

Press release

Linköping, Sweden May 22, 2002

**Report on Sectra's operations for the fiscal year ended April 30, 2002:****Best result in Sectra's history**

**Sectra is reporting best-ever results for the fiscal year ended April 30, 2002. Profit before tax increased by 56 %, to SEK 61.4 million (39.3). Sales, which were also the highest in the company's history, rose by 37 %, to SEK 426.3 million (291.6). Order bookings increased by 48 % to SEK 459.7 million (310.5).**

"Today we are presenting the results of operations in the best fiscal year in Sectra's 23-year history," says Jan-Olof Brüer, President and CEO of Sectra AB. "Operations have developed well, notably in the field of medical systems, which have expanded substantially in Sweden and internationally. We have strengthened our leading position in the Scandinavian market for digital radiology systems as a result of a number of orders, mainly from the Norwegian market."

During the fourth quarter Sectra received the first order for its new digital Sectra MicroDose Mammography™ system from Helsingborgs Lasarett AB. Sectra also acquired the operations of the Danish company Pronosco A/S in the same quarter. The company develops and markets a system for diagnosing and monitoring osteoporosis, a growing problem in the western world.

"The acquisition of the Pronosco business strengthens and supplements our range of medical systems," Jan-Olof Brüer says.

During the year the NATO version of Sectra's eavesdrop-secure Tiger® GSM telephone was approved for, as the only GSM telephone on the market, communication at the advanced NATO Secret security level. In connection with this approval the Norwegian and German defense forces both placed orders for the NATO version of the system.

"We have taken the first step into the NATO market and NATO approval is of great importance in connection with the sale of our defense products," continues Jan-Olof Brüer.

During the fiscal year 2001/02 Sectra has noted growing interest on the part of potential customers, the media and analysts, and institutional ownership has increased. The increased attention has strengthened Sectra's brand name and the company's ability to gain the confidence of new customers in the international market.

"Sectra's strong position in its home market constitutes a solid platform for our continuing international expansion," Jan-Olof Brüer says. "We will continue to develop our operations together with customers, employees and partners so that efficiency-improving technology will benefit as many as possible. Our objective, which is to continue to expand with favorable profitability, remains valid."

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Visit Sectras website <http://www.sectra.com>

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**About Sectra**

Sectra has its roots in Linköping Technical University and is one of Sweden's fastest growing high-tech companies in the IT area. Since the mid-1980s, Sectra has successfully conducted development and sales of high-technology medical IT and telecommunications products. Today, the business includes products in medical systems, secure communication systems and wireless information systems.

Business is conducted in six countries with a total of 250 employees. Sales for the fiscal year May 2001–April 2002 reached SEK 426 million. Since March 1999, Sectra's shares have been quoted on the O list of the Stockholm Exchange.

## **Preliminary Earnings Sectra AB (publ), for the period May 2001 - January 2002**

*Since the mid-1980s, Sectra AB has successfully conducted development and sales of high-technology medical IT and telecommunications products. Today, the business includes products in medical systems, secure communication systems and wireless information systems.*

*Sectra's shares have been quoted on the O list of the Stockholm Exchange since March 3, 1999.*

*More information about Sectra's operations is available at [www.sectra.se](http://www.sectra.se)*

### **Year in brief**

- Order bookings increased 48 % to SEK 459.7 million (310.5).
- Sales increased 46 % to SEK 426.3 million (291.6).
- Profit before tax rose to SEK 61.4 million (39.3), up 56 %.
- Earnings per share amounted to SEK 1.23 (0.85).

### **The fourth quarter in brief**

- Order bookings increased 15 % to SEK 48.6 million (42.3).
- Sales increased 60 % to SEK 160.0 million (100,2).
- Profit before tax rose 14 % to SEK 22.2 million (19.4).
- Earnings per share amounted to SEK 0.38 (0.41).

### **Significant events during the fourth quarter**

- Sectra received its first order for the digital mammography system, Sectra MicroDose Mammography™, from the Helsingborg Hospital.
- The Arendal Hospital in Norway ordered Sectra's digital system for processing and archiving radiology images.
- Sectra strengthened its product range in digital radiology by acquiring the operations of the Danish company, Pronosco A/S, which develops and markets software for diagnosing and following up osteoporosis.
- Sectra was commissioned by the Swedish Defense to produce a prototype of a mobile terminal for encryption of speech and data combined with GPS positioning.
- Network operator Digita ordered a new mobile rescue system from Sectra to provide real-time alarm and warning data for the Finnish Rescue Services.

