

Cutting-edge solutions in expansive niche segments



Half-year interim report

December 7, 2004

Dr. Jan-Olof Brüer, President and CEO Sectra AB



What is Sectra?

- We develop and sell high tech products,
- in niche segments with a large global potential,
- and where we can obtain and maintain a very strong position in our home market
- in order to use this base to obtain global leadership.

Expansive niche segments

Business in expanding markets that will multiply in volume during the next 10 years



Medical systems

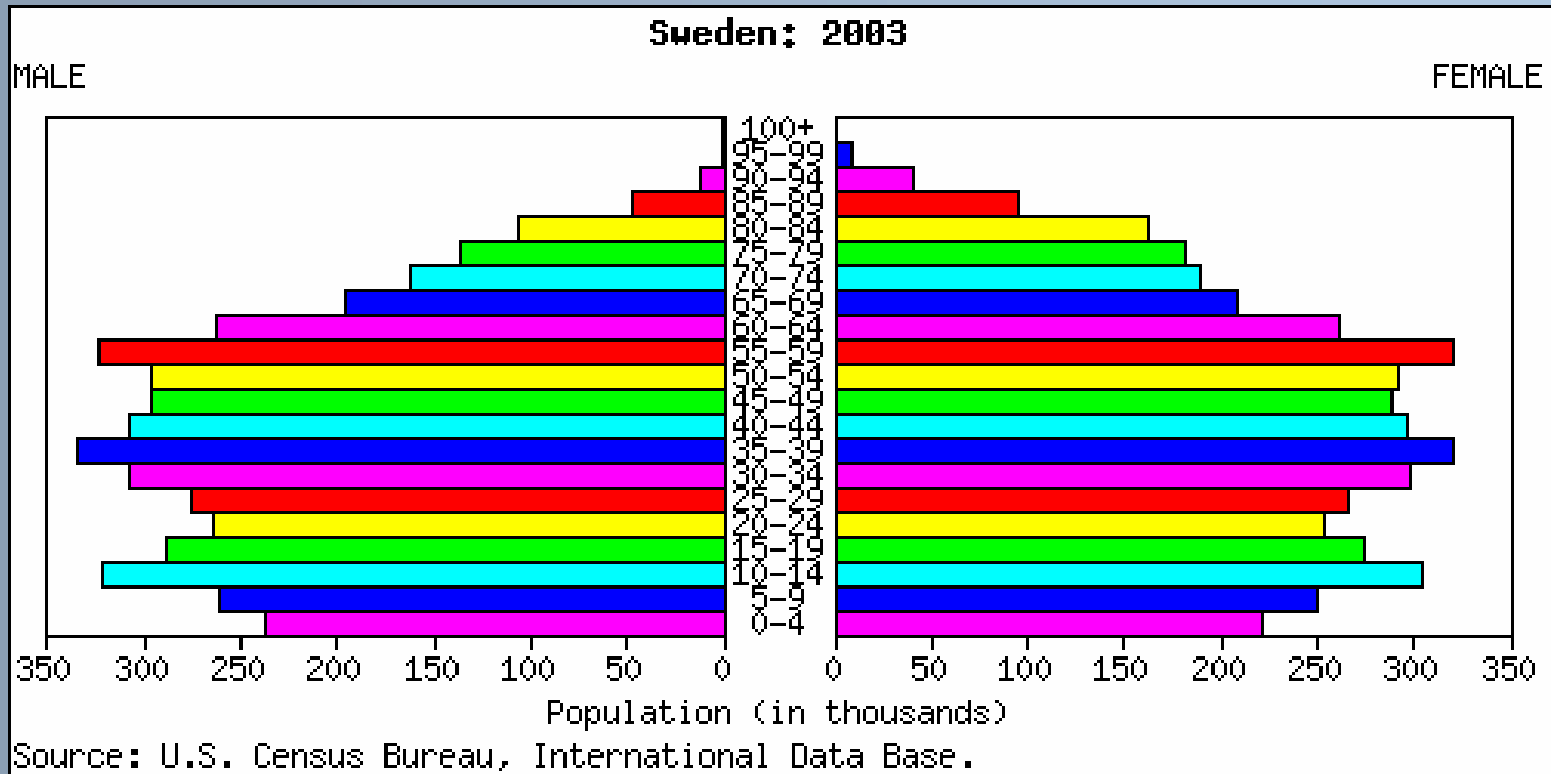
- The population pyramid



