

Press release

Linköping, Sweden March 5, 2002

Sectra report for the nine months ended January 31, 2002:

Strongest interim report in Sectra's history

Sectra reports increased sales, profit and order bookings during the first nine months of its 2001/2002 fiscal year, compared with the corresponding period in the preceding year. Sales increased 39% amounting to SEK 266.3 million (191.0) while earnings before tax amounted to SEK 39.2 million (19.9). Order bookings rose 53% to SEK 411.1 M (268.3).

"It is with pleasure that we present this interim report, which contains the best figures in the Company's history. We have gained the confidence of several new customers and our operations are performing well," says Jan-Olof Brüer, CEO and President of Sectra AB.

In the third quarter, order bookings increased 227% to SEK 239.6 million (73.1). Sales rose 45% to SEK 122.1million (84.4), and earnings before tax improved 133%, amounting to SEK 23.3 million (10.0).

The market for medical systems is growing rapidly, as hospitals increasingly choose to enhance the efficiency of their radiology operations by introducing digital systems.

"All of our business areas – especially medical systems but also secure communication systems and wireless technologies – enjoyed sales successes in the third quarter," Jan-Olof Brüer concludes.

Sectra began its fourth quarter by receiving its first order for the new digital mammography system, Sectra MicroDose Mammography, from Helsingborgs Lasarett AB. The first delivery of the system is expected to take place in the autumn in 2002.

Sectra has a strong technology platform. The products and systems solutions developed by Sectra target market niches with extensive growth potential both in the Swedish domestic market and internationally. It is the assessment of the Board of Directors that Sectra will continue to expand with favorable profitability.

The number of employees continued to increase during the third quarter by six persons, and now amounts to 224.

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

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 224 employees. Sales for the fiscal year May 2000–April 2001 reached SEK 292 million. Since March 1999, Sectra's shares have been quoted on the O list of the Stockholm Exchange.

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Interim Report from 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

The period in brief (May 2000 – Jan 2001 in parentheses)

- Sales increased by 39 % to SEK 266.3 million (191.0).
- Earnings before tax rose 97 % to SEK 39.2 million (19.9).
- Profit per share equaled SEK 0.85 (0.43).
- Order bookings increased to SEK 411.1 million (268.2), up 53 %.

The third quarter in brief (Nov 2000 – Jan 2001 in parentheses)

- Sales increased by 45 % to SEK 122.1 million (84.4).
- Income before tax rose 133 % to SEK 23.3 million (10.0).
- Profit per share equaled SEK 0.51 (0.22).
- Order bookings increased to SEK 239.6 million (73.1), up 227 %.

Significant events during the third quarter

- Sales successes for Sectra's digital radiology system in Norway.
- New cooperation agreements signed with suppliers of special clinical applications with respect to integrating their products with Sectra's digital radiology system.
- The Nordic region's leading supplier of financial information, SIX, unveiled a new mobile financial information service based on the Sectra CitySurfer®.
- The Norwegian and German Armed Forces ordered Sectra's eavesdrop-secure Tiger® GSM telephones in connection with NATO approval of Tiger® for NATO-secret communication.

Significant events after the end of the period

- Sectra received first order for the digital mammography system, Sectra MicroDose Mammography™, from the Helsingborg hospital in Sweden.
- Arendal hospital in Norway ordered Sectra's digital radiology system.
- The network operator Digita ordered a new mobile rescue system from Sectra for providing alarm and warning information in real-time to the Finnish rescue service. The order, which in the initial phase covers infrastructure, is an important step in the market for rescue systems.
- Sectra strengthens the product portfolio within digital radiology through an acquisition of the operations of the Danish company Pronosco which develops and markets software for diagnosing and monitoring osteoporosis.

Market and significant events

The market for **medical systems** is in a strong growth phase and 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), and market cultivation is also under way elsewhere in Western Europe.

During the third quarter, Sectra enjoyed sales successes with its system for digital radiology in Norway. New agreements were signed with Rikshospitalet in Oslo, the Østfold County Council and the Mid-Norway Health region. Total order value for the agreements amounts to about SEK 120 million and encompasses digitization of radiology operations at 15 Norwegian hospitals. Sectra is thus strengthening its position as the leading supplier of film-free radiology systems in the Scandinavian market.

