

ANNUAL REPORT 2010/2011

RESPONSIVENESS
FUTURE PROOF

TRUST SIMPLICITY COOPERATION
EFFECTIVENESS
EFFICIENT HEALTHCARE

PROFITABILITY
FUTURE PROOF

EFFECTIVENESS BEST PEOPLE COOPERATION TRUST
SIMPLICITY
CUSTOMER OBSESSION

INNOVATION COMPETENCE
SMART PEOPLE
SECURE COMMUNICATION

PRODUCTIVITY LONG-TERM
CUSTOMER

EFFECTIVENESS
IT

IT
BEST PEOPLE
FUTURE PROOF

EFFICIENT HEALTHCARE • SECURE COMMUNICATION

OBSESSION

SECTRA

CONTENTS

The year in brief	3	Board of Directors, Group Executive	
Five years on charts	4	Management and Auditor	24
Comments from the CEO	5	Financial information	
Vision, goals and strategies	7	Board of Directors' Report	26
The Sectra share	8	Financial statements for the Group	30
Competence	10	Financial statements for the Parent Company	32
Medical Systems	11	Accounting policies	34
Business activities 2010/2011	12	Notes to the financial statements	37
The future	13	Audit report	51
The market	16	Five-year summary	52
Secure Communication Systems	18	Glossary	54
Business activities 2010/2011	19	Annual General Meeting	54
The future	20	Financial reports	54
The market	22	Innovations	55



Sectra successfully develops and sells high-technology products and services in the expansive niche segments of medical systems and secure communication systems. The company's products are used by customers in some 50 countries and sales are conducted directly by Sectra, as well as through partners.

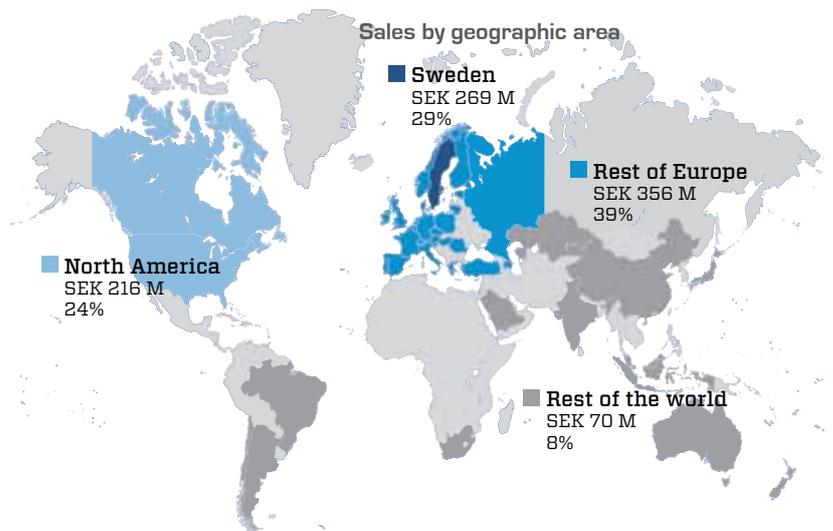
Sectra is listed on the NASDAQ OMX Stockholm AB exchange.

MULTI-YEAR CONTRACTS AND NEW PRODUCTS

Key ratios¹

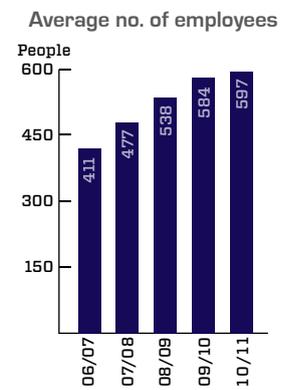
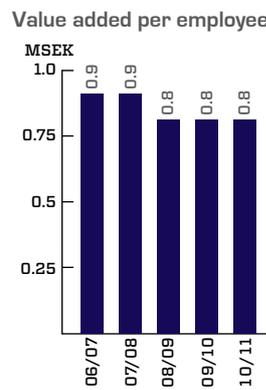
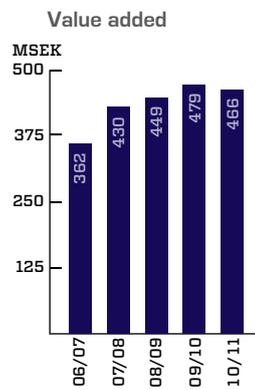
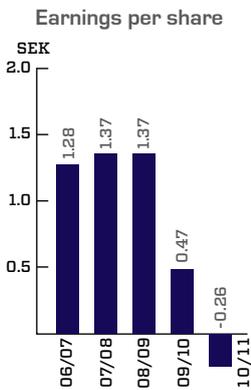
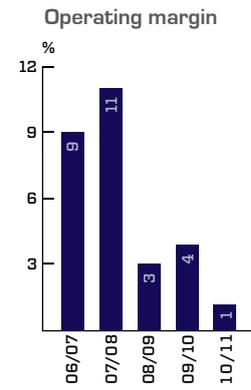
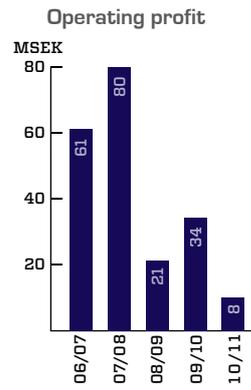
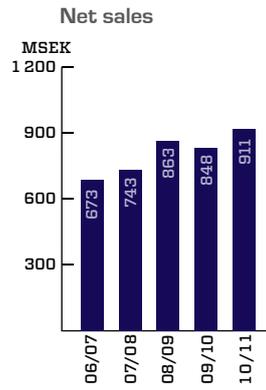
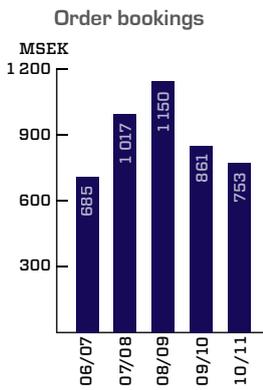
	10/11	09/10
Order bookings, SEK M	752.9	861.3
Net sales, SEK M	910.9	848.4
Operating profit, SEK M	8.2	34.2
Earnings after net financial items, SEK M	-8.1	23.5
Earnings after share, SEK M	-9.6	17.2
Earnings per share, SEK ²	-0.26	0.47
Value added, SEK M	466.2	478.5
Operating margin, %	0.9	4.0
Profit margin, %	-0.9	2.8
Equity/assets ratio, %	61.0	62.2
Return on shareholders' equity, %	-1.6	2.9
Dividend per share, SEK	0 ³	0
Average number of employees	597	584

