

Press release

Linköping, Sweden, March 16, 2010

Sectra's nine-month interim report 2009/2010:

## Major customer projects contributed to increased operating profit

**IT and medical technology company Sectra's operating profit for the nine-month period rose by 37.3% to SEK 14.0 million (10.2), corresponding to an operating margin of 2.4% (1.7). Net sales for the period amounted to SEK 592.9 million (599.5). Profit after net financial items amounted to SEK 7.0 million (64.0) and were negatively impacted by currency effects of SEK 4.5 million (pos: 45.7). The profit margin was 1.2% (10.7). The Group's order bookings amounted to SEK 669.4 million (942.0).**

For the nine-month period, the Medical systems' business area's net sales rose 5.4% to SEK 566.1 million (536.9) and the Secure communications systems business area's net sales increased 10.0% to SEK 72.6 million (66.0).

"Despite a reduction in demand in most markets due to the prevailing economic climate and poor government finances in many European countries, both business areas reported growth for the nine-month period. Our primary growth was in the UK, the Netherlands and Sweden," says Jan-Olof Brüer, President and CEO of Sectra AB.

A number of large customer projects contributed to a rise in operating profit compared with the year-earlier period. One of Sectra's largest ongoing customer projects is coordinating the management of radiology images and patient information in the public healthcare sector for all of Northern Ireland. During the quarter, the first five of a total of 25 hospitals began deploying Sectra's system. The project is one of the most extensive IT installations in the healthcare sector in Europe.

For the third quarter, the Sectra Group's net sales amounted to SEK 201.2 million (226.1). An operating loss of SEK 2.5 million (profit:1.4) was recognized. Results were negatively affected by increased depreciation of Group-financed customer projects and on development projects pertaining to Sectra's new generation of radiological IT systems, which will begin to generate revenues in pace with rising sales. Profit after net financial items for the third quarter was SEK 2.6 million (15.8), corresponding to a profit margin of 1.3% (7.0). Currency fluctuations impacted the Group's financial items in the amount of SEK 4.9 million (11.5) as a result of the SEK weakening against the USD during the quarter. The Group's order bookings rose 10.9% to SEK 240.6 million (217.0).

"In an effort to improve our profit margins, we are continuously working to adapt our operating expenses to the prevailing economic situation. Operating expenses were also reduced as a result of efficiency enhancements related to the completion of major development projects," says Jan-Olof Brüer.

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### About the Sectra Group

Sectra was founded in 1978 and conducts successful development and sales of high-technology products in the expansive niche segments of medical systems and secure communication systems. Sectra has offices in 12 countries and sells its products through partners worldwide. The head office is in Linköping, Sweden and the company developed from research at Linköping University. Sales for the 2008/2009 full year amounted to SEK 863 million. Sectra is listed on the NASDAQ OMX Stockholm AB exchange. For more information about Sectra, visit our website at [www.sectra.se](http://www.sectra.se).

*The information in this press release is such that Sectra AB (publ) is obligated to disclose in compliance with the Swedish Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for publication on March 16 at 08:30 a.m. (CET).*

## Interim report Sectra AB (publ) for May 2009 – January 2010

*The figures for the year-earlier period are shown in parentheses.*

### The period in brief

- Order bookings amounted to SEK 669.4 million (942.0).
- Net sales amounted to SEK 592.9 million (599.5).
- Operating profit rose 37.3% to SEK 14.0 million (10.2), corresponding to an operating margin of 2.4% (1.7).
- Profit after net financial items totaled SEK 7.0 million (64.0), corresponding to a profit margin of 1.2% (10.7). Net financial items were primarily affected by currency fluctuations due to the SEK strengthening against the USD.
- Profit after tax amounted to SEK 6.9 million (46.4).
- Earnings per share were SEK 0.19 (1.26).

### The third quarter in brief

- Order bookings rose 10.9% to SEK 240.6 million (217.0).
- Net sales amounted to SEK 201.2 million (226.1).
- There was an operating loss of SEK 2.5 million (profit: 1.4).
- Profit after net financial items amounted to SEK 2.6 million (15.8), corresponding to a profit margin of 1.3% (7.0).
- Profit after tax amounted to SEK 1.7 million (12.0).
- Earnings per share were SEK 0.05 SEK (0.32).

### Events during the third quarter

- Sectra's largest ongoing customer project is coordinating the management of radiology images and patient information in the public healthcare sector for all of Northern Ireland. During the quarter, the first five of a total of 25 hospitals began deploying Sectra's system. The project is one of the most extensive IT installations in the healthcare sector in Europe.
- Sectra signed a major five-year agreement with the US organization University Hospitals of Cleveland, one of the largest healthcare providers in North Eastern Ohio, pertaining to the delivery of systems for the management of digital radiology images (PACS), and service and support.
- Sectra initiated a partnership with Canon Marketing Japan pertaining to the distribution of Sectra MicroDose Mammography in the Japanese market. This partnership marks an important step into the world's second largest mammography market.
- At Medical systems, a partnership was also initiated with distributors in Spain, the United Arab Emirates and Qatar in line with Sectra's strategy to expand its distribution network primarily through strong local partners.
- Sectra launched the new Panthon encryption product, which is geared toward users who require secure telephony up to the security level Restricted.
- Sectra signed contracts with two European defense departments regarding the delivery of Tiger XS with a total order value of SEK 10 million.

