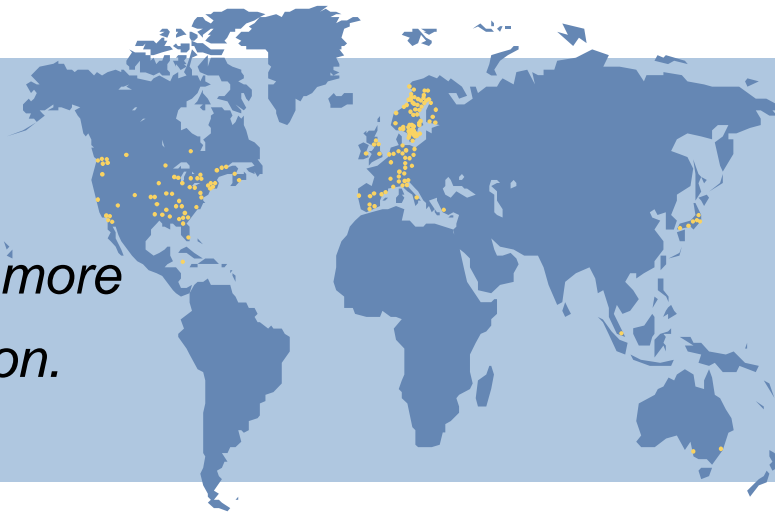


Cutting-edge solutions in expansive niche segments

Six month report, December 2005

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

Sectra is developing and selling world leading products that make healthcare more efficient and protect sensitive information.

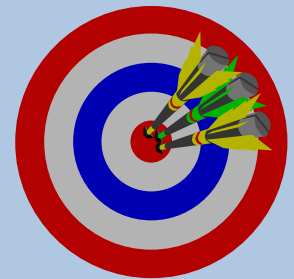


What is Sectra?

We develop and sell high tech products in niche segments with a large global potential.

Our vision is to become the world-market leader in selected niche markets. From a strong position in Scandinavia we are on the way to expand our operations internationally.

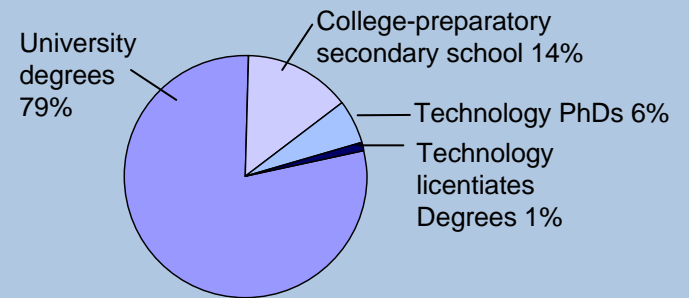
Doing a few things at world class is better than doing a lot of things less well.



Sectra in brief

- Operations in two expansive niche segments:
 - Medical systems
 - Secure communication systems
- Large market shares in Sweden, 50 - 80%, and ongoing internationalization.
- 385 employees in ten countries.

High education level



Sectra in brief

- Revenue of SEK 456 million fiscal year 2004/2005.
- International net sales accounts for more than 60% of Sectra's total revenue.
- Quoted on the Stockholm Stock Exchange since 1999.

Sectra has achieved profit margins of 6-18% during the previous seven-year period.



Expansive niche segments

Medical systems

- The population pyramid.

Secure communication systems

- Vulnerability of the IT community.

