired, which is primarily focused on brushes for snow clearance of airport runways. The customers consist of airport operators in Northern Europe and North America.

The companies within the division already have a strong position in their home markets. Investments in increasing export sales are therefore prioritised and expected to contribute to future growth.

NICHE PRODUCTS



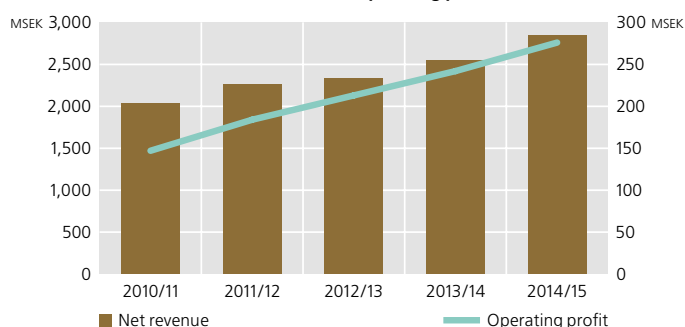
Niche Products	2014/15	2013/14	2012/13
Net revenue, MSEK	389	303	217
Operating profit, MSEK	61	45	35
Operating margin, %	15.7	14.9	16.1

The year in brief

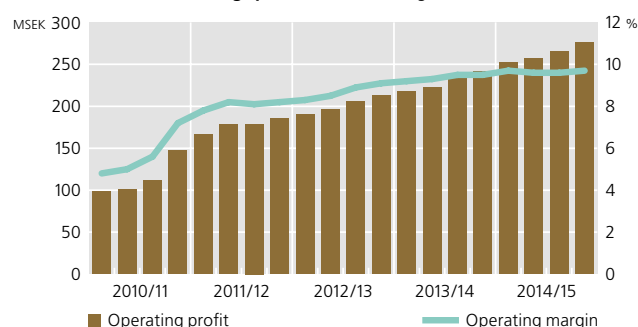
1 APRIL 2014 – 31 MARCH 2015

- Net revenue for the 2014/15 financial year increased by 12 percent to MSEK 2,846 (2,546). The organic growth measured in local currency was 5 percent for comparable units.
- Operating profit increased by 14 percent to MSEK 276 (242), equivalent to an operating margin of 9.7 percent (9.5).
- Profit after financial items increased by 15 percent to MSEK 265 (230).
- Profit after tax amounted to MSEK 203 (177). Earnings per share after dilution increased by 15 percent and amounted to SEK 8.96 (7.81).
- Cash flow from operating activities increased by 16 percent and amounted to MSEK 268 (231), equivalent to SEK 11.83 (10.19) per share after dilution.
- The return on equity was 24 percent (24). The equity ratio at the end of the period was 44 percent compared to 43 percent at the start of the financial year.
- Five acquisitions were carried out during the 2014/15 financial year, with combined annual sales of approximately MSEK 165. Cue Dee was acquired after the end of the period, with annual sales of about MSEK 180.
- The Board of Directors proposes an increase in the dividend to SEK 4.50 (4.00) per share.