### Events after the end of the period

- Sectra's mammography system and Internet service for the analysis of bone density is being used in a research study in which mammography examinations are combined with risk assessments of future bone fractures. The Karolinska Institute is heading the study, which is being conducted at Unilab's mammography clinic in Tumba, Sweden.

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## THE GROUP'S ORDER BOOKINGS, SALES AND EARNINGS

### Nine-month period, May 2009 - January 2010

The Group's order bookings for the period amounted to SEK 669.4 million (942.0). Order bookings for the Secure communications systems business area rose by 18% compared with the year-earlier period and Medical systems' sales in the Norwegian market increased substantially as a result of an extensive agreement with Curato, the Nordic region's largest company in the area of radiological examinations. The comparable figures for the year-earlier period included Sectra's single largest customer agreement to date, worth about SEK 360 million. The agreement pertains to the installation of Sectra's systems for the management of digital radiology images and patient information (PACS/RIS) for the public healthcare sector for all of Northern Ireland, and a ten-year service-and-support agreement.

Net sales for the period amounted to SEK 592.9 million (599.5). Sectra's two business areas reported increased net sales despite a reduction in demand in most markets due to the prevailing economic climate. Sectra's primary growth was in the UK, the Netherlands and Sweden. Sectra is financing a number of large customer projects in the Medical systems business area. The Group's total net sales were lower than the sum of the sales of the operating segments. In Sectra's financing activities, which are included in the "Other operations" segment, revenues and costs from these projects are distributed over the term of the customer contract, which can be up to ten years. The Medical systems business area recognizes revenues and costs from customer projects in pace with the completion of various sub-projects.

Operating profit for the period rose 37.3% to SEK 14.0 million (10.2), corresponding to an operating margin of 2.4% (1.7). A number of large customer projects contributed to a rise in operating profit.

Profit after net financial items amounted to SEK 7.0 million (64.0), corresponding to a profit margin of 1.2% (10.7). Currency fluctuations had an adverse impact of SEK 4.5 million (gain: 45.7) on the Group's net financial items for the period, primarily due to the SEK strengthening against the USD compared with the year-earlier period.

Profit after tax amounted to SEK 6.9 million (46.4). Earnings per share were SEK 0.19 (1.26). The item "Tax on earnings for the period" included deferred tax income of SEK 2.0 million pertaining to a reduction in the corporate tax rate in Sweden.

### The third quarter, November 2009 - January 2010

The Group's order bookings rose 10.9% to SEK 240.6 million (217.0). The increase was attributable to the Medical systems business area.

Net sales for the quarter amounted to SEK 201.2 million (226.1). Net sales were impacted to a greater extent than earlier by the Group's financing of a number of major customer projects; refer to the earlier comments on net sales for the nine-month period.

The Group posted an operating loss for the quarter of SEK 2.5 million (profit: 1.4). Sectra is continuously working to adapt operating expenses to the prevailing economic situation. The Group's operating expenses were reduced as a result of efficiency enhancements related to large development projects that have been completed. Operating profit was also adversely impacted by increased depreciation of customer projects financed by the Group and on completed development projects.

Profit after net financial items amounted to SEK 2.6 million (15.8), corresponding to a profit margin of 1.3% (7.0). The SEK weakening during the quarter against the USD and currency fluctuations impacted the Group's net financial items in the amount of SEK 4.9 million (11.5).

Profit after tax amounted to SEK 1.7 million (12.0). Earnings per share were SEK 0.05 SEK (0.32).

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## Seasonal variations

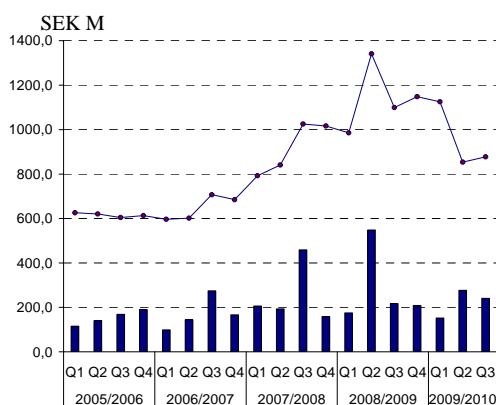
Sectra is affected by seasonal variations, which means that most invoicing and earnings are traditionally generated during the third and fourth quarters. Variations in order volumes, in terms of individual quarters, can be significant.