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



Example of Sectra products

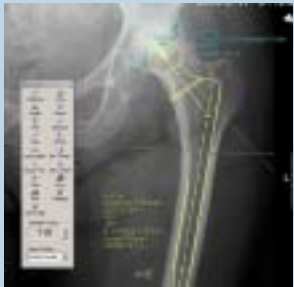
Medical Systems



Sectra PACS



**Sectra MicroDose
Mammography®**



Sectra Orthostation

Secure Communication Systems



Sectra Tiger® XS



Sectra Radio Blocker

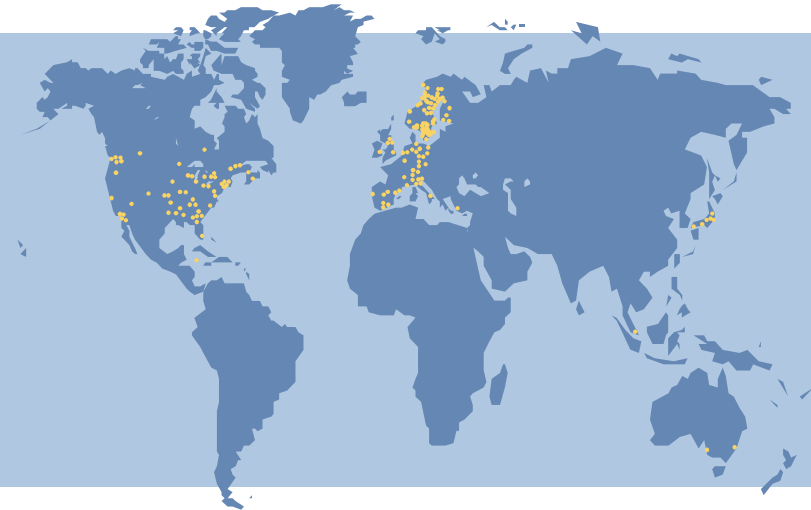


Encryption modules

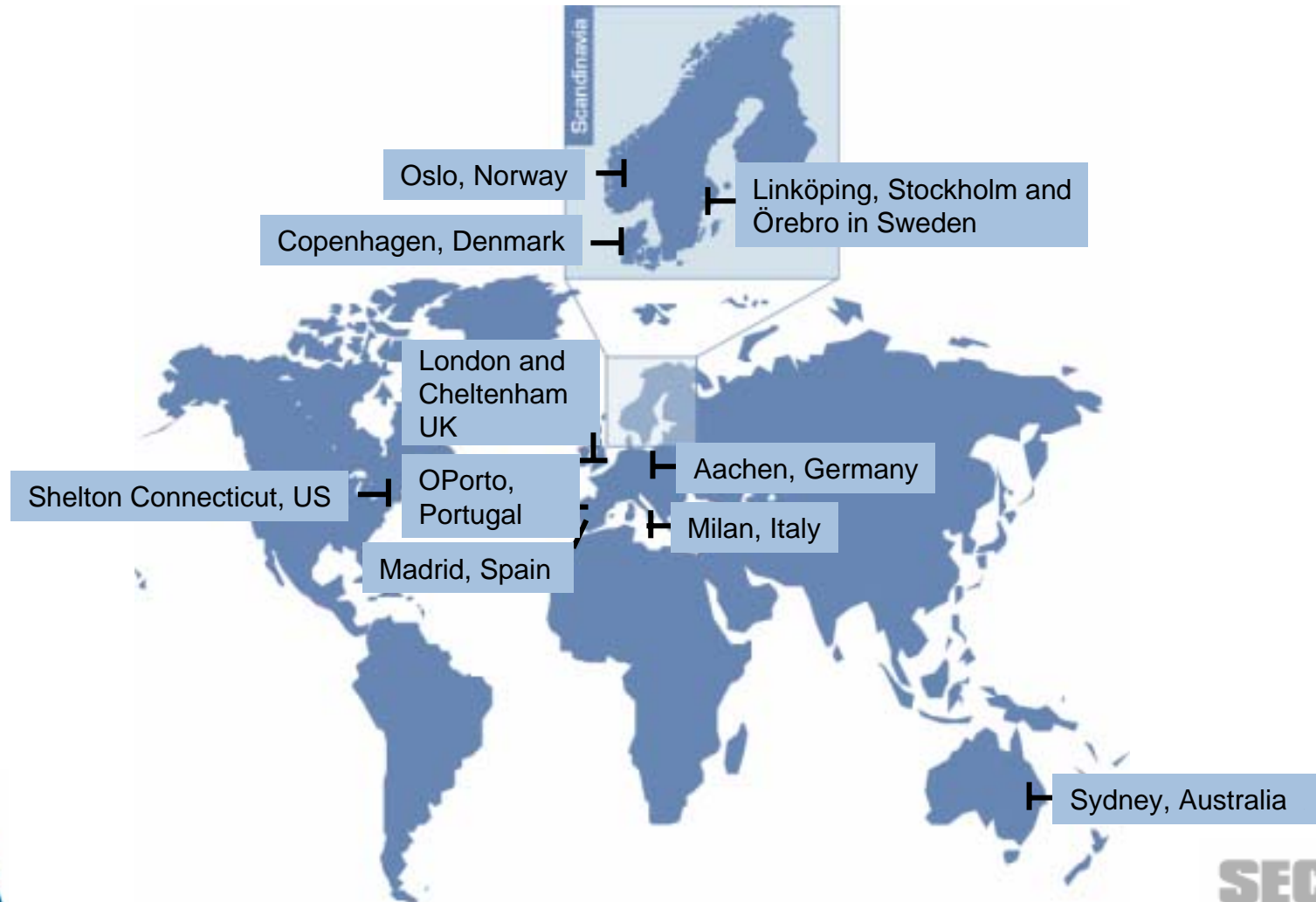
Sales strategy

- Direct sales in Scandinavia and in other selected markets and segments.
- Strategic partnerships with companies having global or local sales and service organizations.
- Local establishment of offices.

