

Press release

Linköping, Sweden, September 4, 2012

Sectra's interim report for the first quarter 2012/2013:

Sectra invests for growth in the UK

IT and medical technology company [Sectra](#) (NASDAQ OMX: SECT B) reports a strongly improved cash flow for the first quarter, the cash flow rose to SEK 64.0 million (neg: 2.3). Net sales totaled SEK 171.0 million (169.3) in the first quarter. Consolidated operating profit amounted to SEK 4.1 million (6.5), corresponding to an operating margin of 2.4%.

During the quarter, Sectra expanded its medical systems product offering, partly through the acquisition of Burnbank, a UK IT company, and partly through the acquisition of the product rights to a Swedish system for monitoring radiation doses. Also, Sectra has strengthened its British operations with a new team for product development in medical IT.

“We have strengthened Sectra’s position in the UK market and our operations in UK now account for more than 10% of consolidated sales. The acquisition and the investment in national product development increase our ability to grow further in the UK market,” says Jan-Olof Brüer, President and CEO for Sectra AB.

The Group’s order bookings totaled SEK 116.2 million (190.8). Order bookings were lower than the year-earlier period, which included a substantial long-term agreement valued at SEK 57 million with the Norwegian healthcare region, Helse Nord.

“The financial results for the start of the fiscal year followed Sectra’s seasonal pattern and are also impacted by currency fluctuations. However, for the running 12-month period, we are reporting an operating margin of more than 12%,” says Jan-Olof Brüer.

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. The information was submitted for publication on September 4, 2012 at 8:00 a.m. (CET).

For further information, please contact

Jan-Olof Brüer, President and CEO of Sectra AB, Tel: +46 (0)13-23 52 09

About the Sectra Group

Sectra conducts successful development and sales of high technology products and services in the niche segments of medical IT and secure communication. The company was founded in 1978 and grew from research carried out at Linköping University. Sectra has offices in twelve countries and sells its products through partners worldwide. Sales for the full-year 2011/2012 amounted to SEK 823 million. Sectra is listed on NASDAQ OMX Stockholm AB exchange. For more information about Sectra, visit our website at: www.sectra.com.

Sectra AB (publ)

Teknikringen 20

SE 583 30 Linköping

Tel: +46 (0)13 23 52 00

Fax: +46 (0)13 21 21 85

info@sectra.se

www.sectra.se

Momsreg.nr SE556064830401

INTERIM REPORT FOR THE FIRST QUARTER May 1, 2012 – July 31, 2012

SEK million	First quarter			12 months		
	Q 1 2012/2013	Q 1 2011/2012	Change %	Rolling	2011/2012	Change %
Order bookings	116.2	190.8	-39.1	626.5	701.1	-10.6
Net sales	171.0	169.3	1.0	824.7	823.1	0.2
<i>excluding nonrecurring item</i>	<i>n/a</i>	<i>n/a</i>		<i>794.7</i>	<i>793.1</i>	<i>0.2</i>
Operating profit (EBIT)	4.1	6.5	-36.9	101.1	103.5	-2.3
<i>excluding nonrecurring item</i>	<i>n/a</i>	<i>n/a</i>		<i>76.1</i>	<i>78.5</i>	<i>-3.1</i>
Operating margin, %	2.4	3.8		12.3	12.6	
<i>excluding nonrecurring item</i>	<i>n/a</i>	<i>n/a</i>		<i>9.6</i>	<i>9.9</i>	
Profit before tax (EBT)	0.3	16.2	-98.1	111.9	127.9	-12.5
<i>excluding nonrecurring item</i>	<i>n/a</i>	<i>n/a</i>		<i>86.9</i>	<i>102.9</i>	<i>-15.5</i>
Profit margin, %	0.2	9.6		13.6	15.5	
<i>excluding nonrecurring item</i>	<i>n/a</i>	<i>n/a</i>		<i>10.9</i>	<i>13.0</i>	
Profit after tax	0.2	11.9	-98.3	81.1	92.8	-12.6
Earnings per share, SEK ¹	0.01	0.32	-96.9	2.20	2.52	-12.7
Cash flow ²	64.0	-2.3	2 882.6	214.9	148.6	44.6
Earnings/loss including discontinued operations						
Earnings/loss from discontinued operations	0	-17.0	100.0	310.0	293.0	5.8
Earnings/loss including discontinued operations	0.2	-5.1	103.9	391.1	385.8	1.4
Earnings per share including discontinued operations, SEK ¹	0.01	-0.14	107.1	10.61	10.47	1.3

¹ Before dilution

² Operations after changes in working capital

FIRST QUARTER: MAY – JULY 2012

- Order bookings totaling SEK 116.2 million were lower than the year-earlier period, which included a substantial long-term agreement with the Norwegian healthcare region, Helse Nord.
- Net sales increased 1% to SEK 171.0 million (169.3).
- Earnings were negatively impacted by changes in exchange rates. Financial items were negatively impacted by exchange-rate changes in an amount of SEK 8.5 million compared with the year-earlier period.
- Cash flow from operations before changes in working capital totaled SEK 64.0 million (neg: 2.3) for the quarter.

EVENTS DURING THE FIRST QUARTER

- Sectra acquired Burnbank Systems Limited, a supplier of IT services to the healthcare sector in the UK.
- Sectra acquired the product rights to a system for monitoring radiation dose history.
- A Russian hospital, St Petersburg Scientific Practical Centre for Oncology, ordered Sectra's visualization table.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

- Sectra entered into a partnership with Zimmer GmbH, a global leader in musculoskeletal care. A non-exclusive cooperation agreement allows Zimmer to provide its customers in certain European countries with Sectra's online 2D pre-operative planning system for orthopaedic surgery.
- Sectra transferred SEK 185.5 million to shareholders through a redemption program.
- The Board of Directors appointed Torbjörn Kronander, currently President of Sectra's Medical Systems business area and Executive Vice President of Sectra AB, as the new President and CEO of Sectra. He will assume his duties on November 1, 2012.
- The Board decided to change the publication date of the 2012/2013 year-end report to May 28, 2013.