## Diagram

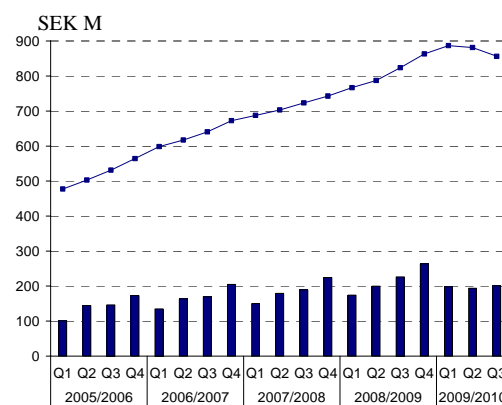
Bars - per quarter

Line - 12-month rolling

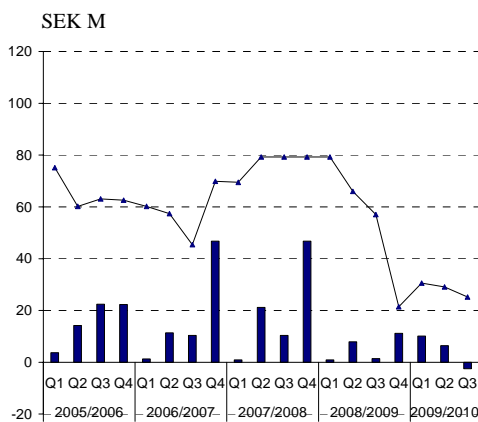
### Order intake



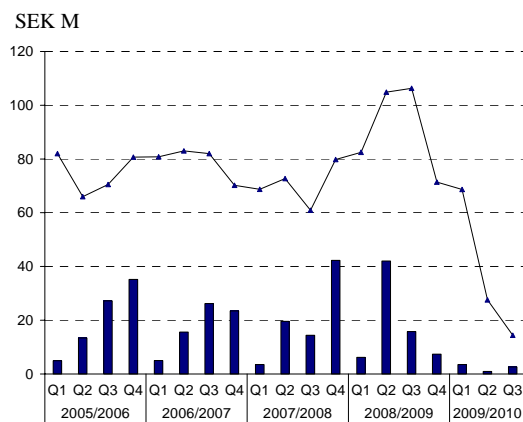
### Net sales



### Operating earnings



### Earnings after financial items



## Comments

Currency fluctuations had a considerably adverse effect on the Group's net financial items from the fourth quarter of 2008/2009 until the second quarter of the current fiscal year. Conversely, currency fluctuations had a favorable impact on net financial items from the first to the third quarter of 2008/2009.

Operating profit was primarily affected by two major adjustments implemented in Sectra's medical operations in recent years. These adjustments comprised an extensive expansion of the proprietary international sales and support organization, and the development and launch of the Sectra MicroDose Mammography system, which resulted in an increase in manufacturing operations. The current business mix has lower operating margins than the earlier mix, but represents greater overall potential.

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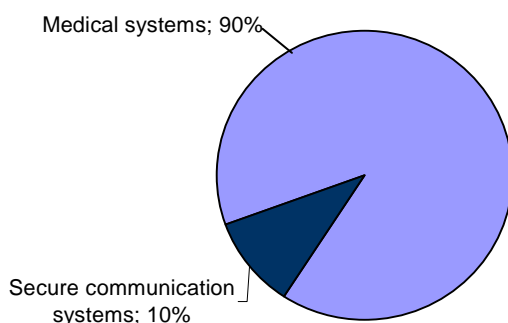
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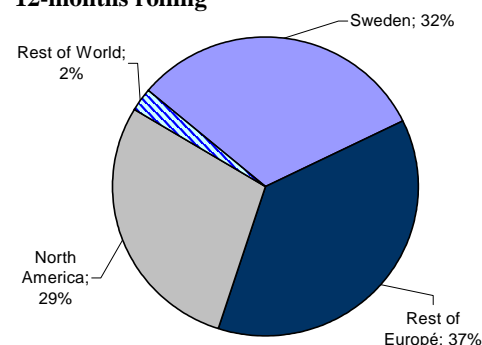
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**Net sales by business segment,  
12-months rolling**



**Net sales by geographic market,  
12-months rolling**



## SEGMENT REPORTING

### Net sales by business segment

(MSEK)	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12 months Feb 2009- Jan 2010	Full-year May - Apr 2008/2009
Medical Systems	199.7	204.2	566.1	536.9	839.4	810.1
Secure Communication Systems	29.1	23.9	72.6	66.0	96.9	90.3
Other operations <sup>1)</sup>	16.5	6.3	64.3	19.1	81.3	36.1
Group eliminations	-44.1	-8.3	-110.1	-22.5	-160.9	-73.2
<b>Total</b>	<b>201.2</b>	<b>226.1</b>	<b>592.9</b>	<b>599.5</b>	<b>856.7</b>	<b>863.3</b>

### Operating profit/loss by business segment

(SEK M)	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12 months Feb 2009- Jan 2010	Full-year May - Apr 2008/2009
Medical systems	-3.8	0.4	5.9	9.3	41.3	44.7
Secure Communication Systems	4.0	3.4	10.8	9.9	14.4	13.5
Other operations <sup>1)</sup>	-1.1	-1.4	-2.0	-6.6	-3.4	-8.0
Group eliminations	-1.6	-1.0	-0.7	-2.4	-27.1	-28.8
<b>Total</b>	<b>- 2.5</b>	<b>1.4</b>	<b>14.0</b>	<b>10.2</b>	<b>25.2</b>	<b>21.4</b>

1) Other operations refer to Sectra's financing activities regarding customer projects and asset management, and to the Parent Company's internal debiting of Group-wide costs.

