

Press release

Linköping, September 4, 2007

Interim report for the first quarter, May – July 2007:

Sectra's order bookings doubled

Sectra's net sales for the first quarter increased by 11.1% to SEK 149.9 million (134.9) compared with the year-earlier period. Profit after financial items amounted to SEK 3.5 million (5.0), which corresponds to a profit margin of 2.3% (3.7). Order bookings rose to SEK 206.4 million (98.8), slightly higher than double the amount compared with a year earlier.

Rising earnings from direct sales of medical systems in the US and other markets outside Sweden contributed to the sales increase in the quarter. Among other successes, Sectra signed a five-year service agreement with the New York City Health and Hospitals Corporation, the largest municipal healthcare provider in the US.

"We are continuing to expand outside our home market. The choice by such large customers as the New York City Health and Hospitals Corporation to use Sectra is strategically important for our continued expansion in the US," says Jan-Olof Brüer, President and CEO of Sectra. "We are in the midst of implementing measures decided to increase our own direct sales. Our assessment is that Sectra will continue to expand with favorable profitability," continues Jan-Olof Brüer.

Sectra continued to report sales successes on the mammography market during the quarter. These included an order from Ireland's national program for mammography screening for Sectra's digital mammography system, Sectra MicroDose Mammography, for expansion of digital mammography nationwide.

FDA application

In June, Sectra submitted the first part of its application to sell Sectra MicroDose Mammography in the US to the Food and Drug Administration (FDA).

The application procedure now being initiated by Sectra is modular and has been extended to include the most recent version of Sectra MicroDose Mammography.

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Moms reg.nr SE556064830401

Interim report for Sectra AB (publ) for the first quarter, May – July 2007

The corresponding period in the preceding year is reported in brackets.

First quarter in brief

- Order bookings rose 108.9% to SEK 206.4 million (98.8).
- Net sales increased by 11.1% to SEK 149.9 million (134.9).
- Profit after net financial items amounted to SEK 3.5 million (5.0), corresponding to a profit margin of 2.3% (3.7).
- Profit after tax amounted to SEK 2.7 million (3.9).
- Earnings per share amounted to SEK 0.07 (0.11).

Significant events during the quarter

- Sectra signed a five-year service contract with the New York City Health and Hospitals Corporation, the largest single municipal healthcare provider in the US.
- Ireland's national mammography screening program, BreastCheck, ordered Sectra's digital mammography system, Sectra MicroDose Mammography, for expansion of digital mammography nationwide.
- Sectra, jointly with clinical and industrial partners, was awarded SEK 33 million from the EU to manage a research project within low-dose mammography in which new methods to detect breast cancer are to be developed and evaluated.
- Sectra submitted the first part of its FDA application pertaining to Sectra MicroDose Mammography.
- Sectra signed a cooperation agreement with the Polish medical-technology company Edo Med Sp. z.o.o., which becomes the distributor of Sectra's medical systems in Poland.
- The Dutch hospital Rijnland Ziekenhuis switched to Sectra's total solution for radiology.
- The Swedish Defense Materiel Administration (FMV) ordered Tiger XS products supported by IP-based satellite communication for use within the Nordic Battlegroup.

Significant events after the end of the period

- Saab Aerosystems and Saab Bofors Dynamics ordered crypto systems for the JAS 39 Gripen aircraft and the Robot 15 missile. The crypto system will ensure that sensitive information is protected during various tests conducted within and outside Sweden's borders.

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Order bookings, net sales and earnings

First quarter

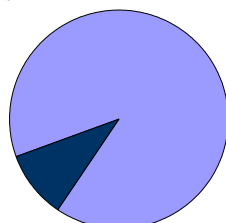
The Group's order bookings rose to SEK 206.4 million (98.8). The change in order bookings compared with the year-earlier period is attributable to Sectra's expanded direct sales of medical systems in strategically important markets, in which its own sales organization was strengthened. The largest increase was posted by Sectra in North America, where among other successes the New York City Health and Hospitals Corporation (HHC), the largest single municipal healthcare provider in the US, signed a five-year service agreement with Sectra. Due to a non-disclosure agreement with the customers, this contract was announced first after the close of the quarter.