### **Significant events following the end of the quarter**

- SAAB signed a framework agreement with Sectra regarding the eavesdrop-secure GSM telephone, Tiger®. The agreement encompasses a volume of 100 phones including accessories.

**Market**

The market for **medical systems** is in a strong growth phase. An increasing number of hospitals are choosing to enhance the efficiency of their radiology operations by installing digital systems. The countries that have advanced furthest in the transition to digital radiology systems are Norway, Sweden, the US and Germany. Today, Sectra has the largest share of installations in Scandinavia and the US (via partners). Market cultivation is also under way elsewhere in Western Europe.

The market for **secure communication systems** within the defense sector are characterized by increased investment in IT systems, while traditional defense investments are declining. Internationally, the trend is toward a completely new defense structure with network-based information management. The flow of information in network-based defense will demand high security standards.

The market for **wireless information systems** is negatively affected by the general market situation, with low investment volumes in the finance market and the aviation industry.

**The full year 2001/02 and significant events during the fourth quarter**

In **medical systems**, during the year Sectra's successful sales continued both in Sweden and internationally. The number of installations of Sectra's digital radiology systems increased, and the operations expanded in Western Europe and the US. Sectra strengthened its leading position in the Scandinavian market via several orders from hospitals, particularly in the Norwegian market. During the fourth quarter, the Company received a further order in Norway, when the Arendal Hospital decided to purchase Sectra's digital system for handling and archiving radiology images.

During the fourth quarter, Sectra also received its first order for the new digital mammography system, Sectra MicroDose Mammography™, from the Helsingborg hospital in Sweden. The mammography system, which is developed in cooperation with Mamea Imaging AB, is based on a sensor technology that makes it possible to achieve the same high image quality of today's film-based systems, using a radiation dose that is five times lower. The results from tests of the system in clinical environments during the year indicate that the system maintains the levels of quality and dosage seen previously in laboratory environments.

In **secure communication systems**, during the year Sectra took its first steps into the NATO market. The NATO version of Sectra's secure GSM telephone Tiger, is the only telephone on the market that has been approved for communications at the advanced NATO Secret security level. In connection with this approval, both the Norwegian and the German defense organizations ordered the NATO version of the system.

During the fourth quarter, Sectra was commissioned by the Swedish Defense to produce a prototype of a mobile terminal for encryption of speech and data combined with GPS positioning. The prototype is part of a future concept for mobile encryption systems for various types of secure services, of which eavesdrop-secure positioning is a key component.

Within **wireless information systems**, the focus is on systems for information services providing real-time data. During the year Sectra launched a cooperation with SIX, the leading supplier of financial information in the Nordic countries, regarding a financial service based on Sectra's mobile information receiver, CitySurfer®.

During the fourth quarter, Sectra entered the market for mobile rescue systems through an order from the Finnish network operator, Digita. Using the Sectra system, Digita plans to supply the Finnish Rescue Services with real-time alarm and warning data.

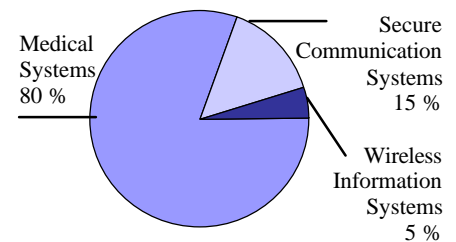
In Sectra's development project in aviation communications, the first function tests in real airport environments were carried out during the year. The results indicate unique performance. The new system makes it possible to heighten security and increase the traffic capacity of the airspace. However, the commercialization of the system is delayed due to the current weakness of the aviation market.

**Sales and earnings**

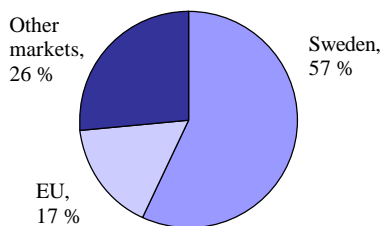
The Group's net sales for the 2001/2002 fiscal year increased 46% to SEK 426.3 M (292.6), of which SEK 160.0 M (100.2) refers to the fourth quarter. Profit before tax rose to SEK 61.4 M (39.3), resulting in a fourth-quarter profit of SEK 22.2 M (19.4). Order bookings increased 48% to SEK 459.7 M (310.5), of which SEK 48.6 M (42.3) pertains to the fourth quarter.