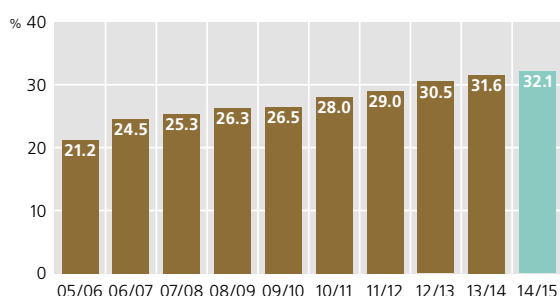
Net revenue and operating profit



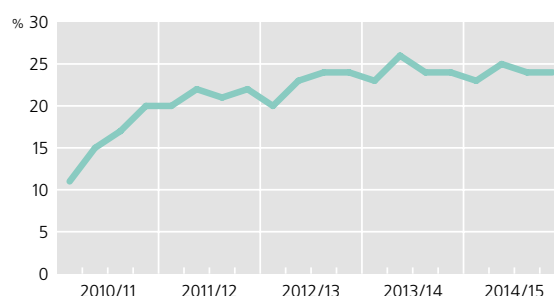
Earnings performance moving 12 months



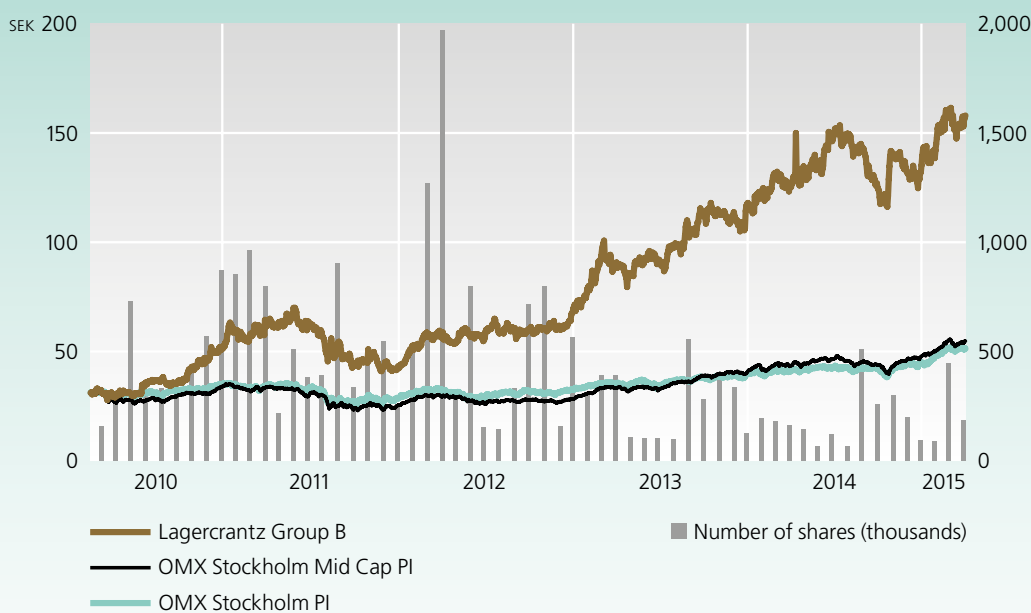
Gross margin



Return on equity moving 12 months

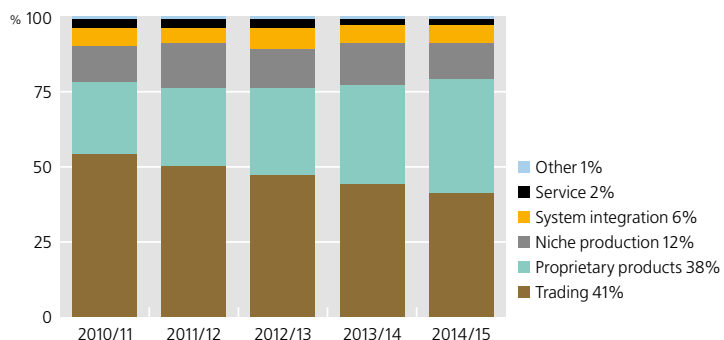


THE LAGERCRANTZ SHARE

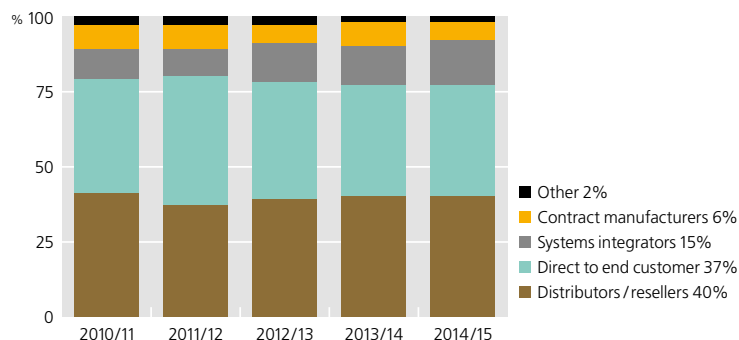


Over a five-year period between 1 April 2010 and 31 March 2015, the market price of the Lagercrantz share has appreciated by 408 percent. The broad OMX Stockholm Price Index rose 65 percent during the same period, and the benchmark OMX Stockholm Mid Cap PI index, which tracks the overall development for medium-sized companies, rose by 76 percent. Effective as of 2 January 2014, the Lagercrantz Group Class B share moved from the Nasdaq Stockholm's Small Cap list to the exchange's Mid Cap list.

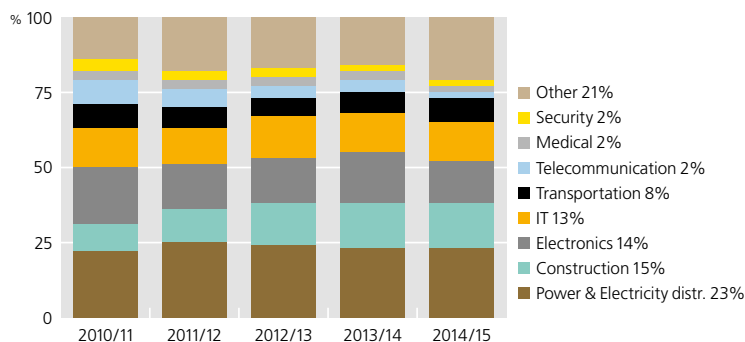
Revenue by business type



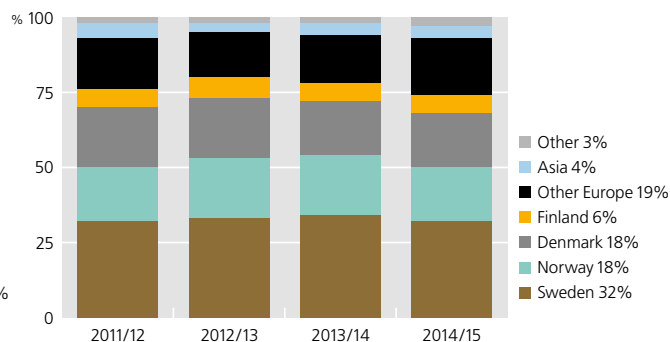
Revenue by market channel



Revenue by market segment



Revenue by geographic market





Lagercrantz Group

offers value-creating technology.

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All our companies try to create and maintain a leading position in their niche.

Lagercrantz Group is active in seven countries in Europe, and in China and the US. The Group has approximately 1,100 employees and annual revenue of approximately SEK 2.8 billion.

The company's share is listed on Nasdaq Stockholm since 2001 and the company has approx. 3,500 shareholders.

**Lagercrantz
Group** ●

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