Secure communication systems

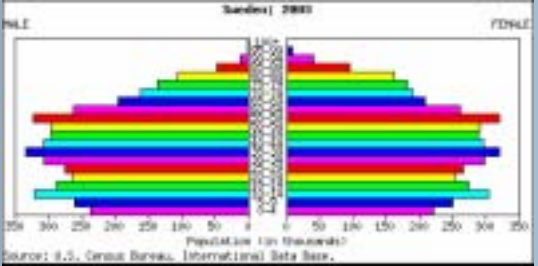
- Vulnerability of the IT community

Population pyramid Sweden 2003

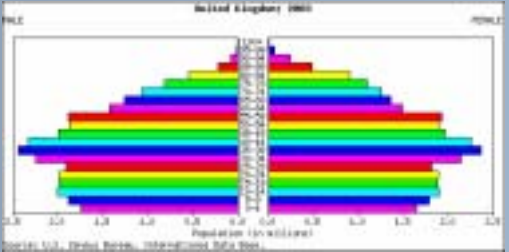


Population pyramids 2003

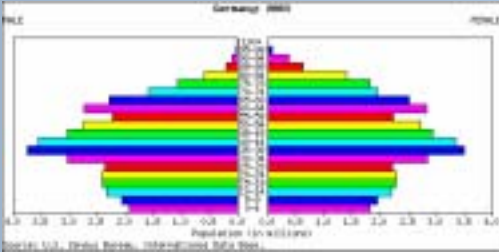
Sweden



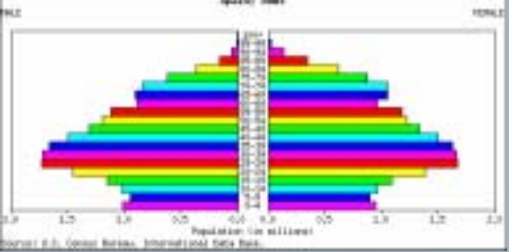
UK



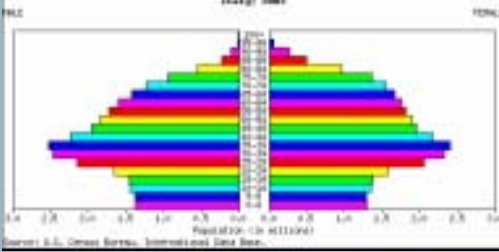
Germany



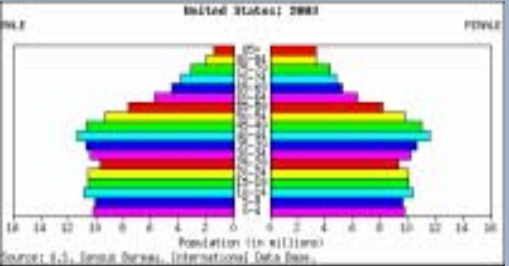
Spain



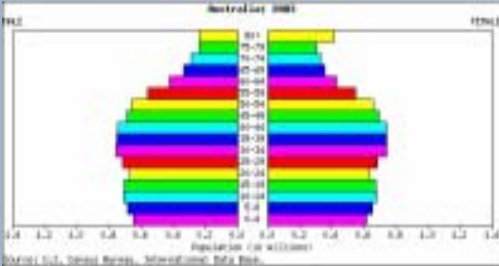
Italy



USA



Australia



Examples of Sectra products



Sectra PACS™



Sectra Tiger® XS

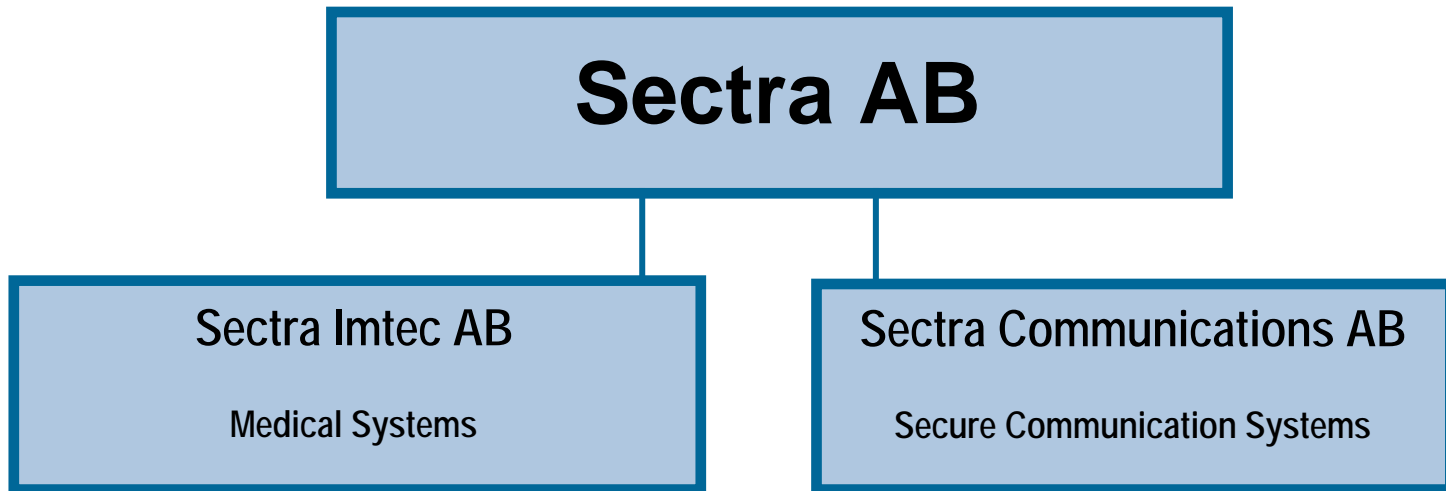