Demand for Sectra's products is strong and the variations in order volumes viewed by individual quarters are significant.

Net sales for the period rose 11.1% to SEK 149.9 million (134.9). Increased revenues from direct sales on the American markets and other markets outside Sweden contributed to the strong sales in the quarter.

Profit after net financial items was SEK 3.5 million (5.0), corresponding to a profit margin of 2.3% (3.7). Profit after tax was SEK 2.7 million (3.9). Earnings per share amounted to SEK 0.07 (0.11). Earnings were also charged with Sectra's extensive investment in developing its distribution network and service organization for medical systems as a result of the phasing out of the ten-year cooperation with Philips Medical Systems. Profit margin was also impacted by the increased direct sales that often comprise complete system deliveries including both software and hardware. Sales through partners are solely software licenses with higher profitability.

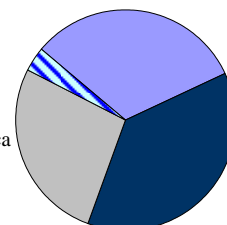
Medical systems
90,1 %



Secure communication systems
9,9%

Net sales by business segment
Rolling 12 months

Rest of world 3,7 %



North America
26,7 %

Sweden 32,0 %

Rest of Europa
37,5 %

Net sales by geographical market
Rolling 12 months

Net sales by business segment

(SEK million)	3 months	3 months	Full year	Full year
	May 2007	May 2006	Aug.2006–	May–Apr.
	–July 2007	–July 2006	July 2007	2006/2007
Medical systems	136.2	120.6	626.5	610.9
Secure communication systems	14.7	14.3	68.3	67.9
Other ¹⁾	5.6	5.3	21.3	21.0
Group eliminations	-6.6	-5.3	-28.6	-27.3
Total	149.9	134.9	687.5	672.5

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Operating profit/loss by business segment				
(SEK million)	3 months May 2007 –July 2007	3 months May 2006 –July 2006	Full year Aug.2006– July 2007	Full year May–Apr. 2006/2007
Medical systems	1.7	8.8	56.7	63.8
Secure communication systems	0.9	-2.2	9.3	6.2
Other ¹⁾	-0.7	-1.2	-5.4	-5.9
Group eliminations	-0.6	-0.4	-3.1	-2.9
Total	1.3	5.0	57.5	61.2

1) Other refers primarily to the Parent Company's debiting of Group-wide services and asset management.

Net sales by geographical market				
(SEK million)	3 months May 2007 –July 2007	3 months May 2006 –July 2006	Full year Aug.2006– July 2007	Full year May–Apr. 2006/2007
Sweden	47.2	68.1	220.4	241.3
Rest of Europe	55.4	32.9	257.8	235.3
North America	38.4	32.5	183.7	177.8
Rest of world	8.9	1.4	25.6	18.1
Total	149.9	134.9	687.5	672.5

Medical systems

Market

The market for Sectra's medical systems is growing as an increasing number of hospitals choose to improve the efficiency of their radiology operations by introducing digital systems. To meet demands in the market, Sectra is continuing its extensive investments in the expansion of its distribution organization in the US and Europe, as well as additional investments in support and marketing.

More than 40 million X-ray examinations are carried out annually using the company's systems, making Sectra one of the world's leading suppliers of systems for handling digital radiology images. The largest share of radiology clinics using Sectra's medical systems are in North America, the world's largest and one of the fastest-growing markets for medical IT. As the number of installations of Sectra medical systems increases, so does revenue from service, support and upgrade contracts.