### Net sales by geographic segment

(SEK M)	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12 months Feb 2009- Jan 2010	Full-year May - Apr 2008/2009
Sweden	70.7	68.5	193.6	180.7	270.6	257.6
Rest of Europe	70.7	91.0	220.5	250.4	318.9	349.0
North America	56.6	61.7	163.9	154.3	246.5	236.9
Rest of world	3.2	4.9	14.9	14.1	20.7	19.8
<b>Total</b>	<b>201.2</b>	<b>226.1</b>	<b>592.9</b>	<b>599.5</b>	<b>856.7</b>	<b>863.3</b>

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## Medical systems

### *The market*

A total of 50 million radiology examinations are conducted annually in Sectra's systems, which makes Sectra one of the world's leading suppliers of systems for the management of digital radiology images. The global market for Medical Systems continued to grow, but the growth rate has been negatively affected by the global economic situation.

For some time, the US medical technology market has been highly cautious in anticipation of a decision if and how a new healthcare reform will impact US healthcare providers. Despite this, the business area's order bookings in the US increased during the third quarter compared with the year-earlier period. Order bookings in the domestic Swedish market also rose in the business area during the quarter.

A significant portion of the market growth is driven by replacement orders. The major five-year agreement that Sectra signed during the quarter with the US organization University Hospitals of Cleveland, one of the largest care providers in North Eastern Ohio, is an example of this type of transaction.

Sectra has been expanding its proprietary distribution network and service organization for a number of years. Further expansion is currently being implemented primarily through strong local partners in selected markets. In line with this strategy, Sectra initiated partnerships during the quarter with distributors in Spain, the United Arab Emirates and Qatar.

During the quarter, a strategically significant partnership was initiated with Canon Marketing Japan regarding the distribution of the Sectra MicroDose Mammography system in the Japanese market. This partnership marks an important step into the world's second-largest mammography market.

### *Sales and earnings for the nine-month period*

Medical systems' net sales for the nine-month period increased by 5.4% to SEK 566.1 million (536.9). The increase is the result of some major and multi-year customer projects, which generates revenues in pace with the completion of various sub-projects. Operating profit for the period amounted to SEK 5.9 million (9.3), corresponding to an operating margin of 1.0% (1.7). Profit was charged with increased depreciation of completed development projects.

The business area's net sales from its core operation, radiological IT products, rose 4.7% to SEK 503.9 million (481.2), which corresponds to 89.0% of Medical systems' total net sales.

The Mammography product division accounted for SEK 62.2 million (55.7) of the business area's sales, up 11.7% compared with the year-earlier period. The increase was attributable to increased revenues from service agreements. A total of 33 units (35) were installed during the nine-month period. The product division posted an operating loss for the period of SEK 60.4 million (loss: 76.0). Increased revenues and reduced costs made positive contributions to the product division's operating results.

### *Sales and earnings for the third quarter*

For the third quarter, the business area's net sales were SEK 199.7 million (204.2), which was primarily due to lower revenues from the Mammography product division. An operating loss of SEK 3.8 million (0.4) was posted for the quarter. Operating results were mainly affected by increased depreciation of completed development projects.

The business area's net sales from radiological IT products rose by 2.0% to SEK 176.8 million (173.3). Sectra's Mammography product division accounted for SEK 22.9 million (30.9) of the business area's sales. A total of 14 units (21) were installed during the third quarter. The Mammography product division posted an operating loss of SEK 19.7 million for the quarter (loss: 24.1).

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## Secure communication systems

### *The market*

Sectra is the leading supplier of crypto products in Sweden and most EU member nations deploy Sectra's products to protect telephone conversations from eavesdropping. This makes Sectra the leading supplier of encrypted telephony to European authorities and defense departments. Many authorities in the European market are currently affected by reductions in government budget allocations to their operations, particularly in Eastern and Southern Europe, which causes customers to postpone planned investments in crypto products.

Among customers in the European market, there is demand for crypto products that support international partnerships. Sectra is the first company in the market to supply an approved product for secure mobile voice communications, the Tiger XS, which fulfils the norms and standards for the protection of EU classified information up to the security level SECRET. Sectra's Tiger XS product also received NATO certification last year, which, with dual security approval, gives it with a unique position in the European market. During the quarter, two European defense departments ordered Tiger XS for a total value of SEK 10 million.

During the quarter, Sectra launched the new Panthon encryption product, which is geared toward users who require secure telephony up to the security level Restricted. These users comprise a new target group for Sectra.

### *Sales and earnings*

Secure communication systems reported continued strong earnings as a result of increased revenues from sales of Tiger products. Net sales for the nine-month period rose by 10.0% to SEK 72.6 million (66.0). Operating profit increased by 9.1% to SEK 10.8 million (9.9), which corresponds to an operating margin of 14.9% (15.0).

For the third quarter, the business area's net sales increased by 21.8% to SEK 29.1 million (23.9). Operating profit rose by 17.6% to SEK 4.0 million (3.4), corresponding to an operating margin of 13.7% (14.2).