- 358 employees in eight countries.
- High intellectual capital.
 - 90% of the employees have academic education
 - Operations benefit from 20 Ph.D:s and 4 professors
- Large market shares in Sweden, 50 - 80%.
- Ongoing internationalization.



Legal structure



Sectra offices around the world



Sales strategy

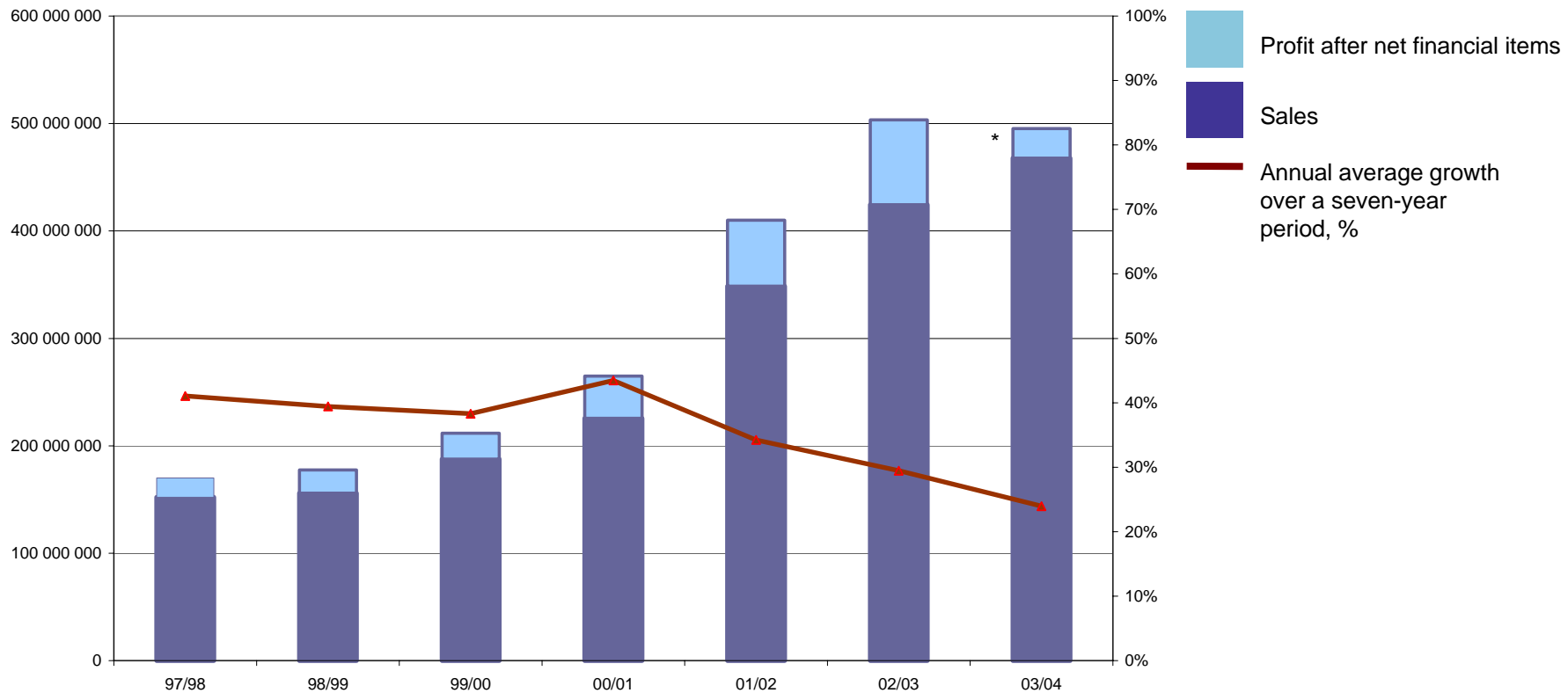
- Direct sales in Scandinavia and other selected markets and segments.
- Strategic partnerships with companies having world-wide or national sales organizations.
- Local establishment of offices, mainly to support sales through partners.