The reporting in this interim report pertains to remaining operations unless otherwise stated. Discontinued operations pertain to the subsidiary Sectra Mamea AB, which developed, produced and marketed the mammography modality MicroDose Mammography. Figures for the corresponding period in the preceding year are shown in parenthesis.

THE GROUP'S ORDER BOOKINGS, SALES AND EARNINGS

Order bookings and sales

First quarter, May – July 2012

The Group's order bookings totaled SEK 116.2 million (190.8). Order bookings were lower than the year-earlier period, which included a substantial long-term agreement with the Norwegian healthcare region, Helse Nord.

The Group's net sales increased 1% to SEK 171.0 million (169.3). All business segments reported increased sales compared with the year-earlier period.

As of June 6, 2012, the Medical Systems business segment includes the acquisition Burnbank Systems Limited. For further information and a preliminary acquisition analysis, refer to Note 2 on page 15.

Sales by business segment

(SEK million)	3 months May - July 2012	3 months May - July 2011	12 months Aug. 2011 - July 2012	Full-year May - April 2011/2012
Medical Systems	152.6	151.6	733.0	732.0
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	703.0	702.0
Secure Communication	21.7	18.6	104.9	101.8
Other operations ¹	14.7	11.6	54.0	50.9
Group eliminations	-18.0	-12.5	-67.2	-61.6
Total remaining operations	171.0	169.3	824.7	823.1
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	794.7	793.1
Discontinued operations ³	0	15.0	8.5	23.5
Total	171.0	184.3	833.2	846.6

Sales by geographic market

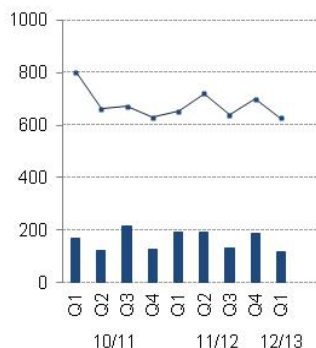
(SEK million)	3 months May - July 2012	3 months May - July 2011	12 months Aug. 2011 - July 2012	Full-year May - April 2011/2012
Sweden	60.2	47.7	263.0	250.5
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	261.6	249.1
USA	40.9	40.8	168.2	168.1
UK	22.2	11.8	114.5	104.1
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	94.0	83.6
Rest of Europe	37.4	45.0	223.5	231.1
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	215.4	223.0
Rest of world	10.3	24.0	55.5	69.3
Total remaining operations²	171.0	169.3	824.7	823.1
<i>excl. nonrecurring item²</i>	<i>n/a</i>	<i>n/a</i>	794.7	793.1

¹ Other operations pertain to Sectra's operations for the financing of customer projects, asset management, the Parent Company's functions for Group finances and stock-exchange, share and investor relations activities.

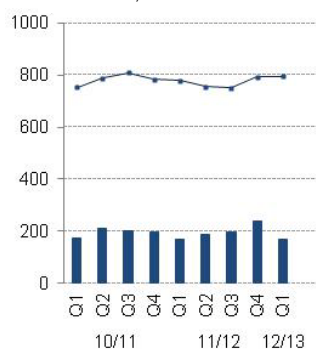
² The nonrecurring item is attributable to the discontinuation of the Sectra MicroDose business and had a positive effect on sales of SEK 30 million and on operating profit of SEK 25 million for the relevant periods.

³ See Note 1 on page 14.

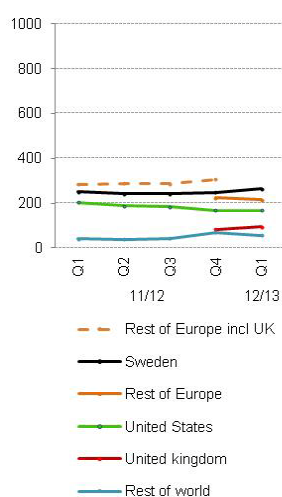
Order bookings,
SEK million



Net sales, SEK million



Sales by geographic market



Results excl. nonrecurring items
Bars – per quarter
Line – rolling 12-months

Earnings

First quarter, May – July 2012

Consolidated operating profit for the quarter totaled SEK 4.1 million (6.5), which corresponded to an operating margin of 2.4% (3.8). Both of Sectra's business areas reported an increase in operating profit for the quarter. The year-on-year change was attributable to increased costs in the Parent Company's operations.

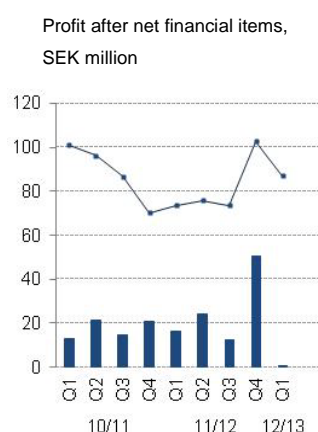
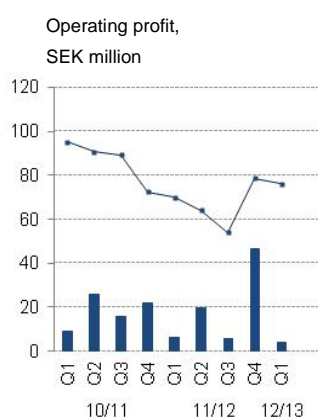
Profit after net financial items was SEK 0.3 million (16.2), corresponding to a profit margin of 0.2% (9.6). The comparative period included interest-rate effects from discontinued operations in an amount of SEK 4.2 million. Exchange-rate changes had a negative impact of SEK 4.1 million (pos: 4.4) on consolidated financial items.