## OTHER INFORMATION

### **Financial position**

The equity/assets ratio at the end of the period was 62.6% (60.7) and liquidity amounted to a multiple of 2.2 (2.2).

At the end of the period, the Group's interest-bearing liabilities amounted to SEK 39.6 million (45.8), of which SEK 39.6 million (44.8) pertained to convertible debentures.

### **Investments**

Group investments during the nine-month period totaled SEK 44.0 million (34.8), of which SEK 14.3 million (15.0) pertained to the third quarter. Investments for the period were primarily attributable to customer projects in the Group's financing activities and to capitalized development expenditures.

Investments in customer projects during the period were SEK 22.1 million (8.8), of which SEK 9.6 million pertained to the third quarter. At the end of the period, investments totaled SEK 39.4 million (11.7).

During the period, capitalized development expenditures amounted to SEK 14.3 million (25.4), of which SEK 3.6 million (13.8) pertained to the third quarter. At the end of the period, capitalized development expenditures totaled SEK 192.7 million (196.8).

Depreciation/amortization during the nine-month period amounted to SEK 36.8 million (26.2), of which SEK 14.0 million (9.0) pertained to the third quarter. The rise was related to

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depreciation of customer projects that were finalized and on capitalized development projects that were completed and had transitioned to the delivery phase.

### Employees

The number of full-time employees at Sectra increased during the quarter by two. At the end of the period, the number of employees totaled 591 (567).

### The share

Sectra's share capital at the end of the period amounted to SEK 36,842,088. At full conversion and exercise of the implemented incentive programs, the number of shares will increase by a maximum of 928,900, corresponding to 2.5% of the share capital and 1.5% of the voting rights. After full dilution, the share capital will amount to SEK 37,770,988.

### 2010 Annual General Meeting

The Annual General Meeting (AGM) of shareholders in Sectra AB will be held on Wednesday, June 30, in Linköping, Sweden. Shareholders wishing to have a matter addressed at the AGM may submit their written proposal to the Board of Sectra by e-mail to [info.investor@sectra.se](mailto:info.investor@sectra.se), or by conventional mail to the address Sectra AB, Teknikringen 20, SE-583 30 Linköping, Sweden. To ensure that a request is properly received, the request must be delivered not later than May 1, 2010. The notice will be available on the company's website four weeks prior to the Meeting.

### Nomination Committee

The 2009 Annual General Meeting resolved to appoint a Nomination Committee consisting of four members – one of the members to be the Chairman of the Board of Directors and three members to be representatives of the Company's major shareholders. In accordance with the General Meeting's decision, a Nomination Committee was appointed following consultations with the Company's major shareholders. The Nomination Committee includes the following members:

- Carl-Erik Ridderstråle, Board Chairman (convener)
- Jan-Olof Brüer, CEO of Sectra AB and representative of the Company's largest shareholder (Chairman)
- Gündor Rentsch, representing Frithjof Qvigstad
- Thomas Ehlin, representing Nordea

The Nomination Committee will prepare and present the following proposals to the General Meeting:

- Election of and fees for the Chairman of the Board and other Board members
- Election of and fees for the auditor and deputy auditor (where applicable)
- Decisions regarding principles for the appointment of the Nomination Committee
- Chairman of the Meeting

Shareholders who wish to submit proposals can write to Jan-Olof Brüer, Sectra AB, Teknikringen 20, SE-583 30 Linköping, Sweden.

### Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of the exchange rate of the USD and EUR on pricing in the markets in which the Group is active, and property and liability risks. In addition, Sectra is exposed to various types of financial risks such as currency, interest, loan and liquidity risks.

A detailed description of the risks and uncertainties, as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects, is provided in the Group's Annual Report for the 2008/2009 fiscal year, Note 27, page 44. No significant events have occurred that would alter the conditions reported therein.

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## **Outlook**

Sectra has a strong technical platform. The products and system solutions that Sectra develops are aimed at markets with high growth potential. The Company's strong position in the home market provides a solid platform for ongoing international expansion.

## **PARENT COMPANY**

### **The Parent Company Sectra AB**

The Parent Company includes the head office's functions for Group finances and data administration, as well as stock-exchange, share and investor relations activities.

Net sales in the Parent Company Sectra AB for the nine-month period amounted to SEK 19.4 million (17.9). Profit after net financial items was SEK 4.8 million (21.9).

For the third quarter, net sales in the Parent Company were SEK 6.4 million (5.8). Profit after net financial items amounted to SEK 2.3 million (5.5).

The Parent Company's income statement and balance sheet are reported on page 12.