Economic objectives

- To have an average annual growth of more than 30% over a seven-year period.
- To achieve a profit margin of 10%.
- To have a solid financial position.



Sectra AB is among the 2% of Swedish companies that command Dun & Bradstreet's highest credit rating.



*) The financial figures for 2003/2004 includes a nonrecurring write-down of SEK 70,9 million of capitalized development costs in Mamea Imaging AB.

Six month interim report



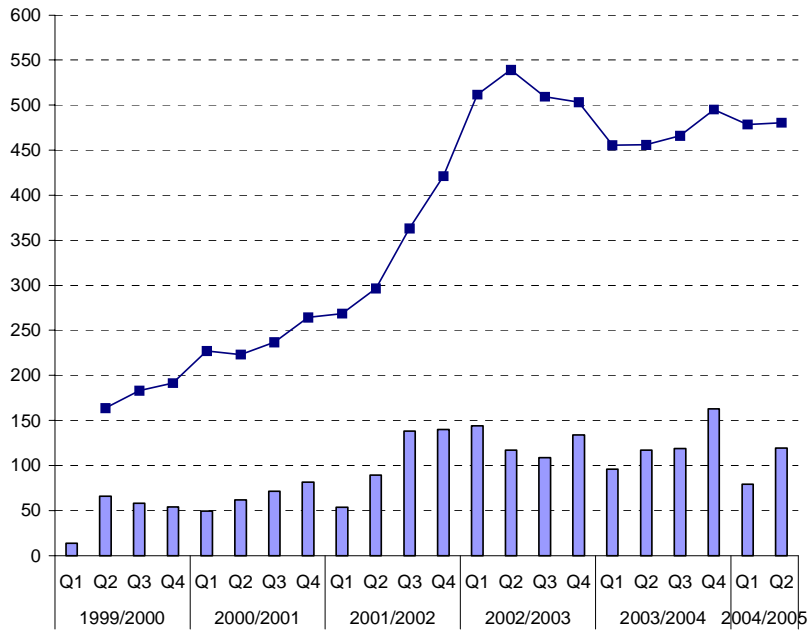
| SEK millions | 3 month Aug-Oct 2004 | 3 month Aug-Oct 2003 | 6 month May-Oct 2004 | 6 month May-Oct 2003 | 12 month Nov 2003 - Oct 2004 | Full year May - Apr 2003/2004 |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|------------------------------------|-------------------------------------|
| Orders recieved | 145.8 | 80.4 | 205.3 | 152.5 | 428.0 | 375.1 |
| Net sales | 119.3 | 117.3 | 198.6 | 213.3 | 480.7 | 495.3 |
| Earnings after financial items | 29.8 | 24.1 | 33.2 | 36.3 | 24.5 | 27.6 |

- Q2 order intake up 81%. Order intake for the first six month rose 35%.
- Strong Q2 net sales.
- Q2 profit after financial items increased by 24%. Profit for the six month period in line with figures for the corresponding period prior year.
- Profit margin for the six month period 16.7% (17.0).
- Comparable profit after financial items for the six month period amounted to SEK 48.5 M (36.3) and for Q2 to 37.1 M (24.1).
- Sales and earnings are affected by the continual changes in the price of USD in relation to SEK.