Sectra's systems are used by more than 750 customers in 35 countries.



Sectra offices around the world



Six month interim report for the period May – Oct 2005

Increased net sales and strong order bookings

- Strong order bookings attributable to successful sales in the US and the Scandinavian market.
- Net sales rose 21.3% compared with the year-earlier period.
- Profit margin 9.3% compared with 24.8% the year-earlier period.
- Profit affected by activities to secure a strong position in long-term key markets for our medical systems operation.

SEK million	3 month Aug - Oct 2005	3 month Aug - Oct 2004	6 month May - Oct 2005	6 month May - Oct 2004	12 month Nov 2004 - Oct 2005	Full year May - Apr 2004/2005
Order bookings	139.8	145.8	255.3	205.3	620.0	570.1
Net sales	144.7	119.3	245.5	198.6	502.8	455.9
Earnings after financial items	13.4	29.6	18.3	32.6	66.1	80.4

Six month interim report for the period May – Oct 2005

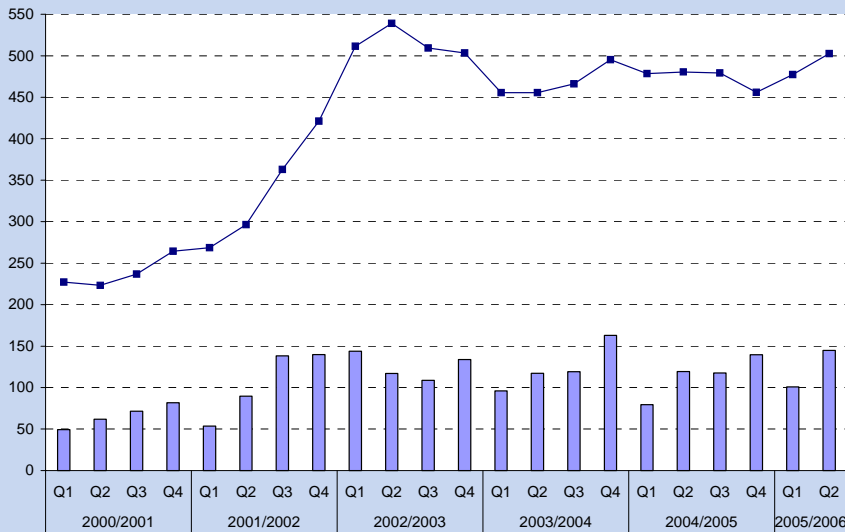
Increased net sales and strong order bookings

- Order bookings increased by 24.4%. The demand for our products within medical systems and secure communication remains strong.
- Net sales up 23.6% compared with the year-earlier period.
- Profit margin 7.5% compared with 16.4% the year-earlier period.

SEK million	3 month Aug - Oct 2005	3 month Aug - Oct 2004	6 month May - Oct 2005	6 month May - Oct 2004	12 month Nov 2004 - Oct 2005	Full year May - Apr 2004/2005
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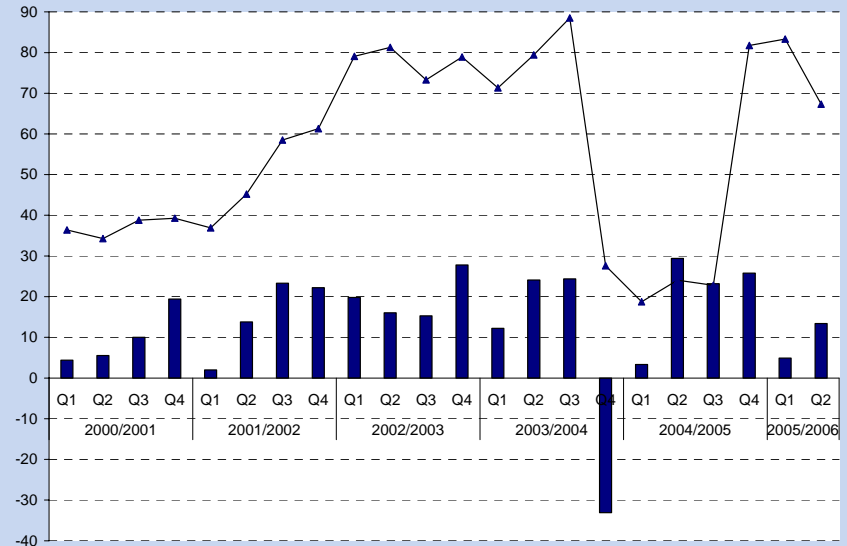
Quarterly net sales and earnings