Sectra works with open systems enabling other suppliers to integrate their special clinical applications with Sectra's workstations. In connection with the world's largest radiology trade fair, RSNA, held in Chicago in December, Sectra presented several new cooperation agreements with suppliers of special applications, which for example includes tools for 3D images and development of new medical imaging applications. The aim with this type of cooperation is to maximize the benefits of digital

radiology systems for Sectra's customers.

The first order for the new digital mammography system, Sectra MicroDose Mammography™, was in February received from the Helsingborg hospital in Sweden. The system is presently undergoing a pilot study at St Görän's hospital in Stockholm, with preliminary results indicating that Sectra MicroDose Mammography™ enables radiation levels to be reduced to one fifth, with maintained or improved image quality. Research institutes in the US will participate in the early clinical analyses of the system. Deliveries of the first series-produced units of the mammography system are projected for 2002.

The market for **secure communication systems** within the defense sector is characterized, both in Sweden and internationally, by increased investments in IT systems. In parallel, traditional defense investments decline. In recent months, Sectra noted an increase in the number of inquiries for secure communication systems.

During the quarter, Sectra's eavesdrop-secure Tiger® GSM telephone enjoyed international success. NATO approved Sectra Tiger® to be used for the advanced NATO Secret security level. In connection with this approval, both the Norwegian and German Armed Forces ordered Tiger® telephones.

The market for **wireless information systems** is in an early growth phase. The increased mobility among people is driving the development of mobile information services. However, some

restraint is perceived, with longer decision processes with respect to investments.

During the third quarter, Sectra initiated a cooperation with SIX, which is unveiling a new financial information service based on Sectra's mobile information receiver CitySurfer®. The goal is to establish comparable cooperative arrangements around mobile financial services in other countries.

New president at Sectra Communications AB

During the quarter, Tommy Waszkiewicz was appointed president of the wholly owned subsidiary Sectra Communications AB, effective February 1, 2002.

Sales and earnings

The Group's net sales for the reporting period increased by 39 % to SEK 266.3 M (191.0), of which SEK 122.1 M (84.4) relate to the third quarter. Profit before tax rose to SEK 39.2 M (19.9), which indicates that profit for the third quarter amounted to SEK 23.3 M (10.0). Order bookings during the quarter amounted to SEK 239.6 M (73.1) which means that the order bookings increased by 53 % the first nine months to SEK 411.1 M (268.2).

Financial position

Sectra's equity ratio at January 31, 2002 was 46.5 % (56.2) and liquidity was a multiple of 3.0 (3.9). Interest-bearing liabilities amounted to SEK 73.4 M (37.2), of which SEK 50.8 M (33.0) pertains to convertible debentures.

Investments

Investments in the Group during the period amounted to SEK 2.3 M (7.2) and pertained mainly to computers and other equipment.

Personnel

The number of employees increased by 6 persons during the third quarter, bringing the total number of employees at January 31, 2002 to 224.

Share data

During the quarter, Sectra strengthened its ownership structure with the addition of the large international institution Fidelity. They acquired 1,460,000 Series B shares from eight of Sectra's major shareholders, corresponding to 4.5% of share capital and 2.6% of voting rights in the company.

Sectra's share capital at January 31, 2002 was SEK 32,760,945 (32,760,945), distributed among 32,760,945 shares. Assuming full

conversion and exercise of issued convertible debentures and personnel options, the number of shares increases to 33,881,845.

The Stockholm Exchange has changed the classification of Sectra to Healthcare Equipment and Services, 35101010 according to the Global Industry Classification Standard.

Outlook

Sectra has a strong technology platform. The products and system solutions developed by Sectra are aimed at markets with a high growth potential. The company's strong position in its domestic market constitutes an excellent 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 recommendation RR20. The accounting principles presented in the 2000/2001 Annual Report are unchanged.

Future reports

Preliminary year-end report 2001/02:
May 22, 2002

Annual General Meeting:
June 27, 2002

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Financial Hearing

Sectra will present the interim report March 5, 12.00 CET at the Operaterrace in Stockholm.

The presentation will be available on the Internet www.sectra.se at 19.00 CET.