1) For definition of key ratios, see note 32. 2) Before dilution.
3) Board of Director's proposal.



- Q1**
- > Several care providers in Scandinavia invest in Sectra's medical IT systems, which link medical imaging operations in major regions.
 - > Three major mammography programs in Australia sign multi-year agreements for use of Sectra's mammography products.
- Q2**
- > The Board defines new levels for the Group's profitability and growth goals.
 - > Through a four-year framework agreement with the European council in Brussels, Sectra is entrusted to supply products for secure telephony for use in all EU countries.
 - > With systems from Sectra, Holly House Hospital becomes the first hospital in the UK to combine mammography with osteoporosis screening in a single examination.
- Q3**
- > Sectra introduces the Sectra Visualization Table. This product allows teams of physicians to visualize three-dimensional images in a completely new and more efficient manner.
 - > In Saudi Arabia, Sectra and its distribution partner receive a breakthrough order from one of the country's largest university hospitals and academic research centers.
 - > Sectra launches another model of the secure mobile telephone, Tiger.
- Q4**
- > Sectra's gains access to the North American and Russian mammography markets after regulatory approval of Sectra MicroDose Mammography.
 - > A chain of private clinics in Toronto becomes first on the North American continent to place an order for Sectra MicroDose.
 - > Sectra's crypto solution for smartphones, Panthon, was approved by Dutch security authorities.

GROWTH AND INVESTMENTS



In recent years, Sectra has made extensive investments in the development and launch of the Sectra MicroDose Mammography product as well as the build-out of the proprietary international sales and support organization.

The mammography investment entails an increase in production operations. The current business mix, with a higher share of hardware-product deliveries, generates a lower operating margin than

the previous mix, which to higher extent was dominated by IT-system deliveries.

Since Sectra has chosen not to hedge currency flows, exchange-rate fluctuations have a direct impact on order bookings, net sales and profit. The stronger Swedish krona has had a negative effect on these items for the fiscal years 09/10 and 10/11.

GROWING NEEDS GENERATE INCREASED SALES

Sectra's thirty-third year of business activities can be described as a contradiction in terms. Market growth despite reduced customer budgets and declining prices. The net effect has contributed to our continued sales growth.

Due to prolonged effects of the financial crisis and economic recession, many countries have lower tax revenues and, consequently, reduced their budgets for healthcare and security. As a result of these effects, I issued a warning in last year's CEO comments for a year characterized by continued weak economic conditions. At the same time, the percentage of older people throughout the world is increasing, thereby increasing the healthcare sector's need for the systems and products that Sectra offers, since they help enhance efficiency.

Scandinavia

Sectra's largest market is Scandinavia, where we have a market share of more than 50%. The Scandinavian countries remained strong throughout the financial crisis and, as a result, our sales have increased in this economically robust part of the world. Sweden accounts for 29% of the Group's sales. Additional counties in Sweden have invested in our systems for processing and storing patient information and radiology images (RIS/PACS). In Secure Communications Systems, we increased our revenues from sales of products for secure voice communications.

North America

North America accounts for 24% of Group sales, and the US is now the second largest market for our medical IT products. Last year, President Barack Obama was successful in his efforts to introduce new healthcare reform. When it works in practice, the American public healthcare sector will include coverage for an additional 10% of the country's population.