Profit after tax amounted to SEK 0.2 million (11.9). Earnings per share before dilution amounted to SEK 0.01 SEK (0.32).

Profit including discontinued operations

On August 31, 2011, Sectra finalized the transaction with Royal Philips Electronics, which thus took over the operations involving development and sales of the digital mammography system, Sectra MicroDose Mammography. Refer to Note 1 on page 14 for further information regarding these discontinued operations.

Consolidated profit after tax and including discontinued operations amounted to SEK 0.2 million (loss: 5.1) for the quarter. Earnings per share before dilution and including discontinued operations amounted to SEK 0.01 (loss: 0.14).



Results excl. nonrecurring items
 Bars – per quarter
 Line – rolling 12-months

Operating profit by business segment

(SEK million)	3 months	3 months	12 months	Full-year
	May - July	May - July	Aug. 2011	May - April
	2012	2011	- July 2012	2011/2012
Medical Systems	4.2	3.0	98.7	97.5
<i>excl nonrecurring item²</i>	4.2	3.0	73.7	72.5
Secure Communication	0.9	0.2	16.0	15.3
Other operations ¹	-3.7	-1.9	-10.8	-9.0
Group eliminations	2.7	5.1	-2.7	-0.3
Total remaining operations	4.1	6.4	101.2	103.5
<i>excl nonrecurring item²</i>	4.1	6.4	76.2	78.5
Discontinued operations ³	0	-18.9	-4.9	-23.8
Total	4.1	-12.5	96.3	79.7

¹Other operations pertain to Sectra's operations for the financing of customer projects, asset management, the Parent Company's functions for Group finances and stock-exchange, share and investor relations activities.

²The nonrecurring item is attributable to the discontinuation of the Sectra MicroDose business and had a positive effect on sales of SEK 30 million and on operating profit of SEK 25 million for the relevant periods.

³ See Note 1 on page 14.

Seasonal variations

Sectra is affected by seasonal variations, whereby most invoicing and earnings are traditionally generated at the end of the fiscal year. The variations in order volumes in terms of individual quarters can be substantial since Sectra has many large customers that sign comprehensive, long-term agreements with the company, for example, for medical IT projects or the development of encryption systems.

MEDICAL SYSTEMS

Sales and earnings for the first quarter May – July 2012

Medical Systems reported sales of SEK 152.6 million (151.6), an increase of 0.7 % compared with the year-earlier period. Operating profit increased 40.0% to SEK 4.2 million (3.0), corresponding to an operating margin of 2.8% (2.0). The increase was primarily attributable to a higher proportion of software sales compared with the year-earlier period.

Acquisitions and growth opportunities in the UK

During the quarter, Sectra acquired Burnbank Systems Limited with offices in Ipswich, England. The company markets IT services to the healthcare sector and has built a network for the transfer of medical images and reports between care providers in the UK. More than 290 hospitals, which is essentially the entire National Health Service, use Burnbank's Image Exchange Portal service.

Burnbank has a total of 25 employees and posted sales of GBP 2.4 million (about SEK 26 million) and an operating margin of 25% for the December 2010 – November 2011 fiscal year. While the acquisition is of strategic importance, short term it has no significant impact on Sectra's sales or earnings. Operations will continue under the Burnbank brand as a separate business unit in Sectra's Medical Systems business area. For further information and a preliminary acquisition analysis, refer to Note 2 on page 15.

UK is one of the markets where Medical Systems reports healthy growth. In addition to the acquisition of Burnbank, the business area established a development department for UK adaptation of its medical IT products and services.

Market

Sectra provides radiology, mammography, orthopaedic and rheumatology clinics with IT systems and services to enable care providers to use resources more efficiently and to coordinate geographically dispersed operations. More than 1,400 customers use Sectra's IT systems and services, including some of the world's largest care providers. The bulk of the business area's revenues derives from commitments to existing customers, both additional sales and long agreements for products and services.

The market for medical IT systems and services continues to expand as a result of the considerable need for systems that enhance efficiency for healthcare providers. Scandinavia, North America and the UK are Sectra's largest markets for Medical Systems. In the domestic market in Scandinavia, Sectra is by far the largest provider of IT systems for managing medical images (PACS).

In the business area's largest business line, Radiology IT systems, Sectra's strategy is to grow, primarily, in markets where the company already holds a strong position, such as Northern Europe and North America, and through partnerships in selected geographic areas with growth potential. In many European markets, the uncertain economic trend and the need for government austerity measures have dampened growth, which also applies in the US. Despite the tough economic climate, Medical Systems continued to expand in Northern Europe in countries including Norway, the Netherlands and the UK.

During the quarter, Sectra strengthened its product portfolio in Radiology IT through the acquisition of the product rights for Intulo, a system that monitors radiation doses, from the Swedish medical IT company Krucom AB. The system reduces the risk of patients being exposed to unnecessarily high radiation doses in conjunction with radiology examinations. The agreement will entail payment of royalties on future sales and no intangible assets are recognized at Group level.

SECURE COMMUNICATION SYSTEMS

Sales and earnings for the first quarter May – July 2012

Secure Communication Systems' sales increased 16.7% to SEK 21.7 million (18.6) for the quarter. Operating profit increased to SEK 0.9 million (0.2), corresponding to an operating margin of 4.1% (1.1).