Linköping, Sweden, March 5, 2002

Sectra AB (publ)

Board of Directors

Summary Income Statement for the Group

| SEK Thousands | 3 month Nov 2001 - Jan 2002 | 3 month Nov 2000 - Jan 2001 | 9 month May 2001 - Jan 2002 | 9 month May 2000 - Jan 2001 | 12 month Feb 2001 - Jan 2002 | Full year May-Apr 2000/2001 |
|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Net sales | 122 109 | 84 432 | 266 269 | 190 982 | 366 503 | 291 643 |
| Other operating income | | - | | 427 | 80 | 80 |
| Change in work in progress | 16 092 | - 12 883 | 15 220 | - 8 217 | -3 297 | - 26 734 |
| Operating expenses | -113 112 | - 60 442 | -237 682 | - 159 458 | -298 049 | - 219 825 |
| Depreciation | -1 818 | - 1 313 | -5 099 | -4 437 | -6 996 | - 6 334 |
| Operating profit | 23 271 | 9 794 | 38 708 | 19 297 | 58 241 | 38 830 |
| Net financial items | 68 | 232 | 513 | 623 | 399 | 509 |
| Earnings before tax | 23 339 | 10 026 | 39 221 | 19 920 | 58 640 | 39 339 |
| Tax on earnings for the period | -6 648 | - 2 998 | -11 261 | - 5 768 | -17 101 | -11 601 |
| Net earnings | 16 691 | 7 028 | 27 960 | 14 152 | 41 539 | 27 738 |

Profit per share

| | | | | | | |
|--------------------------|------|------|------|------|------|------|
| Before dilution | 0.51 | 0.22 | 0.85 | 0.43 | 1.27 | 0.85 |
| Assuming full conversion | 0.50 | 0.21 | 0.83 | 0.43 | 1.23 | 0.83 |

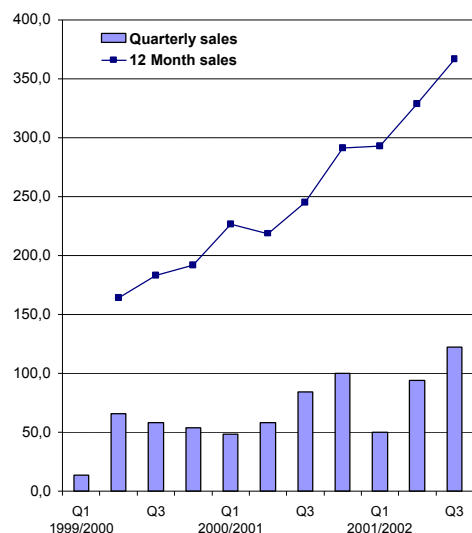
No. of shares

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| At end of period | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 |
| Assuming full conversion of issued convertible debentures and personnel options ¹⁾ | 33 881 845 | 33 493 645 | 33 881 845 | 33 493 645 | 33 881 845 | 33 493 645 |
| Average, before dilution ²⁾ | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 | 32 760 945 |
| Average, assuming full conversion ²⁾ | 33 687 745 | 33 284 795 | 33 687 745 | 33 284 795 | 33 687 745 | 33 284 795 |

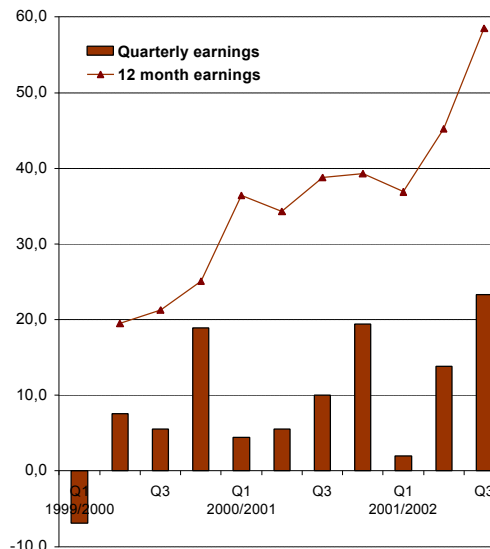
1) Issued convertible debentures 315,000 (1999/00), 327,700 (2000/01), 308,200 (2001/02) and personnel options 90,000 (2000/01) and 80,000 (2001/02).