In the mammography market, the transition from film-based to digital systems is proceeding at full pace worldwide. During the quarter, Sectra posted continued sales successes with the digital mammography system Sectra MicroDose Mammography. Among other sales, the system was ordered by the national program for mammography screening in Ireland.

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Application for approval to sell Sectra MicroDose Mammography in the US

Sectra submitted the first part of its application to sell Sectra MicroDose Mammography in the US to the Food and Drug Administration (FDA) during the quarter. The application procedure is modular and has been extended to include the most recent version of Sectra MicroDose Mammography.

Sales and earnings

Medical Systems' net sales for the first quarter increased by 12.9% to SEK 136.2 million (120.6). Higher earnings from direct sales in the American market and other markets outside Sweden contributed to the major sales increase compared with the year-earlier period. The American market accounted for the single largest increase.

Operating profit amounted to SEK 1.7 million (8.8), corresponding to a profit margin of 1.2% (7.3). The extensive market investments as planned adversely affected earnings. In addition, increased direct sales result in lower margins. In direct sales, a transaction normally involves complete system deliveries that include both the software and hardware. Sales through partners consist solely of software licenses, with high added value and a high contribution margin.

Secure Communications Systems

Market

Among European authorities and defense agencies, pan-national cooperation is increasing, which means that demands for secure communications systems shift from being national to a common issue for the entire EU. This creates a new major market for EU-approved crypto products.

To meet customer demands, Sectra has invested in recent years in the development and marketing of the third-generation Tiger products, Tiger XS, and is the first with an EU-approved crypto product for mobile communications.

Sales and earnings

Net sales for secure communications systems for the quarter rose 2.8% to SEK 14.7 million (14.3). Most of the revenues pertained to development assignments and customer-specific products. Operating profit was SEK 0.9 million (loss: 2.2).

Financial position

The equity/asset ratio on July 31, 2007 was 60.2% (61.8) and liquidity was a multiple of 2.4 (2.7).

Interest-bearing liabilities amounted at the end of the period to SEK 48.0 million (38.9), of which SEK 46.1 million (23.1) pertains to the redemption of convertibles.

Investments

Group investments during the quarter totaled SEK 9.5 million (9.7). Capitalized development costs during the first quarter amounted to SEK 6.8 million (8.1) and on July 31, 2007 to SEK 142.4 million (112.9).

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Employees

The number of employees with full-time employment at Sectra during the first quarter increased by 25 persons and on July 31, 2007 totaled 480 (396).

The share

Sectra's share capital at July 31, 2007 amounted to SEK 36,842,088. Full conversion and exercise of the outstanding incentive programs will increase the number of shares by a maximum of 746,800, corresponding to 2.0% of the share capital and 1.2% of the votes. After dilution, the total number of shares will amount to 37,588,888.

A new issue of 58,900 B shares was carried out during the quarter to finance acquisition of 2,356 shares in the subsidiary Sectra Mamea AB from the employees who exercised employee stock options during the spring. The acquisition had no material effect on Sectra's earnings and financial position.

At Sectra's Annual General Meeting in June 2007, a decision was made to issue new convertibles to the Group's employees and to external Board members. At full allotment and full conversion, the dilution effect may amount to a maximum of 1.0% of the share capital. The conversion rate shall correspond to 135% of the volume-weighted average of registered bid prices for the company's share on the OMX Nordic Exchange in Stockholm during the period August 29, 2007 through September 12, 2007. The convertibles will be available for subscription during the period October 1 – 12, 2007 and conversion to Series B shares should occur between May 24 – 28, 2010.

The Meeting also adopted the Board's proposal for the issue of an additional maximum of 100,000 employee stock options for employees in the US. If these options are exercised in full, the employees will acquire shares in the company corresponding to approximately 0.3% of the share capital and 0.2% of the votes.