Net sales



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

Earnings after financial items

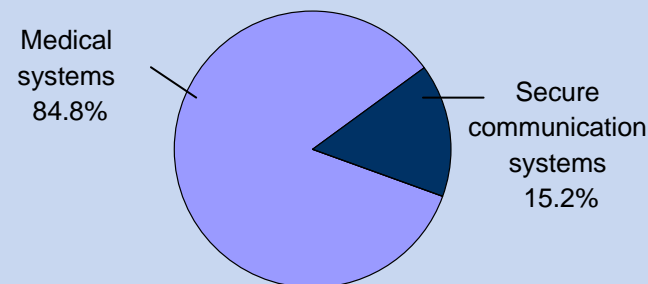


The bars show quarterly earnings and the line 12 month earnings after financial items.

Q2 net sales by segment

- Medical systems + 20%:
The increase derive from rising revenues from direct sales in the US and project deliveries in Sweden.
- Secure communication systems + 30%:
Deliveries of Sectra Tiger products has contributed to the increased sales within the secure communication systems operation.

Net sales by business segment						
(SEK million)	3 month	3 month	6 month	6 month	12 month	Full year
	Aug 2005	Aug 2004	May 2005	May 2004	Nov 2004	May - Apr
	- Oct 2005	- Oct 2004	- Oct 2005	- Oct 2004	- Oct 2005	2004/2005
Medical systems	121.2	101.0	207.4	173.2	426.3	392.1
Secure communication systems	23.6	18.2	38.2	25.1	76.5	63.4
Other ¹⁾	17.6	14.8	30.7	26.4	62.2	57.9
Group eliminations	-17.7	-14.7	-30.8	-26.1	-62.2	-57.5
Total	144.7	119.3	245.5	198.6	502.8	455.9



Net sales by business segment
12 month rolling

1) Other pertains to internal services from group parent company Sectra AB such as asset management and rights to trademarks, patents and other intellectual property.

Earnings by business segment

- Medical systems operating margin 4.9% compared with 21.1% the year-earlier Q2 period. Operating margins affected by efforts to expand the distribution network and the service organization.
- Secure communication systems operating margin are improving and reports a small profit in Q2.

Operating profit/loss by business segment						
(SEK million)	3 month	3 month	6 month	6 month	12 month	Full year
	Aug 2005	Aug 2004	May 2005	May 2004	Nov 2004	May - Apr
	- Oct 2005	- Oct 2004	- Oct 2005	- Oct 2004	- Oct 2005	2004/2005
Medical systems	5.9	21.3	6.2	25.1	40.1	59.0
Secure communication systems	0.2	-1.5	-2.6	-8.4	-9.7	-15.5
Other ¹⁾	9.4	10.2	16.1	13.8	33.5	31.2
Group eliminations	-1.3	-0.9	-1.8	-1.4	-3.7	-3.3
Total	14.2	29.1	17.9	29.1	60.2	71.4

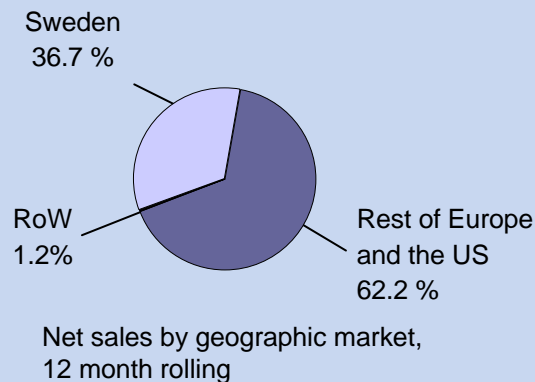
1) Other pertains to internal services from group parent company Sectra AB such as asset management and rights to trademarks, patents and other intellectual property.