Market

Sectra's crypto products are deployed by decision makers, government officials and defense forces in 17 European countries to protect telephone calls from eavesdropping. This makes Sectra the leading supplier of encrypted telephony to European authorities and defense forces.

Sweden and the Netherlands comprise Sectra's largest markets for crypto products. Growth in the market for Secure Communications Systems is driven by it being easier than ever to eavesdrop on phone calls, changes in regulations governing the handling of classified information and the fact that increasing numbers of authorities are choosing to protect their confidential, though unclassified, information. Due to growing collaboration between authorities in European countries, customers require products that support cross-border collaboration. Sectra offers products that are approved by the EU, NATO and several national security agencies.

OTHER OPERATIONS

Other operations pertain to Sectra's operations for the financing of customer projects, asset management, and the Parent Company's functions for Group finances and stock-exchange, share and investor relations activities.

Sales and earnings for the first quarter May – July 2012

Sales from other operations amounted to SEK 14.7 million (11.6) for the quarter. The increase was attributable to Sectra's operations for the financing of customer projects.

An operating loss of SEK 3.7 million (loss: 1.9) was reported. The increase was due to increased costs in connection with structural projects.

COMMENTS ON THE FINANCIAL POSITION AND KEY FIGURES

Financial position

Sectra has a strong cash balance and balance sheet. The Group's cash flow from operations after changes in working capital amounted to SEK 64.0 million (neg: 2.3) for the quarter. The increase was primarily attributable to a significant year-on-year rise in the inflow from accounts receivable during the first quarter. Cash flow from investment operations amounted to a negative SEK 48.8 million (neg: 5.6) for the quarter, of which SEK 46.8 million related to the acquisition of the Burnbank companies. Cash flow from financing operations amounted to a negative SEK 17.3 million (neg: 0.9) for the quarter. The change related to the repayment of the 2009/2012 convertible debenture.

The Group's total cash flow for the quarter, including acquisition and discontinued operations, amounted to a negative SEK 2.1 million (neg: 27.0). After adjustment for exchange-rate differences in cash and cash equivalents, the Group's cash and cash equivalents amounted to SEK 600.8 million (181.8).

The equity/assets ratio was 71.2% (64.1) at the close of the period and liquidity amounted to a multiple of 3.8 (2.2).

At the close of the period, the Group's interest-bearing liabilities amounted to SEK 17.3 million (23.4) and pertained to convertible debentures.

Investments

Group investments during the quarter amounted to SEK 48.8 million (5.6), of which SEK 46.8 million related to the acquisition of Burnbank. Otherwise, investments pertained principally to customer projects in the Group's financing activities and capitalized development costs.

Investments in Group-financed customer projects during the quarter amounted to SEK 1.8 million (4.9). At the close of the period, the Group's carrying amount for customer projects totaled SEK 40.9 million (48.0).

During the quarter, development costs of SEK 0.3 million (0.7) were capitalized. At the close of the period, capitalized development costs totaled SEK 52.5 million (56.9).

Depreciation/amortization during the period amounted to SEK 11.3 million (10.2).

Employees

The number of full-time employees in Sectra's remaining operations increased by 24 during the quarter, which was attributable to the acquisition of the Burnbank companies. At the close of the period, the number of full-time employees totaled 526 (500).

PARENT COMPANY

The Parent Company Sectra AB

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

Net sales in the Parent Company Sectra AB amounted to SEK 5.2 million (4.9) for the quarter. After net financial items, a loss of SEK 2.8 million (profit: 5.4) was reported. The comparative period included interest-rate effects from discontinued operations in an amount of SEK 4.2 million. Currency fluctuations had a negative impact on the Parent Company's financial items of SEK 1.9 million (pos: 1.4).

The Parent Company's income statement and balance sheet are reported on page 13.

THE SHARE

Dividend/ Share redemption program 2012

The Annual General Meeting (AGM) on June 28, 2012 resolved to transfer SEK 5 per share, a total of SEK 185.5 million, to shareholders through a 2:1 share split, combined with a mandatory redemption process and stock dividend to restore the share capital. The redemption process took place in July and August 2012. For additional information, refer to the brochure regarding the [redemption program](#) on Sectra's website.

The redemption of redemption shares (designated SECT IL B) is declared as sales of shares on Form K4 for the 2013 tax assessment. Sectra has applied to the Swedish Tax Agency for general advice on how the acquisition fees for shares should be distributed between remaining shares and redemption shares. This advice will be made available on the Swedish Tax Agency's and Sectra's websites later in the autumn.

Share capital

Sectra's share capital increased during the quarter by SEK 252,890 subsequent to the conversion of debentures from the 2009/2012 convertible program, see below, and at the close of the period, amounted to SEK 37,094,978.

At future full conversion and exercise of the implemented incentive programs, the number of shares will increase by a maximum of 570,817, corresponding to 1.5% of the share capital and 0.9% of the voting rights. After dilution, the share capital will amount to SEK 37,665,795. The share option program for employees in the US with a redemption period from August 19 to 25, 2012 is not included in the dilution, since no conversion has taken place.

Incentive programs

Convertible program 2009/2012

During the first quarter, employees and Board members exercised convertibles corresponding to 252,890 shares at a nominal amount of SEK 10.8 million. The conversion price was SEK 42.90. Convertibles outstanding in the 2009/2012 program amounted to a nominal value of SEK 6.5 million following the conversion this amount was repaid to the holders on the maturity date June 15.

New convertible programs

In June, the 2012 AGM resolved to issue new convertibles to the Group's employees and external Board members. At full exercise, the dilution effect of both convertible programs may not exceed 1% of the share capital.