Authorization

At the Sectra Annual General Meeting in June, the Board was authorized by the Meeting to approve the new issue of not more than 3,600,000 Series B shares on one or more occasions until the next Annual General Meeting against compensation in the form of cash payment, offsetting or contribution in kind. Such new issues may occur as a deviation from shareholders' preferential rights. If the entire authorization is exercised, the dilution effect on the share capital will be approximately 10% and on votes approximately 6%. The purpose of this authorization is to enable the company to issue new shares to implement or finance the acquisition of companies or operations, or parts thereof, and in conjunction with market investments.

In addition, the Meeting decided to authorize the Board to, on one or more occasions, during the period to the next Annual General Meeting, make decisions regarding acquisitions or transfer of own shares. The authorization is limited to the company's holding of own shares not exceeding 10% of all shares in the company at any time.

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 its home market provides a solid platform for ongoing international expansion.

The change in the cooperation with the company's largest partner, Philips Medical Systems, means a realignment of Sectra's operations. This will continue to impact earnings for the remainder of the fiscal year. The Board's assessment that, in the long term, Sectra will continue to expand with favorable profitability remains valid.

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Accounting principles

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and RR31, Interim Reporting for Groups. The same accounting principles and calculation methods apply as in the most recent Annual Report. This means that the consolidated accounts were prepared in accordance with 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. A description of the accounting principles is found in the Annual Report for the 2006/2007 fiscal year.

Financial calendar

Six-month interim report, May–June 2007:	December 4, 2007
Nine-month interim report, May 2007–Jan. 2008	March 4, 2008
Year-end report, 2007/2008:	May 20, 2008

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This interim report is unaudited.

Linköping, September 4, 2007

Board of Directors

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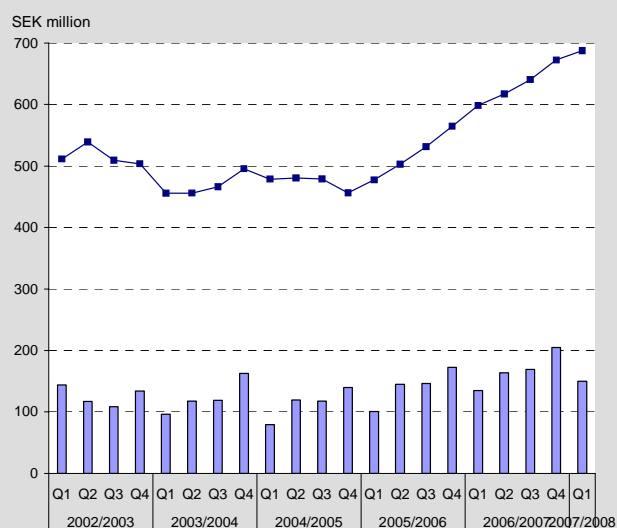
Condensed income statement for the Group

SEK thousands	3 months May 2007 –July 2007	3 months May 2006 –July 2006	Full year Aug. 2006 –July 2007	Full year May–Apr. 2006/2007
Net sales	149,908	134,886	687,533	672,511
Capitalized work for own use	6,759	8,086	41,254	42,581
Operating expenses	-150,196	-132,624	-651,791	-634,218
Depreciation	-5,184	-5,321	-19,555	-19,693
Operating profit after depreciation	1,287	5,027	57,441	61,181
Net financial items	2,168	12	11,177	9,021
Profit after financial items	3,455	5,039	68,618	70,202
Tax on earnings for the period	-746	-1,183	-22,549	-22,986
Net earnings	2,709	3,856	46,069	47,216
Profit attributable to equity holders of the:				
Parent Company	2,709	3,856	46,069	47,216
Minority interests	0	0	0	0
Earnings per share				
Before dilution, SEK	0.07	0.11	1.25	1.28
After dilution, SEK	0.07	0.10	1.23	1.26
Number of shares at end of period				
Before dilution	36,842,088	36,746,521	36,842,088	36,783,188
After dilution ¹⁾	37,588,888	37,183,188	37,588,888	37,529,988
Average before dilution ²⁾	36,802,821	36,746,521	36,772,818	36,758,743
Average after dilution ^{1) 2)}	37,549,621	37,403,188	37,437,096	37,400,488

1) Dilution is based on the convertible debenture programs issued in 2004/2005 (154,800), 2005/2006 (165,200) and 2006/2007 (266,800) and the employee stock options issued in 2004/2005 (40,000), 2005/2006 (40,000) and 2006/2007 (80,000).