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## Consolidated Income Statements

SEK thousands	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12 months Feb 2009 - Jan 2010	Full-year May - Apr 2008/2009
<b>Net sales</b>	<b>201,230</b>	<b>226,124</b>	<b>592,921</b>	<b>599,544</b>	<b>856,652</b>	<b>863,275</b>
Capitalized work for own use	3,638	9,477	14,335	25,378	28,016	39,059
Operating expenses	-193,328	-225,206	-556,445	-588,505	-803,757	-835,817
Depreciation and amortization	-14,006	-8,995	-36,771	-26,206	-55,668	-45,102
<b>Operating profit after depreciation and amortization</b>	<b>-2,466</b>	<b>1,400</b>	<b>14,040</b>	<b>10,211</b>	<b>25,243</b>	<b>21,415</b>
Net financial items	5,048	14,390	-7,063	53,768	-10,852	49,979
<b>Profit after net financial items</b>	<b>2,582</b>	<b>15,790</b>	<b>6,977</b>	<b>63,979</b>	<b>14,391</b>	<b>71,394</b>
Taxes	-874	-3,832	-43	-17,536	-3,445	-20,938
<b>Earnings for the period</b>	<b>1,708</b>	<b>11,958</b>	<b>6,934</b>	<b>46,443</b>	<b>10,946</b>	<b>50,456</b>
Of which, attributable to:						
Parent Company owners	1,708	11,958	6,934	46,443	10,946	50,456
Minority interest	0	0	0	0	0	0
<b>Earnings per share</b>						
-Before dilution, SEK	0.05	0.32	0.19	1.26	0.30	1.37
After dilution, SEK	0.05	0.32	0.18	1.24	0.29	1.35
<b>No. of shares</b>						
Before dilution	36,842,088	36,842,088	36,842,088	36,842,088	36,842,088	36,842,088
After dilution <sup>1)</sup>	37,770,988	37,302,588	37,770,988	37,302,588	37,302,588	37,302,588
Average, before dilution <sup>2)</sup>	36,842,088	36,842,088	36,842,088	36,842,088	36,842,088	36,842,088
Average, after dilution <sup>1,2)</sup>	37,770,988	37,533,788	37,510,766	37,533,788	37,458,721	37,503,788

- 1) Dilution is based on the convertible debentures programs issued in 2007/2008 (270,500) and 2009/2010 (368,400) and on employee stock options issued in 2007/2008 (100,000), 2008/2009 (90,000) and 2009/2010 (100,000).
- 2) The average number of shares has been adjusted for implemented share splits and share issues.

## Consolidated Statement of Comprehensive Income

SEK thousands	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12 months Feb 2009 - Jan 2010	Full-year May - Apr 2008/2009
<b>Earnings for the period</b>	<b>1,708</b>	<b>11,958</b>	<b>6,934</b>	<b>46,443</b>	<b>10,946</b>	<b>50,456</b>
<b>Other comprehensive income</b>						
Changes in the translation differences for the period	3,274	-1,953	-9,344	1,823	-6,536	4,630
<b>Other comprehensive income for the period</b>	<b>3,274</b>	<b>-1,953</b>	<b>-9,344</b>	<b>1,823</b>	<b>-6,536</b>	<b>4,630</b>
<b>Total comprehensive income for the period</b>	<b>4,982</b>	<b>10,005</b>	<b>-2,410</b>	<b>48,266</b>	<b>4,410</b>	<b>55,086</b>

## Consolidated Balance Sheets

SEK thousands	Jan 31, 2010	Jan 31, 2009	Apr 30, 2009
<b>Assets</b>			
Intangible assets	216,989	228,061	227,216
Tangible assets	58,862	32,489	44,940
Financial assets	4,293	26,595	26,605
<b>Total fixed assets</b>	<b>280,144</b>	<b>287,145</b>	<b>298,761</b>
Other current assets	488,116	458,267	525,112
Cash and cash equivalents	186,673	229,870	184,282
<b>Total current assets</b>	<b>674,789</b>	<b>688,137</b>	<b>709,394</b>
<b>Total assets</b>	<b>954,933</b>	<b>975,282</b>	<b>1,008,155</b>
<b>Equity and liabilities</b>			
Equity (including earnings for the period)	598,228	591,681	599,114
Provisions	6,448	7,882	6,491
Deferred tax liabilities	20,071	28,789	23,983
Long-term liabilities	17,315	22,625	23,162
Current liabilities	312,871	324,305	355,405
<b>Total equity and liabilities</b>	<b>954,933</b>	<b>975,282</b>	<b>1,008,155</b>

## Consolidated Statement of Changes in Equity

SEK thousands	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	Full-year May - Apr 2008/2009
Equity at start of period	599,114	560,670	560,670
Comprehensive income for the period	-2,410	48,266	55,086
Share-related payments	1,524	1,166	1,779
Dividend paid	-	-18,421	-18,421
<b>Equity at the end of the period</b>	<b>598,228</b>	<b>591,681</b>	<b>599,114</b>

## Consolidated Cash-flow Statements

SEK thousands	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	Full-year May - Apr 2008/2009
Cash flow from operations before changes in working capital	19,651	76,119	94,037
<b>Cash flow from operations after changes in working capital</b>	<b>19,606</b>	<b>15,238</b>	<b>3,339</b>
Investing activities	-44,029	-38,448	-67,714
Financing activities	14,522	-12,356	-13,830
<b>Change in cash and cash equivalents</b>	<b>-9,901</b>	<b>-35,566</b>	<b>-78,205</b>
Cash and cash equivalents, opening balance	184,282	288,358	288,358
Exchange-rate difference in cash and cash equivalents	12,292	-22,922	-25,871
Cash and cash equivalents, closing balance	186,673	229,870	184,282