Net sales and earnings

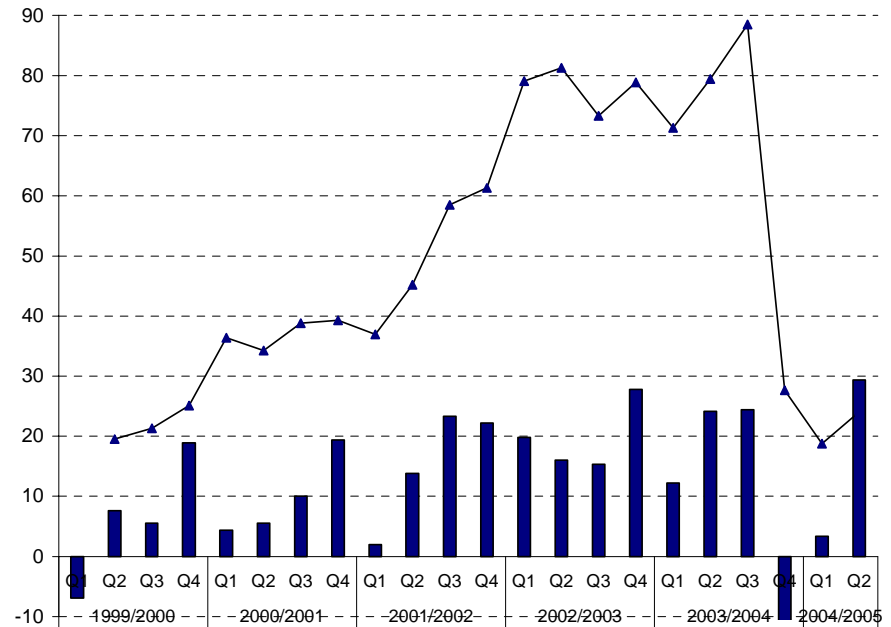


Net sales



The bars show quarterly net sales and the line 12 month net sales.

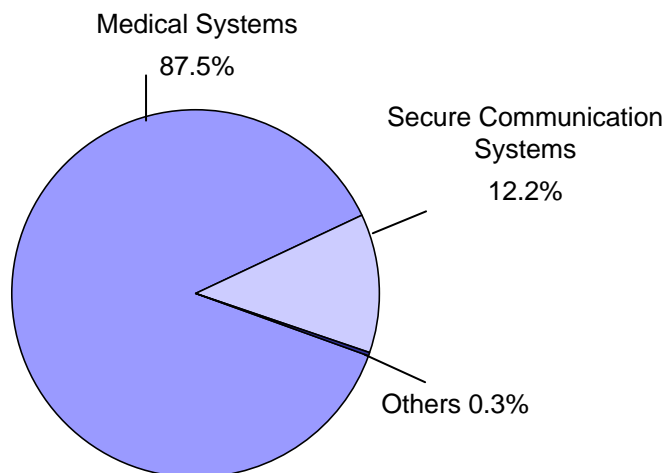
Earnings after financial items



The bars show quarterly earnings and the line 12 month earnings after financial items.

Interim report six month ended October 31, 2004

Net sales and profit by segment



**Net sales by
business segment
12 month rolling**

Net sales by business segment

| (SEK million) | 3 month | 6 month | 12 month | Full-year |
|------------------------------|--------------|--------------|------------------------|----------------------|
| | Aug - Oct | May - Oct | Nov 2003 - Oct 2004 | May - Apr 2003/04 |
| | 2004 | 2004 | - Oct 2004 | 2003/04 |
| Medical systems | 101.0 | 173.2 | 420.8 | 418.4 |
| Secure communication systems | 18.2 | 25.1 | 58.4 | 72.5 |
| Other | 14.8 | 26.4 | 70.7 | 57.5 |
| Group eliminations | -14.7 | -26.1 | -69.2 | -53.1 |
| Total | 119.3 | 198.6 | 480.7 | 495.3 |