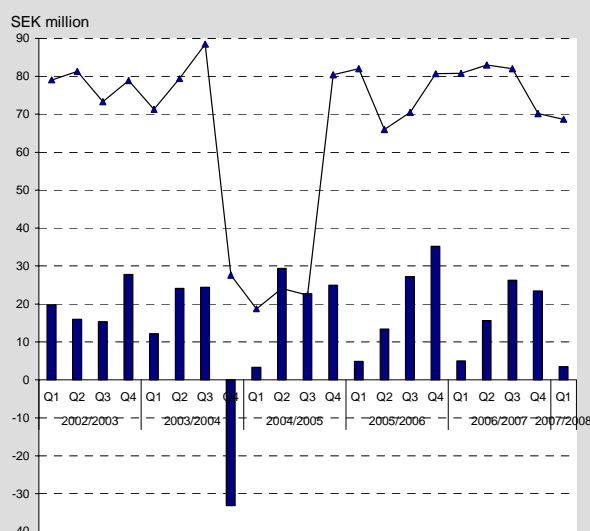
2) Average number of shares has been adjusted for implemented share splits and share issues.

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.

Condensed balance sheet for the Group

SEK thousands	July 31, 2007	July 31, 2006	April 30, 2007
Assets			
Intangible fixed assets	164,199	134,413	159,343
Tangible fixed assets	23,386	21,934	22,352
Financial fixed assets	49,502	15,415	45,962
Total fixed assets	237,087	171,762	227,657
Other current assets	226,302	235,707	241,655
Cash and cash balances	381,404	356,693	385,150
Total current assets	607,706	592,400	626,805
Total assets	844,793	764,162	854,462
Equity and liabilities			
Equity (including profit for the period)	508,240	471,961	519,407
Provisions	12,360	1,302	11,135
Deferred tax liabilities	25,854	23,473	25,906
Long-term liabilities	36,422	38,857	36,438
Current liabilities	261,917	228,569	261,576
Total equity and liabilities	844,793	764,162	854,462

Change in equity

SEK thousands	3 months May 2007 –July 2007	3 months May 2006 –July 2006	Full year May – April 2006/2007
Equity at start of period	519,406	486,495	486,495
New issue/conversion	4,197	-	1,723
Dividend paid	-18,421	-18,373	-18,373
Shareholdings reclassified to subsidiaries	-	-	667
Change in translation difference	-253	-17	-634
Share-based remuneration	602	-	2,314
Net earnings for the period	2,709	3,856	47,214
Equity at end of period	508,240	471,961	519,406

Condensed cash-flow statement for the Group

SEK thousands	3 months May 2007 –July 2007	3 months May 2006 –July 2006	Full year May – April 2006/2007
Cash flow from operations before changes in working capital	-475	1,016	82,666
Cash flow from operations after changes in working capital	23,214	-7,406	71,546
Investing activities	-9,521	-9,656	-50,995
Financing activities	-18,765	-39,527	-46,478
Change in cash and bank balances	-5,072	-56,589	-25,927
Cash and bank balances, opening balance	385,150	414,297	414,297
Exchange rate difference in liquid assets	1,326	-1,015	-3,220
Cash and bank balances, closing balance	381,404	356,693	385,150