## Key Figures

	9 months Jan 31, 2010	9 months Jan 31, 2009	12 months Jan 31, 2010	Full-year Apr 30, 2009
Order bookings, SEK M	669.4	942.0	877.1	1 149.7
Equity/assets ratio, %	62.6	60.7	62.6	59.4
Liquidity, multiple	2.2	2.2	2.2	2.0
Profit margin, %	1.2	10.7	1.7	8.3
Return on equity, %	-	-	1.8	8.7
Return on capital employed, %	-	-	2.5	11.6
Return on total capital, %	-	-	1.7	7.4
Value added, SEK M	-	-	479.3	449.1
Average number of employees	552	534	55.4	538
Equity per share, SEK	16.24	16.06	16.24	16.26
Equity per share after full dilution, SEK	15.94	15.86	15.94	16.06
Cash flow per share, SEK	0.53	2.07	1.02	2.55
Cash flow per share after full dilution, SEK	0.52	2.04	0.99	2.52
P/E ratio, multiple	-	-	143.0	28.3
Share price at end of period, SEK	42.5	37.9	42.5	38.8

## Consolidated Income Statements, Quarterly

SEK M	2009/2010			2008/2009				2007/2008			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	201.2	193.9	197.8	263.7	226.1	199.4	174.0	224.5	189.3	179.2	149.9
Capitalized work for own use	3.6	6.0	4.7	13.7	9.5	11.6	4.3	30.1	10.8	10.1	6.8
Operating expenses	-193.3	-180.9	-182.2	-247.3	-225.2	-194.4	-168.9	-202.3	-184.4	-162.8	-150.2
Depreciation and amortization	-14.0	-12.6	-10.2	-18.9	-9.0	-8.7	-8.5	-5.5	-5.3	-5.3	-5.2
<b>Operating profit after depreciation and amortization</b>	<b>-2.5</b>	<b>6.4</b>	<b>10.1</b>	<b>11.2</b>	<b>1.4</b>	<b>7.9</b>	<b>0.9</b>	<b>46.8</b>	<b>10.4</b>	<b>21.2</b>	<b>1.3</b>
Net financial items	5.1	-5.5	-6.6	-3.8	14.4	34.1	5.3	-4.5	4.0	-1.6	2.2
<b>Profit after net financial items</b>	<b>2.6</b>	<b>0.9</b>	<b>3.5</b>	<b>7.4</b>	<b>15.8</b>	<b>42.0</b>	<b>6.2</b>	<b>42.3</b>	<b>14.4</b>	<b>19.6</b>	<b>3.5</b>
Tax on earnings for the period	-0.9	1.8	-0.9	-3.4	-3.8	-11.9	-1.8	-19.1	-3.3	-6.1	-0.8
<b>Earnings for the period</b>	<b>1.7</b>	<b>2.7</b>	<b>2.6</b>	<b>4.0</b>	<b>12.0</b>	<b>30.1</b>	<b>4.4</b>	<b>23.2</b>	<b>11.1</b>	<b>13.5</b>	<b>2.7</b>

## Five-year summary

	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005
Order bookings	1,149.7	1,016.6	684.7	613.7	570.1
Net sales, SEK M	863.3	742.9	672.5	564.4	455.9
Profit after net financial items, SEK M	71.4	79.8	70.2	80.7	80.4
Profit after tax, SEK M	50.5	50.5	47.2	60.4	52.8
Profit margin, %	8.3	10.7	10.4	14.3	17.6
Return on equity, %	8.7	9.3	9.4	13.2	12.8
Return on capital employed, %	11.6	13.8	13.0	16.0	17.1
Return on total capital, %	7.4	8.9	8.6	10.9	12.6
Earnings per share before dilution, SEK	1.37	1.37	1.28	1.64	1.45
Earnings per share after dilution, SEK	1.35	1.34	1.26	1.61	1.42
Equity per share before dilution, SEK	16.26	15.22	14.12	13.24	11.79
Equity per share after dilution, SEK	16.06	14.93	13.84	12.97	11.54
Equity/assets ratio, %	59.4	56.9	60.8	58.9	61.5
Dividend per share, SEK	0.00	0.50	0.50	0.50	0.50
Share price at year end, SEK	38.8	58.5	76.0	58.8	74.0
P/E ratio, multiple	28.3	42.7	59.2	35.7	49.7