Convertibles for employees may be subscribed for during the period September 26 – October 5, 2012. The conversion price amounts to SEK 63.30. Conversion is permitted from May 23 – 27, 2016.

Convertibles for Board members may be subscribed for during the period September 26 – October 5, 2012. The conversion price amounts to SEK 67.50. Conversion is permitted from May 22 – 26, 2017.

New employee stock options

The 2012 AGM resolved to issue an additional 100,000 employee stock options for the Group's employees in North America. If these employee stock options are fully exercised, employees will acquire shares in the company corresponding to approximately 0.3% of the share capital and 0.2% of the voting rights.

Authorization

The 2012 AGM authorized the Board, for the period until the next AGM, to decide on the issue of not more than 3,700,000 Series B shares for consideration in the form of cash payment, offsetting of debt or contribution in kind whereby offsetting of debt and contribution in kind may deviate from shareholders' preferential rights. If the authorization is fully exercised, the dilution effect will be approximately 10% of the share capital and approximately 6% of the voting rights.

The AGM also resolved to authorize the Board, on one or more occasions, during the period until the next AGM, to make decisions on the acquisition and transfer of Series B treasury shares. A condition for the authorization is that the company's holding of treasury shares at no time exceeds 10% of all shares in the company.

At the time of the publication of this interim report, the Board had not utilized these possibilities.

Nomination Committee

The 2012 AGM resolved to appoint a Nomination Committee comprising four members, of whom the Chairman of the Board and three members are to represent the largest shareholders in the company. The composition of the Nomination Committee is based on known shareholdings in the company as of September 30, 2012.

The Nomination Committee will prepare and submit proposals to the AGM regarding the:

- Election of and fees to be paid to the Chairman of the Board and other Board members
- Election of and fees to be paid to auditors and deputy auditors
- Resolution on principles governing the composition of the Nomination Committee
- Chairman of the General Meeting

The Nomination Committee's proposal will be presented in the notice of the Annual General Meeting and be available on the company's website.

FUTURE

Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of exchange rates on pricing in the markets in which the Group is active, and property and liability risks. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit 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 2011/2012 fiscal year, Note 30, page 44. No significant events have occurred that would alter the conditions reported therein.

Outlook and financial targets

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

Sectra's long-term financial targets are:

- An operating margin of at least 15%
- An average annual growth rate of 15% measured over a seven-year period
- An equity/assets ratio of at least 30%.

The Group's financial targets were revised by the Board in autumn 2010. At that time, the Board's assessment was that Sectra was well-positioned to reach the new targets within a period of about three years based on expected market developments. Sectra's products and services enhance the efficiency of and reduce costs for customers' operations, which, in the long-term, means continued growth in our markets. However, the weak economic situation in Southern Europe and the past years' weakness in the US economy mean that the markets for Sectra's products are not growing in line with previous expectations, which, in turn, means that Sectra's ability to reach the growth targets has shifted forward in time.

FOR MORE INFORMATION

Contact CEO Jan-Olof Brüer

Telephone +46 13 - 23 52 09

Presentation of the interim report

Sectra's CEO will present the interim report for analysts, investors and the media at Operaterrassen in Stockholm at 11:30 a.m. (CET), on September 4. The presentation can also be viewed online from Sectra's website www.sectra.se.

Financial calendar

Six-month report	December 4, 2012
Nine-month report	March 5, 2013
Year-end report	May 28, 2013

Operating margin
12.2%

Average growth over a
7-year period
8.7%

Equity/assets ratio
71.2%

At the end of the period,
including nonrecurring items

Consolidated income statements

SEK thousands	3 months May - July 2012	3 months May - July 2011	12 months Aug 2011 – July 2012 ¹⁾	Full-year May - Apr 2011/2012 ¹⁾
Net sales	170,955	169,320	824,725	823,090
Capitalized work for own use	263	710	10,139	10,586
Goods for resale	-17,534	-30,906	-145,009	-158,381
Personnel costs	-98,985	-91,357	-393,095	-385,467
Other external costs	-39,260	-31,101	-151,133	-142,974
Depreciation/amortization	-11,299	-10,209	-44,479	-43,389
Operating profit	4,140	6,457	101,148	103,465
Net financial items	-3,868	9,754	10,768	24,390
Profit after net financial items	272	16,211	111,916	127,855
Taxes	-81	-4,270	-30,818	-35,007
Earnings for the period from remaining operations	191	11,941	81,098	92,848
Profit/loss from discontinued operations <small>Note 1</small>	0	-17,040	310,007	292,967
Earnings/loss for the period	191	-5,099	391,105	385,815
Earnings/loss for the period attributable to:				
Parent Company owners	191	-5,099	391,105	385,815
Non-controlling interest	0	0	0	0
Earnings per share remaining operations				
Before dilution, SEK	0.01	0.32	2.20	2.52
After dilution, SEK	0.01	0.32	2.15	2.46
Earnings/loss per share including operations held for sale				
Before dilution, SEK	0.01	-0.14	10.61	10.47
After dilution, SEK	0.01	-0.14	10.35	10.23
No. of shares				
Before dilution	37,094,978	36,842,088	37,094,978	36,842,088
After dilution ²⁾	37,665,795	37,543,488	37,665,795	37,916,513
Average, before dilution	36,926,385	36,842,088	36,863,162	36,842,088
Average, after dilution ²⁾	37,832,940	37,587,155	37,780,272	37,707,909

- 1) The amounts include a nonrecurring item that had a positive impact of SEK 30 million on sales and SEK 25 million on operating profit.
- 2) Dilution is based on the convertible debentures programs issued in 2010/2011 (145,727) and 2011/2012 (225,090) and on employee stock options issued in 2010/2011 (100,000) and 2011/2012 (100,000).
- 3) Relates to the number of shares excluding redemption shares subject to a mandatory redemption process. On the record day of August 1, 2012, the redemption shares will be automatically redeemed and the number of shares outstanding will subsequently amount to 37,094,978 comprising 2,620,692 series A shares and 34,474,286 series B shares.