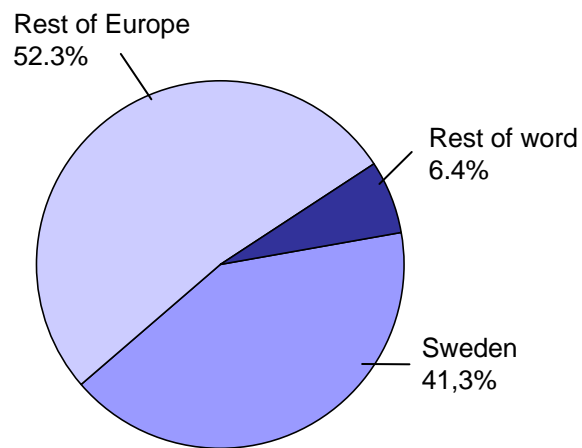
Operation profit by business segment

| (SEK million) | 3 month | 6 month | Full year |
|-------------------------------|-------------|-------------|-------------|
| | Aug - Oct | May - Oct | May-Apr |
| | 2004 | 2004 | 2003/04 |
| Medical systems ¹⁾ | 21.3 | 25.1 | 0.0 |
| Secure communication systems | -1.5 | -8.4 | 0.2 |
| Other | 10.2 | 13.8 | 19.4 |
| Group eliminations | -0.6 | -0.8 | 0.0 |
| Total | 29.4 | 29.7 | 19.6 |

1) A non-recurring write-down of capitalized development costs within Mamea Imaging AB had a negative effect of SEK 70.9 million on operating profit for full-year 2003/2004.



Net sales by geographic market



Net sales by geographic market, 12 month rolling

Net sales by geographic market

| (SEK million) | 3 month | 6 month | 12 month | Full-year |
|------------------------------|--------------|--------------|--------------|--------------|
| | Aug - Oct | May - Oct | Nov 2003 | May-Apr |
| | 2004 | 2004 | - Oct 2004 | 2003/04 |
| Sweden | 39.9 | 72.9 | 198.5 | 201.7 |
| Rest of Europe ¹⁾ | 71.2 | 113.8 | 251.5 | 271.0 |
| Rest of world | 8.2 | 11.9 | 30.7 | 22.6 |
| Total | 119.3 | 198.6 | 480.7 | 495.3 |

1) Philips Medical Systems' deliveries of Sectra's digital radiology systems on a global basis are invoiced Philips in the Netherlands and are reported under sales in the Rest of Europe.

Secure Communication Systems

- Considerable order intake Q2:
 - further development of crypto-modem from the Swedish Defense Forces.
 - development and series delivery of new mobile tactical voice encryption system, the Tiger MTT, from the Swedish Defense Forces.
 - Dutch authorities first customer to order national adaptation of Sectra's Tiger XS security terminal.
 - UK security authorities ordered Sectra's new security pouch for mobile telephones.



Tiger XS
Secure communication with
world-leading security design

Interim report six month ended October 31, 2004

Secure Communication Systems

- The Swedish defense market impacted by the defense decision in December.
- Continued focus on international growth.



Sectra Radio Blocker
Secure communication with
world-leading security design

Interim report six month ended October 31, 2004

Medical Systems

- In Scandinavia, Rikshospitalet in Norway ordered a radiology information system from Sectra.
- Internationally, strong Q2 sales through partners.
- The fluctuations in the USD rate contribute to reductions in the price of the company's products.

Sectra Intec AB selected as the
"Medical imaging company
of the year 2004"



Enhancing radiology efficiencies

Medical Systems - Mammography

- Sectra Mamea AB = Mammography product division within Sectra Imtec AB merged with the Mamea Imaging AB.
- Two orders for Sectra MicroDose Mammography from private clinics in Germany.
- New product offering: Osteoporosis testing integrated with Sectra MicroDose Mammography.
- Transition to new healthcare technology is slow, but replacement is expected to be rapid when it starts.



Sectra MicroDose Mammography™ combines high image quality with a five-fold reduction in the radiation dose compared to film-based systems.