## Parent Company Income Statements

SEK thousands	3 months Nov 2009 - Jan 2010	3 months Nov 2008 - Jan 2009	9 months May 2009 - Jan 2010	9 months May 2008 - Jan 2009	12-months Feb2009 - Jan 2010	Full-year May - Apr 2008/2009
<b>Net sales</b>	<b>6,389</b>	<b>5,833</b>	<b>19,379</b>	<b>17,856</b>	<b>25,166</b>	<b>23,643</b>
Capitalized work for own use	-	-	-	-	-	-
Operating expenses	-7,915	-6,928	-23,198	-23,651	-32,305	-32,758
Depreciation and amortization	-150	-45	-411	-262	-442	-293
<b>Operating loss after depreciation and amortization</b>	<b>-1,676</b>	<b>-1,140</b>	<b>-4,230</b>	<b>-6,057</b>	<b>-7,581</b>	<b>-9,408</b>
Net financial items	3,960	6,637	9,047	27,948	206,734	225,635
<b>Profit after net financial items</b>	<b>2,284</b>	<b>5,497</b>	<b>4,817</b>	<b>21,891</b>	<b>199,153</b>	<b>216,227</b>
Appropriations	-	-	-	-	-10,677	-10,677
<b>Profit before tax</b>	<b>2,284</b>	<b>5,497</b>	<b>4,817</b>	<b>21,891</b>	<b>188,476</b>	<b>205,550</b>
Tax on earnings for the period	-331	-1,239	-1,012	-5,829	-53,295	-58,112
<b>Earnings for the period</b>	<b>1,953</b>	<b>4,258</b>	<b>3,805</b>	<b>16,062</b>	<b>135,181</b>	<b>147,438</b>

## Parent Company Balance Sheets

SEK thousands	Jan 31, 2010	Jan 31, 2009	Apr 30, 2009
<b>Assets</b>			
Tangible assets	2,000	1,862	1,915
Financial assets	210,027	141,359	59,007
<b>Total fixed assets</b>	<b>212,027</b>	<b>143,221</b>	<b>60,922</b>
Other current assets	243,402	677,377	401,370
Cash and cash equivalents	705,978	185,624	722,872
<b>Total current assets</b>	<b>949,380</b>	<b>863,001</b>	<b>1,124,242</b>
<b>Total assets</b>	<b>1,161,407</b>	<b>1,006,222</b>	<b>1,185,164</b>
<b>Equity and liabilities</b>			
Equity (including earnings for the period)	561,824	522,400	563,842
Deferred tax liabilities	29,860	28,801	31,790
Long-term liabilities	23,542	37,243	28,423
Current liabilities	546,181	417,778	561,109
<b>Total equity and liabilities</b>	<b>1,161,407</b>	<b>1,006,222</b>	<b>1,185,164</b>

## Definition of key figures

Adjusted equity	Reported shareholders' equity increased by 73.7% of untaxed reserves.
Capital employed	Total assets reduced by non interest-bearing liabilities.
Cash flow per share	Cash flow divided by the number of shares at the end of the period.
Earnings per share	Profit/loss after tax divided by the average number of shares.
Equity/assets ratio	Equity as a percentage of total assets.
Equity per share	Equity divided by the number of shares at the end of the period.
Liquidity	Current assets divided by current liabilities.
P/E ratio	Share price at the end of the period in relation to the 12-month period's earnings per share.
Profit margin	Profit after net financial items as a percentage of net sales.
Return on equity	Profit after tax as a percentage of average adjusted equity.
Return on capital employed (ROCE)	Profit before tax plus financial expenses as a percentage of average capital employed.
Return on total capital	Profit after net financial items plus financial expenses as a percentage of average total assets.
Value added	Operating profit plus labor costs.

### Accounting principles

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Securities Markets Act. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) and statements from the International Financial Reporting Interpretations Committee (IFRIC) that were approved by the EU Commission for application within the EU.

From the first quarter 2009/2010, the Group applies the revised version of IAS 1, Presentation of Financial Reports and IFRS 8, Operating Segments. Application of IFRS 8 implies no changes in the interim financial reports. The amendment of IAS 1 implies that income and expenses recognized directly against equity, and which are not transactions with shareholders, are classified as "Other comprehensive income" and reported in connection with the income statement. "Profit for the period" and "Other comprehensive income" jointly represent "Comprehensive income." In other respects, the Group applies the same accounting policies as in the 2008/2009 Annual Report.

### Financial calendar

Year-end report, 2009/2010:	May 25, 2010
Annual General Meeting	June 30, 2010

### For further information, please contact:

Jan-Olof Brüer, President and CEO	Tel: +46(0)13 - 23 52 09
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The Board of Directors and the President of Sectra AB (publ) hereby assure that the nine-month interim report for the period May 2009 – January 2010 provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainty factors facing the Parent Company and other companies in the Group.

Linköping March 16, 2010

Jan-Olof Brüer President and CEO	Carl-Erik Ridderstråle Chairman of the Board	Erika Söderberg Johnson Board member	Anders Persson Board member
Christer Nilsson Board member	Torbjörn Kronander Board member	Stein Norheim Deputy Employee representative	Mats Björnemo Employee representative

### Report on Review of Interim Financial Information

#### Introduction

We have reviewed the interim report of Sectra AB (publ), corporate identity number 556064-8304, as of January 31, 2010 and for the nine month period then ended. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim annual report based on our review.

#### Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Linköping March 16, 2010  
Grant Thornton Sweden AB  
Peter Bodin  
Authorized Public Accountant

*The information in this report is such that Sectra AB (publ) is obligated to disclose in compliance with the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. This information was released to the media for public disclosure on March 16, 2010 at 08:30 a.m. (CET).*