Key figures

	3 months July 31, 2007	3 months July 31, 2006	12 months July 31, 2007	Full year 30 Apr., 2007
Order bookings, SEK M	206.4	98.8	792.3	684.7
Equity/assets ratio, %	60.2	61.8	60.2	60.8
Liquidity, multiple	2.4	2.7	2.4	2.5
Profit margin, %	2.3	3.7	10.0	10.4
Return on shareholders' equity, %	-	-	9.4	9.4
Return on capital employed, %	-	-	12.9	13.0
Value added, SEK M	79.3	73.5	367.3	361.5
Average number of employees	463	383	431	411
Equity per share, SEK	13.80	12.84	13.80	14.12
Equity per share after dilution, SEK	13.52	12.69	13.52	13.84
Cash flow per share, SEK	-0.01	0.03	2.20	2.25
Cash flow per share after dilution	-0.01	0.03	2.16	2.20
P/E ratio, multiple	-	-	47.9	59.2
Share price at end of period, SEK	60.0	66.7	60.0	76.0

Consolidated income statement quarterly

SEK million	2007/2008			2006/2007		2005/2006			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	149.9	204.7	169.4	163.5	134.9	172.8	146.1	144.7	100.8
Capitalized work for own use	6.8	10.6	12.3	11.6	8.1	6.8	8.3	6.7	3.7
Operating expenses	-150.2	-186.4	-154.1	-158.4	-132.7	-140.1	125.7	-131.9	-96.4
Depreciation	-5.2	-6.6	-5.2	-5.2	-5.3	-5.4	-5.0	-5.3	-4.4
Operating profit after depr.	1.3	22.3	22.4	11.5	5.0	34.1	23.7	14.2	3.7
Net financial items	2.2	1.1	3.8	4.1	0.0	1.1	3.5	-0.8	1.2
Earnings after financial items	3.5	23.4	26.2	15.6	5.0	35.2	27.2	13.4	4.9
Tax on earnings for the period	-0.8	-9.4	-7.7	-4.7	-1.1	-8.1	-7.0	-3.9	-1.5
Minority interests	-	-	-	-	-	-	-	-	-
Net earnings	2.7	14.0	18.5	10.9	3.9	27.1	20.2	9.5	3.4

Five-year summary

	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003
Net sales, SEK M	672.5	564.4	455.9	495.3	503.4
Earnings after financial items, SEK M ¹⁾	70.2	80.7	80.4	27.6	78.9
Earnings after tax, SEK M	47.2	60.4	52.8	21.0	53.3
Profit margin, %	10.4	14.3	17.6	5.6	15.7
Return on equity, %	9.4	13.2	12.8	5.8	28.7
ROCE, %	13.0	16.0	17.1	8.8	32.5
Earnings per share before dilution, SEK	1.28	1.64	1.45	0.63	1.62
Earnings per share after dilution, SEK	1.26	1.61	1.42	0.61	1.57
Equity per share before dilution, SEK	14.12	13.24	11.79	10.96	6.23
Equity per share after dilution, SEK	13.84	12.97	11.54	10.52	6.09
Dividend per share, SEK	0.50	0.50	0.50	0.50	0.50
Stock market price at year end, SEK	76.0	58.8	74.0	58.5	38.0
P/E ratio, multiple	59.2	35.7	49.7	92.9	23.6

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

Definition of key figures

Adjusted equity: Reported shareholders' equity increased by 72% of untaxed reserves.

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

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 twelve-month period's earnings per share.

Profit margin: Profit before tax as a percentage of 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.

Value added: Operating profit plus labor costs.

Sectra in brief

Sectra, founded in 1978, successfully conducts development and sales of high-tech products in expansive niche segments. The operations include medical systems and secure communication systems. Sectra has offices in eleven countries and operates through partners worldwide. The company's system and products are used by customers worldwide to increase the efficiency of the healthcare sector and to protect sensitive informations.

Sectra's shares are quoted on the Nordic Exchange in Stockholm. More information about Sectra's operations is available on the company's website: www.sectra.com.