Sales by area of operations:

(SEK Million)	<u>2001/02</u>	<u>2000/01</u>
Medical systems	343.2	215.7
Secure communication systems	63.1	51.5
Wireless information systems	20.0	24.0



Sales by area of operations



Sales by geographical markets

#### Financial position

On April 30, 2002, equity ratio was 44.2% (54.1) and liquidity was a multiple of 2.5 (3.3). The Company's interest-bearing liabilities amounted to SEK 74.3 M (38.0), of which SEK 50.8 M (33.0) pertains to convertible debentures.

#### Investments

During the year investments in the Group amounted to SEK 8.8 M (10.3), of which 6.5 (6.5) pertains to the fourth quarter. The investments concerned primarily computer equipment and machinery.

#### New companies in the Sectra Group

In February 2002, Sectra acquired the operations of the Danish company, Pronosco A/S. The company develops and markets a system for diagnosing and monitoring the development of osteoporosis, a growing problem in the western world. The acquisition strengthens and complements Sectra's offerings in medical systems.

In cooperation with the Örebro Innovation Center and a group of Swedish radiologists, during the year Sectra started the teleradiology company, Paxlink AB. The company offers Scandinavian hospitals support for reading digital radiology images in the case of temporary staff shortages or peak periods.

#### Employees

The number of employees increased during the fourth quarter by 26. Consequently, on April 30, 2002, the total number of employees of Sectra amounted to 250 (185). Personnel turnover during the year amounted to 3.2% (9.7).

#### Share data

Sectra's share capital amounted in April 30, 2002, to SEK 32,760,945 (32,760,945) distributed among 32,760,945 shares. Assuming full conversion and full subscription to the convertible programs as well as employee options, the number of shares will increase to 33,881,845. The maximum total dilution is 3.4% of the share capital and 2.0% of the voting rights.

#### Future outlook

Sectra has a strong technology platform. The products and system solutions that Sectra develops are aimed at markets with high growth potential. The Company's strong position in the domestic market provides a solid platform for continued international expansion. The Board's assessment that Sectra will continue to expand with favorable profitability remains valid.

#### Accounting principles

This report was prepared in accordance with the Swedish Financial Accounting Standards Council's RR20. The accounting principles of the 2000/2001 Annual Report are unchanged.

#### Annual General Meeting

The Annual General Meeting of Sectra will take place on Thursday, June 27, 2002, at CET 4:00 p.m. in the Collegium Building at Teknikringen 7 in Linköping.

#### Proposed dividend

A dividend of SEK 0.40 per share is proposed for 2001/02. July 2, 2002, is proposed as the record day for the dividend. If the Annual General Meeting adopts the dividend proposal, it is expected that the dividend will be paid by the Swedish Securities Register on July 5, 2002.

#### Annual Report

The Annual Report will be available from the Company as of June 13, 2002, when it will also be distributed by mail to the shareholders. It will be simultaneously available on the Sectra website, [www.sectra.se](http://www.sectra.se), and can be ordered from the following address:

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#### Report publication dates

Interim report for May–July 2002:  
September 3, 2002  
Interim report for Aug.–Oct. 2002:  
December 10, 2002  
Interim report for Nov. 2002–Jan. 2003:  
March 4, 2003  
Year-end report for 2002/2003:  
May 22, 2003

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Linköping, Sweden, May 22, 2002

Sectra AB (publ)