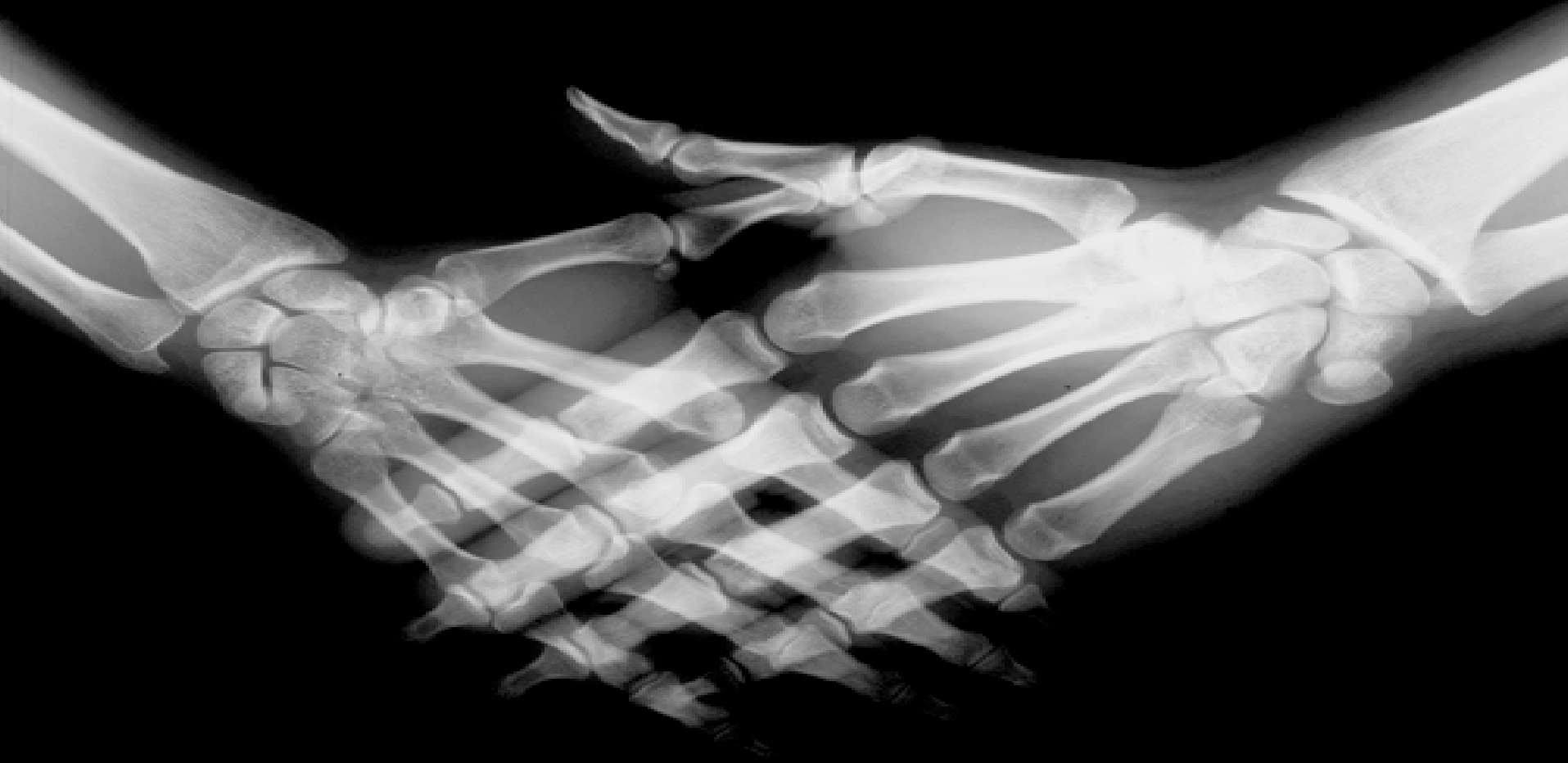
The Future



Sectra is positioned in growing, future billion dollar markets

- Something must be done in the exploding cost of health care. Efficient data management provides a key !
- The worlds' governments, defense forces and large corporations invest in efficiency-enhancing and secure IT systems !

SECTRA



More than just a handshake