Consolidated Statement of Comprehensive Income

SEK thousands	3 months May - July 2012	3 months May - July 2011	12 months Aug 2011 – July 2012 ¹⁾	Full-year May - Apr 2011/2012
Earnings for the period	191	-5,099	391,105	385,815
Other comprehensive income				
Change in translation differences from translating foreign subsidiaries	254	7,857	6,805	14,408
Total other comprehensive income for the period	254	7,857	6,805	14,408
Total comprehensive income for the period	445	2,758	397,910	400,223

Consolidated Balance Sheets

SEK thousands	July 31, 2012	July 31, 2011	Apr 30, 2012
Assets			
Intangible assets	145,382	67,768	65,784
Tangible assets	49,575	57,254	53,647
Financial assets	3,630	4,998	3,639
Deferred tax assets	7,878	1,739	9,164
Total fixed assets	206,465	131,759	132,234
Other current assets	314,381	421,390	396,083
Cash and cash equivalents	600,769	181,832	605,757
Total current assets	915,150	603,222	1,001,840
Total assets held for sale	0	159,475	0
Total assets	1,121,615	894,456	1,134,074
Equity and liabilities			
Equity (including total comprehensive income for the period)	799,056	572,911	787,392
Provisions	33,813	578	594
Deferred tax liabilities	27,872	16,572	27,872
Long-term liabilities	17,259	6,091	17,260
Current liabilities	243,615	269,215	300,956
Liabilities attributable to assets held for sale	-	29,089	-
Total equity and liabilities	1,121,615	894,456	1,134,074

No changes have occurred in pledged assets and contingent liabilities since the 2011/2012 Annual Report.

Consolidated Statement of Changes in Equity

SEK thousands	3 months May 2012 - July 2012	3 months May 2011 - July 2011	Full-year May - Apr 2011/2012
Equity at start of period	787,392	569,537	569,537
Comprehensive income for the period	445	2,758	400,223
Share-related payments	370	616	1,842
Redemption of shares	0	0	-184,210
Conversion to shares	10,849	0	0
Equity at the end of the period	799,056	572,911	787,392

Consolidated Cash-flow Statements

SEK thousands	3 months May 2012 - July 2012	3 months May 2011 - July 2011	Full-year May - Apr 2011/2012
Cash flow from operations before changes in working capital	19,233	12,803	153,545
Cash flow from operations after changes in working capital	64,017	-2,343	148,580
Investing activities	-48,781	-5,554	-31,103
Financing activities	-17,315	-946	-173,042
Cash flow for the period	-2,079	-8,843	-55,565
<i>Cash flow from discontinued operations:</i>			
Current operations	0	-15,597	-17,620
Investing activities	0	-2,557	466,715
Financing activities	0	0	0
Cash flow for the period from discontinued operations Note 1	0	-18,154	449,095
Total cash flow for the period	-2,079	-26,997	393,530
Change in cash and cash equivalents			
Cash and cash equivalents, opening balance	605,757	211,341	211,341
Exchange-rate difference in cash and cash equivalents	-2,909	-2,512	886
Cash and cash equivalents, closing balance	600,769	181,832	605,757
Unutilized credit facilities	15,000	15,000	15,000

Key figures

	3 months July 31, 2012	3 months July 31, 2011	12 months July 31, 2012	Full-year Apr 30, 2012
Order bookings, SEK M	116.2	190.8	626.5	701.1
Operating margin, %	2.4	3.8	12.3	12.6
Operating margin excluding nonrecurring items, %	n/a	n/a	9.6	9.9
Profit margin, %	0.2	9.6	13.6	15.5
Profit margin excluding nonrecurring items, %	n/a	n/a	10.9	13.0
Average number of employees	510	492	502	500
Cash flow per share, SEK	0.52	0.35	4.31	4.17
Cash flow per share after full dilution, SEK	0.51	0.34	4.25	4.05
Value added, SEK M	103.1	97.8	494.2	488.9
P/E ratio, multiple	n/a	n/a	19.5	17.1
Share price at end of period, SEK	42.9	43.0	42.9	43.0
Including discontinued operations:				
Return on equity, %	0.0	-0.9	57.0	58.0
Return on capital employed, %	0.1	-1.1	61.5	59.7
Return on total capital, %	0.0	-0.7	43.3	40.8
Equity/assets ratio, %	71.2	64.1	71.2	69.4
Liquidity, multiple	3.8	2.2	3.8	3.4
Cash flow per share, SEK	0.52	-0.13	4.11	3.34
Cash flow per share after full dilution, SEK	0.51	-0.12	4.0	3.24
Equity per share, SEK	21.54	15.55	21.54	21.37
Equity per share after full dilution, SEK	21.21	15.26	21.21	20.77