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

Sales



Earnings before tax



Summary Balance Sheet for the Group

| SEK Thousands | 9 Month January 31, 2002 | 9 Month January 31, 2001 | Full Year April 30, 2001 |
|--|--------------------------------|--------------------------------|--------------------------------|
| Assets | | | |
| Intangible assets | 11 427 | 13 005 | 12 609 |
| Tangible assets | 35 227 | 24 221 | 29 405 |
| Total fixed assets | 46 654 | 37 226 | 42 014 |
| Other current assets | 144 352 | 82 785 | 119 431 |
| Cash and bank balances | 135 609 | 89 239 | 87 401 |
| Total current assets | 279 961 | 172 024 | 206 832 |
| Total assets | 326 615 | 209 250 | 248 846 |
| Equity and liabilities | | | |
| Equity (including profit for the period) | 151 923 | 117 523 | 134 702 |
| Provisions | 8 439 | 6 558 | 8 439 |
| Long-term liabilities | 67 938 | 37 165 | 37 966 |
| Current liabilities | 98 315 | 48 004 | 67 739 |
| Total equity and liabilities | 326 615 | 209 250 | 248 846 |

Change in Equity

| SEK Thousands | 9 month May 2001 – Jan 2002 | 9 month May 2000 – Jan 2001 | Full Year May - Apr 2001 |
|--------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Equity at end of period | 134 702 | 109 923 | 109 923 |
| Dividend | -9 828 | -6 552 | - 6 552 |
| Change in share of equity | -911 | | 3 593 |
| Net earnings for the period | 27 960 | 14 152 | 27 738 |
| Equity at end of period | 151 923 | 117 523 | 134 702 |

Summary Cash Flow Statement for the Group

| SEK Thousands | 9 month May 2001 – Jan 2002 | 9 month May 2000 – Jan 2001 | Full Year May-Apr 2000/2001 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash flow from operations before changes in working capital | 33 059 | 18 589 | 34 072 |
| Cash flow from operations after changes in working capital | 38 714 | 36 559 | 37 012 |
| Investing activities | -2 254 | - 7 249 | - 10 341 |
| Financing activities | 11 748 | 17 479 | 18 280 |
| Change in cash and bank balances | 48 208 | 46 789 | 44 951 |
| Cash and bank balances, opening balance | 87 401 | 42 450 | 42 450 |
| Cash and bank balances, closing balance | 135 609 | 89 239 | 87 401 |

Key Figures

| | 9 month May 2001 – Jan 2002 | 9 month May 2000 – Jan 2001 | 12 month Feb 2001 – Jan 2002 | Full year May-Apr 2000/2001 |
|---|-----------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| Solvency % | 46.5 | 56.2 | 46.5 | 54.1 |
| Liquidity, ratio | 3.0 | 3.9 | 3.0 | 3.3 |
| Profit margin % | 14.7 | 10.4 | 16.0 | 13.5 |
| Earning capacity of equity | | | 30.8 | 22.7 |
| Earning capacity of working capital | | | 30.7 | 26.7 |
| Average number of employees | 214 | 177 | 200 | 182 |
| Equity per share | 4.64 | 3.59 | 4.64 | 4.12 |
| Equity per share assuming full conversion of issued convertible debentures and personnel options | 4.51 | 3.53 | 4.51 | 4.04 |
| Cash flow per share | 1.01 | 0.57 | 1.47 | 1.04 |
| Cash flow per share assuming full conversion of issued convertible debentures and personnel options | 0.98 | 0.56 | 1.44 | 1.02 |
| P/E ratio | 62.4 | 114.0 | 41.7 | 50.0 |
| Share price | 53.0 | 49.0 | 53.0 | 42.50 |

Quarterly Income Statements for the Group

| SEK million | 2001/02 | | | 2000/01 | | | | 1999/00 | | | |
|---------------------------------------|---------|-------|-------|---------|-------|-------|-------|---------|-------|-------|-------|
| | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Net sales | 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 | 16.1 | -4.2 | 3.3 | -18.5 | -12.9 | 3.9 | 0.8 | 7.5 | 7.7 | -15.0 | 21.0 |
| Operating expenses | 113.2 | -74.5 | -50.4 | -60.4 | -60.4 | -55.5 | -43.6 | -41.5 | -55.6 | -42.7 | -40.7 |
| Depreciation | -1.8 | -1.6 | -1.7 | -1.9 | -1.3 | -1.8 | -1.3 | -1.5 | -2.9 | -0.9 | -0.9 |
| Operating profit | 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 | 0.1 | 0.2 | 0.6 | -0.1 | 0.2 | 0.4 | 0.0 | 0.1 | 1.7 | -0.2 | 0.1 |
| Earnings after financial items | 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 | - | - |
| Earnings before tax | 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 | -6.6 | -4.0 | -0.6 | -5.8 | -3.0 | -1.6 | -1.2 | -6.3 | -1.7 | -2.1 | - |
| Net earnings | 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.