Six month interim report for the period May – Oct 2005

Net sales by geographic segment

- Large project deliveries in Sweden.
- Increasing share of direct sales in the US.
- Rest of world mainly attributable to sales in Australia and New Zealand.

Net sales by geographical market						
(SEK million)	3 month	3 month	6 month	6 month	12 month	Full year
	Aug 2005	Aug 2004	May 2005	May 2004	Nov 2004	May - Apr
	- Oct 2005	- Oct 2004	- Oct 2005	- Oct 2004	- Oct 2005	2004/2005
Sweden	66.5	40.6	100.9	74.0	184.5	157.7
Rest of Europe and the US	74.3	78.6	139.2	124.5	312.5	297.8
Rest of world	3.9	0.1	5.4	0.1	5.8	0.4
Total	144.7	119.3	245.5	198.6	502.8	455.9



Change in cooperation with Philips

- This change have provided Sectra with an opportunity to start direct sales and find new partners in several markets.
- New strategic partners have been established.
- Increased investments in new marketing, sales and support channels.
- Strong reinforcement of our own service and support organization worldwide.

Your PACS is Our PACS



What have we accomplished?

- New partners for sales and service of our medical systems:
 - PCCG, Inc in Florida and New Mexico
 - ScanRay in France
 - Kurt & Kurt AŞ in Turkey
 - Petrimed Oy in Finland

Your PACS is Our PACS



What have we accomplished?

- New strategic partnership agreement signed:
 - R2 Technology Inc in the US
 - Kestral Computing Pty Ltd in Australia

Your PACS is Our PACS



What have we accomplished?

- New offices for direct sales and support:
 - Portugal
 - Spain

Your PACS is Our PACS



What have we accomplished?

- New acquisition:
 - Sectra has acquired 20% of ImaXperts BV in the Netherlands
 - ImaXperts will distribute Sectra's medical systems in the BeNeLux market.

Your PACS is Our PACS



What have we accomplished?

- New international service offering for all Sectra PACS users launched in November.
 - The first hospital to order our new service and support was Midstate Medical Center in Meriden, the US.

Your PACS is Our PACS



What have we accomplished?

- Implementation of restructuring measures to reallocate resources for our drive to secure a strong position in long-term key markets for medical systems.

Your PACS is Our PACS



Medical Systems - PACS

New orders from:

- The University of Arkansas for Medical Sciences in US.
- The Italian healthcare company MultiMedica Holding S.p.A.

*More images, more patients,
and less time....*



Medical Systems - PACS

New generation diagnostic workstations launched:

- New methods increase the display speed of large image volumes by a factor of 100 times or more compared with traditional methods.

*More images, more patients,
and less time....*



Medical Systems - Mammography

- New orders for Sectra MicroDose Mammography in Sweden and Germany.
- New orders for Sectra breast imaging PACS from 2 additional regions that are included in Australia's national breast screening program.

The transition to digital mammography has received support from the new American study “The Digital Mammographic Imaging Screening Trial”¹⁾.



1) The study has been conducted by the American College of Radiology Imaging Network.

Medical Systems - Orthopedics

- In the US Sectra is experiencing increased demand for the company's applications for orthopedics.
- Several new orders received during the first six month. Among the new customers are:
 - Desert Orthopaedic Center in Las Vegas
 - Colorado Orthopedic Specialists in Denver



Secure Communication Systems

- Austrian authorities ordered Tiger XS in preparation for when Austria takes over the EU Presidency.
- The Swedish Rescue Services purchased Tiger telephones for use during peacekeeping EU missions.

Sectra Tiger®

A family of products for protection of speech and data against eavesdropping.



Secure Communication Systems

- The Swedish Defence Material Administration ordered serial deliveries of a new generation crypto modem.

The new-generation crypto-modem protect the Swedish Defense Forces' data communications in different telecommunications networks.



Secure Communication Systems

- A reorganization of the secure communication operations that will result in cost-savings has been implemented.



The Future

- Sectra has a strong technology platform.
- The products and system solutions we develop are aimed at markets with high growth potential.
- When the initiatives we take within medical systems and secure communication systems bear fruit, Sectra will be even stronger than we are today and continue to expand with favorable profitability.

Sectra is positioned in growing, future billion dollar markets.



SECTRA



More than just a handshake