Quarterly consolidated income statements and key figures

SEK M	2012/2013		2011/2012			2010/2011			
	Q1	Q4	Q3	Q2 ¹⁾	Q1	Q4	Q3	Q2	Q1
Net sales	171.0	238.5	196.1	219.2	169.3	197.3	200.7	212.9	172.8
Capitalized work for own use	0.3	1.6	2.6	5.7	0.7	0.4	2.2	2.4	3.5
Operating expenses	-155.9	-181.6	-182.4	-169.4	-153.4	-163.5	-176.0	-179.6	-159.3
Depreciation/amortization	-11.3	-11.7	-10.9	-10.6	-10.2	-12.0	-11.2	-10.0	-8.0
Operating profit	4.1	46.8	5.4	44.9	6.5	22.1	15.7	25.7	9.0
Net financial items	-3.8	3.5	6.9	4.2	9.8	-1.1	-1.0	-4.1	3.9
Earnings after net financial items	0.3	50.3	12.3	49.1	16.2	21.0	14.7	21.6	12.9
Tax on earnings for the period	-0.1	-13.4	-3.3	-14.0	-4.3	-8.4	-4.9	-5.7	-2.9
Earnings for the period from remaining operations	0.2	36.8	9.0	35.1	11.9	12.6	9.8	15.9	10.0
Profit/loss from discontinued operations	0	0	0	310.0	-17.0	-14.5	-19.5	-15.7	-8.2
Earnings for the period	0.2	36.8	9.0	345.1	-5.1	-1.9	-9.7	0.2	1.8
Operating margin, %	2.4	19.6	2.8	20.5	3.8	11.2	7.8	12.1	5.2
Cash flow per share, SEK	0.52	1.38	0.97	1.48	0.35	0.81	0.41	0.58	0.43
Cash flow per share after full dilution, SEK	0.51	1.34	0.94	1.44	0.34	0.80	0.41	0.57	0.42
Earnings per share, SEK	0.01	1.00	0.24	0.95	0.32	0.34	0.27	0.43	0.27
Including discontinued operations:									
Return on equity, %	0.0	5.8	1.1	46.3	-0.9	-0.3	-1.6	0.0	0.3
Return on capital employed, %	0.1	6.3	1.5	47.8	-1.1	0.3	-2.0	0.1	0.3
Equity/assets ratio, %	71.2	69.4	68.2	75.0	64.1	61.0	63.5	63.6	64.7
Cash flow per share, SEK	0.52	1.25	0.97	1.25	-0.13	0.12	0.13	0.16	0.28
Equity per share, SEK	21.54	21.37	20.34	24.94	15.55	15.46	15.78	16.16	16.40

1) The amounts include a nonrecurring item that had a positive impact of SEK 30 million on sales and SEK 25 million on operating profit.

Five-year summary

	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Order bookings, SEK M	701.1	631.0	766.7	1,080.6	947.6
Net sales, SEK M	823.1	783.7	753.9	777.0	688.0
Operating profit, SEK M	103.5	72.5	115.7	120.4	150.6
Earnings after net financial items, SEK M	127.9	70.2	113.0	200.0	183.2
Earnings after tax from remaining operations, SEK M	92.8	48.3	84.0	143.9	125.7
Operating margin, %	12.6	9.3	15.3	15.5	21.9
Profit margin, %	15.5	9.0	15.0	25.7	26.6
Earnings per share before dilution, SEK	2.52	1.31	2.28	3.90	3.41
Earnings per share after dilution, SEK	2.46	1.29	2.24	3.84	3.34
Dividend per share, SEK	5.00	5.00	0.00	0.00	0.50
Share price at year end, SEK	43.0	34.0	37.3	38.8	58.5
P/E ratio, multiple	17.1	26.0	16.4	9.9	17.2
Including discontinued operations:					
Earnings for the period, SEK M	385.8	-9.6	17.2	50.5	50.5
Return on equity, %	58.0	-1.6	2.9	8.7	9.3
Return on capital employed, %	59.7	-1.1	3.9	11.6	13.8
Return on total capital, %	40.8	-0.7	2.5	7.4	8.9
Equity per share before dilution, SEK	21.37	15.46	16.36	16.26	15.22
Equity per share after dilution, SEK	20.77	15.13	16.11	16.06	14.93
Equity/assets ratio, %	69.4	61.0	62.2	59.4	56.9

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 from operations before changes in working capital 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 policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish 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) as approved by the EU Commission for application within the EU. The accounting policies and calculation methods are unchanged compared with those applied in the 2011/2012 Annual Report with the exception that IFRS 3, Business Combinations has now been applied. New policies and amendments that have come into effect as of the 2012/2013 fiscal year have had no impact on the financial statements.

Parent Company Income Statements

SEK thousands	3 months May - July 2012	3 months May - July 2011	12 months Aug 2011 – July 2012	Full-year May - Apr 2011/2012
Net sales	5,191	4,870	18,602	18,281
Personnel costs	-3,012	-2,514	-10,966	-10,468
Operating expenses	-6,460	-4,528	-19,996	-18,064
Depreciation/amortization	-52	-54	-209	-211
Operating loss	-4,333	-2,226	-12,569	-10,462
Net financial items	1,580	7,670	407,406	413,496
Profit after net financial items	-2,753	5,444	394,837	403,034
Appropriations	-	-	-14,229	-14,229
Profit before tax	-2,753	5,444	380,608	388,805
Tax on earnings for the period	724	-1,431	-20,657	-22,812
Earnings for the period	-2,029	4,013	359,951	365,993

Parent Company Statement of Comprehensive Income

SEK thousands	3 months May - July 2012	3 months May - July 2011	12 months Aug 2011 – July 2012	Full-year May - Apr 2011/2012
Earnings for the period	-2,029	4,013	359,951	365,993
Other comprehensive income				
Fund for fair value	1,224	7,678	6,523	12,977
Total other comprehensive income for the period	1,224	7,678	6,523	12,977
Total comprehensive income for the period	-805	11,691	366,474	378,970