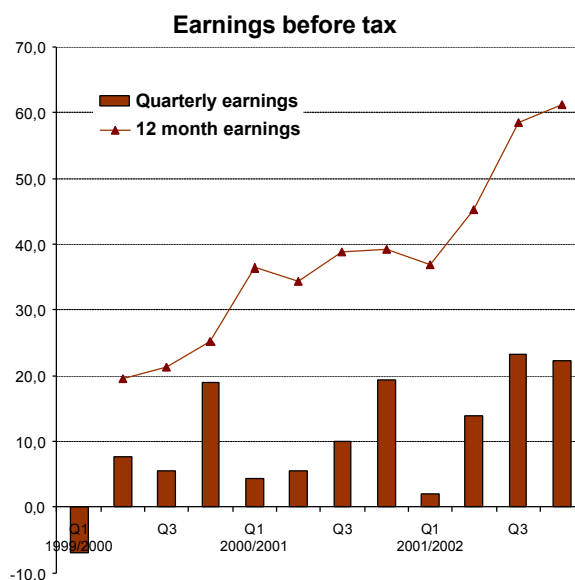
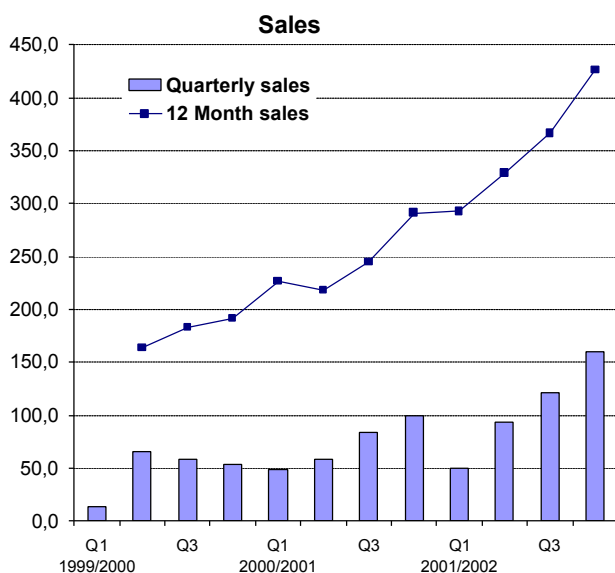
Board of Directors

### Summary Income Statement for the Group

SEK Thousands	3 month Feb– Apr 2002	3 month Feb– Apr 2001	Full year May–Apr 2001/2002	Full year May–Apr 2000/2001
<b>Net sales</b>	<b>160 041</b>	<b>100 234</b>	<b>426 310</b>	<b>291 643</b>
Other operating income	-	80	-	80
Change in work in progress	-20 211	- 18 517	-4 991	- 26 734
Operating expenses	-116 647	- 60 367	-354 329	- 219 825
Depreciation	-1 743	- 1 897	-6 842	- 6 334
<b>Operating profit</b>	<b>21 440</b>	<b>19 533</b>	<b>60 148</b>	<b>38 830</b>
Net financial items	740	- 114	1 253	509
<b>Earnings before tax</b>	<b>22 180</b>	<b>19 419</b>	<b>61 401</b>	<b>39 339</b>
Tax on earnings for the period	-9 852	- 5 840	-21 113	-11 601
Minority interests	142	-	142	-
<b>Net earnings</b>	<b>12 470</b>	<b>13 579</b>	<b>40 430</b>	<b>27 738</b>
<b>Profit per share</b>				
Before dilution	0.38	0.42	1.23	0.85
Assuming full conversion	0.37	0.41	1.20	0.83
<b>No. of shares</b>				
At end of period	32 760 945	32 760 945	32 760 945	32 760 945
Assuming full conversion of issued convertible debentures and personnel options <sup>1)</sup>	33 881 845	33 493 645	33 881 845	33 493 645
Average, before dilution <sup>2)</sup>	32 760 945	32 760 945	32 760 945	32 760 945
Average, assuming full conversion <sup>2)</sup>	33 687 745	33 284 795	33 687 745	33 284 795

1) Issued convertible debentures 315,000 (1999/00), 327,700 (2000/01), 308,200 (2001/02) and personnel options 90,000 (2000/01) and 80,000 (2001/02).

2) Average number of shares adjusted for issues and split.



### Summary Balance Sheet for the Group

SEK Thousands	Full Year April 30, 2002	Full Year April 30, 2001
<b>Assets</b>		
Intangible assets	11 033	12 609
Tangible assets	54 238	29 405
<b>Total fixed assets</b>	<b>65 271</b>	<b>42 014</b>
Other current assets	176 961	119 431
Cash and bank balances	130 439	87 401
<b>Total current assets</b>	<b>307 400</b>	<b>206 832</b>
<b>Total assets</b>	<b>372 671</b>	<b>248 846</b>
<b>Equity and liabilities</b>		
Equity (including profit for the period)	164 630	134 702
Provisions	11 610	8 439
Minority interests	-112	-
Long-term liabilities	68 031	37 966
Current liabilities	128 512	67 739
<b>Total equity and liabilities</b>	<b>372 671</b>	<b>248 846</b>