Parent Company Balance Sheets

SEK thousands	July 31, 2012	July 31, 2011	Apr 30, 2012
Assets			
Tangible assets	324	503	347
Financial assets	133,661	160,089	152,822
Total fixed assets	133,985	160,592	153,169
Other current assets	185,994	282,829	191,056
Cash and cash equivalents	489,774	836,477	480,668
Total current assets	675,768	1,119,306	671,724
Total assets	809,753	1,279,898	824,893
Equity and liabilities			
Equity (including earnings for the period)	663,229	470,115	653,184
Deferred tax liabilities	110,191	95,962	110,191
Long-term liabilities	18,629	6,091	17,260
Current liabilities	17,704	707,730	44,258
Total equity and liabilities	809,753	1,279,898	824,893

Pledged assets and contingent liabilities

SEK thousands	July 31, 2012	July 31, 2011	Apr 30, 2012
Pledged, assets	11,000	11,000	11,000
Total pledged assets	11,000	11,000	11,000
Guarantees on behalf of group companies	269,130	334,315	283,653
Total contingent liabilities	269,130	334,315	283,653

Note 1 Discontinued operations

In June 2011, Sectra and Royal Philips Electronics signed an agreement entailing that Philips had acquired Sectra's operations for development and sales of the mammography modality Sectra MicroDose Mammography. Philips took over the operations in conjunction with the finalization of the transaction on August 31, 2011. The transaction included the company Sectra Mamea AB and related operations in Sectra's global sales and service organization, excluding Australia and New Zealand, where Sectra continues to sell MicroDose Mammography through a separate distribution agreement with Philips. The operation had approximately 110 employees. Operations that were conducted in Sectra Mamea AB are reported as discontinued operations.

The cash purchase consideration, on a debt-free basis, amounted to EUR 57.5 million, including the sale of assets attributable to the discontinuation of the MicroDose business. The agreement includes an additional purchase consideration of EUR 12.5 million, which will fall due after five years if specific agreement conditions are fulfilled. For the 2011/2012 fiscal year, the transaction generated, excluding the contingent additional purchase consideration, an accounting capital gain for Sectra totaling SEK 322.6 million after tax.

Profit from discontinued operations

SEK thousands	3 months May - July 2012	3 months May - July 2011	12 months Aug 2011 – July 2012	Full-year May - Apr 2011/2012
Net sales	-	15,026	8,458	23,484
Capitalized work for own use	-	2,238	1,187	3,425
Goods for resale	-	-10,527	-5,894	-16,421
Personnel costs	-	15,523	-4,360	-19,883
Other external expenses	-	-10,136	-4,262	-14,398
Depreciation/amortization of fixed assets	-	0	0	0
Operating loss	-	-18,922	-4,871	-23,793
Net financial items	-	-4,198	-1,606	-5,804
Loss before tax	-	-23,120	-6,477	-29,597
Taxes	-	6,080	-6,080	-
Loss for the period	-	-17,040	-12,557	-29,597
Capital gain on divestment	-	0	322,564	322,564
Taxes	-	0	0	0
Total profit/loss from discontinued operations	-	-17,040	310,007	292,967

Note 2 Acquisition of Burnbank

On June 6, 2012, the Sectra Group acquired 100% of the shares in Burnbank Systems Limited, which markets IT services to the healthcare sector in the UK. The acquisition comprises the three companies Burnbank Systems Limited, Burnbank Healthsystems Limited and Burnbank Dataconnect Limited. The company has a total of 25 employees and posted sales of GBP 2.4 million (about SEK 26 million) and an operating margin of 25% for the December 2010 – November 2011 fiscal year.

The total consideration transferred totaled SEK 88.5 million, of which SEK 55.0 million comprises a cash purchase consideration and SEK 33.5 million comprises a contingent purchase consideration recognized as a provision at Group level. Estimates of the fair value of the contingent purchase consideration are based on the likelihood of the stipulated targets for growth and earnings until May 31, 2015 being realized. The acquisition was financed to 100% from existing funds.

Acquired net assets and goodwill (preliminary)	
SEK million	Recognized amounts for identifiable net assets
Accounts receivable & tangible assets	15.8
Cash and cash equivalents	8.2
Current liabilities	-13.3
Total acquired net assets	10.7
Fair value of purchase consideration	88.5
Goodwill	77.8
Net outflow of cash and cash equivalents arising from the acquisition ¹	
Cash and cash equivalents paid for the acquisition	55.0
Cash and cash equivalents in the acquisition at the date of acquisition	- 8.2
Total	46.8

1) Excluding acquisition-related expenses of SEK 0.6 Million.

Goodwill that arose in conjunction with the acquisition is attributable to expected growth opportunities for sales in the UK market for Medical Systems and to the experience and competence of the employees. Since the analysis of any identifiable intangible assets has not yet been completed, the allocation of the purchase consideration is only preliminary and may be changed.

The operations are included in the Sectra Group as of June 6, 2012, when Sectra obtained controlling influence over the acquired units. In the first quarter, the acquired operations were included in the Sectra Group's reporting with sales of SEK 3.7 million and operating profit of SEK 0.2 million. Acquisition-related expenses amounted to SEK 0.6 million and were recognized under other external costs in the consolidated income statement.

The Board of Directors and the President of Sectra AB (publ) hereby assure that this interim report for the period May – July 2012 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.

This interim report has not been reviewed by the company's auditors.

Linköping, Sweden, September 4, 2012

Board of Directors of Sectra AB (publ)

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. The information was submitted for publication on September 4, 2012 at 8:00 a.m. (CET).

Sectra AB (publ)

Teknikringen 20

SE 583 30 Linköping, Sweden

Tel: +46 (0)13 23 52 00

info@sectra.se

www.sectra.se

VAT Reg. No. SE556064830401