### Change in Equity

SEK Thousands	Full Year May – Apr – Jan 2002	Full Year May - Apr 2001
Equity at end of period	134 702	109 923
Dividend	-9 828	- 6 552
Change in share of equity	-644	3 593
Change in minority interests	-30	-
Net earnings for the period	40 430	27 738
<b>Equity at end of period</b>	<b>164 630</b>	<b>134 702</b>

### Summary Cash Flow Statement for the Group

SEK Thousands	Full Year May-Apr 2001/2002	Full Year May-Apr 2000/2001
Cash flow from operations before changes in working capital	47 967	34 072
<b>Cash flow from operations after changes in working capital</b>	<b>53 544</b>	<b>37 012</b>
<b>Investing activities</b>	<b>-8 750</b>	<b>- 10 341</b>
<b>Financing activities</b>	<b>-1 756</b>	<b>18 280</b>
<b>Change in cash and bank balances</b>	<b>43 048</b>	<b>44 951</b>
Cash and bank balances, opening balance	87 401	42 450
Cash and bank balances, closing balance	130 439	87 401

## Key Figures

	Full year May-Apr 2001/2002	Full year May-Apr 2000/2001
Solvency %	44.2	54.1
Liquidity, ratio	2.5	3.3
Profit margin %	14.4	13.5
Earning capacity of equity	24.6	22.7
Earning capacity of working capital	30.5	26.7
Average number of employees	222	182
Equity per share	4.96	4.12
Equity per share assuming full conversion of issued convertible debentures and personnel options	4.80	4.04
Cash flow per share	1.47	1.10
Cash flow per share assuming full conversion of issued convertible debentures and personnel options	1.42	1.08
P/E ratio	50.0	50.0
Share price	62.0	42.50

## Quarterly Income Statements for the Group

SEK million	2001/02				2000/01				1999/00			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net sales</b>	160.0	122.1	93.9	50.2	100.2	84.4	58.1	48.5	54.0	58.0	66.0	13.6
Other operating income	-	-	-	-	0.1	-	0.4	-	0.3	0.2	0.4	-
Change in work in progress	-20.2	16.1	-4.2	3.3	-18.5	-12.9	3.9	0.8	7.5	7.7	-15.0	21.0
Operating expenses	-116.6	-113.2	-74.5	-50.4	-60.4	-60.4	-55.5	-43.6	-41.5	-55.6	-42.7	-40.7
Depreciation	-1.7	-1.8	-1.6	-1.7	-1.9	-1.3	-1.8	-1.3	-1.5	-2.9	-0.9	-0.9
<b>Operating profit</b>	21.5	23.2	13.6	1.4	19.5	9.8	5.1	4.4	18.8	7.4	7.8	-7.0
Net financial items	0.7	0.1	0.2	0.6	-0.1	0.2	0.4	0.0	0.1	1.7	-0.2	0.1
<b>Earnings after financial items</b>	22.2	23.3	13.8	2.0	19.4	10.0	5.5	4.4	18.9	9.1	7.6	-6.9
Items affecting comparability	-	-	-	-	-	-	-	-	-	-3.6	-	-
<b>Earnings before tax</b>	22.2	23.3	13.8	2.0	19.4	10.0	5.5	4.4	18.9	5.5	7.6	-6.9
Tax on earnings for the period	-9.9	-6.6	-4.0	-0.6	-5.8	-3.0	-1.6	-1.2	-6.3	-1.7	-2.1	-
Minoritetens andel	0.1	-	-	-	-	-	-	-	-	-	-	-
<b>Net earnings</b>	12.4	16.7	9.8	1.4	13.6	7.0	3.9	3.2	12.6	3.8	5.5	-6.9

**Solvency:** Equity as a percentage of total assets.

**Liquidity:** Current assets divided by current liabilities.

**Profit margin:** Profit before tax as a percentage of sales.

**Earning capacity of equity:** Profit after tax as a percentage of average adjusted equity.

**Capital employed:** Total assets reduced by non interest-bearing debts.

**Earning capacity of working capital:** Profit before tax plus financial expenses as a percentage of average working capital.

**Profit per share:** Profit before tax reduced by actual tax divided by the average number of shares.

**Equity per share:** Equity divided by the number of shares at the end of the period.

**Cash flow per share:** Cash flow divided by the number of shares at the end of the period.