Europe and rest of the world

We have expanded in Northern Europe. Sales remain sluggish in Southern Europe due to the financial difficulties of several countries in the region. Sectra's medical products continue to penetrate new countries outside of Europe, and we have secured a highly prestigious order in Saudi Arabia. In Japan, our partner Philips has initiated sales of our radiological IT system, PACS, but we are now experiencing a temporary slowdown.

Online healthcare services

We are concentrating our operations in the Medical Systems business area to markets where we hold a strong position. Efforts to penetrate new countries are focused mainly on operations through distributors. The Internet is playing an increasingly strong role,

and the online services we offer the healthcare sector are becoming increasingly important in pace with growing market maturity, since they enable society, healthcare providers and patients to reduce their costs for care and treatment.

Let women examine risk for osteoporosis

Osteoporosis is a disease that afflicts women in particular. With the help of our online services for analyses of osteoporosis, mammography clinics are able to combine examinations of breast cancer and osteoporosis simply and cost efficiently. Combined examinations are already conducted in several countries, including Sweden, Denmark, Germany, the UK, Italy and Norway. In cooperation with the Karolinska Institute and Unilabs in Tumba, we are also conducting a large clinical study comprising 10,000 women in Stockholm.

There is potential in all countries with widespread mammography activities to introduce osteoporosis screening. The combined examinations are conducted with the clinics mammography modality, and the extra X-ray picture taken of the woman's hand extends the visit by only 40 seconds. Our analysis method is FDA-approved and we already have the delivery capacity to support large regions or the screening requirements of entire countries. The existing infrastructure is used, and the combined examinations provide opportunities for clients to increase the value of their mammography programs.

New mammography markets

Our proprietary mammography system, Sectra MicroDose Mammography, is by far Sectra's largest product investment and the system is strongly linked to our earnings trend. Sales invoiced by the Mammography Division have increased 35%, but our profits continue to be charged with the division's operating deficit.

Sectra MicroDose was granted regulatory approval during the year in Canada, Russia and in the US, where we received FDA approval on the very last day of the fiscal year. We are aware of the strong competition in the US market, as several manufacturers and products have been approved and initiated sales operations. However, Sectra MicroDose is a competitive alternative to systems marketed by other suppliers, since we offer the lowest radiation dose and extremely good diagnostic results.

In the initial stages, we will sell the system in the US market through our own sales organization in order to create benchmark installations. Several US clinics already have Sectra's PACS for

“The long-term customer relations are our key success factor and provide a solid foundation for continued expansion with profitability”

mammography. We hope that some of these clinics will be among our first customers. We then look forward to cooperating with one or several partners who can help us sell Sectra MicroDose in the American market.

European heads of state use Tiger telephones

We signed a framework agreement during the year with the European Council for deliveries of our products for secure communications. The products will be used by executive heads of state in EU countries. The framework agreement represents a significant success for our Secure Communication Systems business area.

On the product side, we have several new offerings on the starting blocks and sales will soon commence to public authorities that handle sensitive information. Panthon, for example, is a Sectra product that enables secure calls with smartphones and a new high-speed encryption device, Ternety, is currently under development.

Results of research partnerships

Our efforts to build success for our customers and, in turn, Sectra's operations, are long-term. One of our strengths lies in sustained investments in research and development that enable us to offer our customers the very best. We maintain close relations with research groups at several universities, thereby enabling Sectra to both monitor and contribute to new knowledge in our areas of technology.

We are currently working with research and development to offer color and 3D-mammography, which may increase opportunities for physicians to render more accurate diagnoses in breast cancer examinations. During the past year, we also introduced a visualization table for three-dimensional overviews of X-ray images. The visualization table enables physicians to conduct fast and detailed examinations of patients without having to physically open the body. The product, the first of its kind, is the result of our cooperation with the University of Linköping, CMIV, Visualization Center C and Interactive Institute.

The future

Our growing customer base generates continuous new transactions. The long-term customer relations are our key success factor and provide a solid foundation for continued expansion with profitability. Long-term agreements for service, support and upgrades now provide a strong financial platform for Sectra. We are constantly expanding our offering with new products and services that make life easier for our customers and contribute to our own expansion. We have world-class employees who, with their commitment and knowledge, focus strongly on our customers.

Currency has had a negative effect on our order bookings, sales and profit. To maintain and strengthen our competitiveness with relatively highly valued Swedish currency, we are working to reduce our operating expenses in production, installation and upgrades,



and to broaden our product offering to existing and new customer segments.

We see opportunities for continued sales growth. Higher costs for healthcare continue to increase the need for effective solutions. As a result, our sales in medical technology will increase. Despite reductions in budget allocations, recent revelations by WikiLeaks have strengthened the interest of public authorities in creating leakage protection for sensitive information. Our secure voice communications products are market leaders in Europe. On the strength of our cutting-edge position, we are able to compete successfully with companies from many of the world's largest countries.

These conditions benefit our future development and we are cautiously optimistic about business activities in the coming fiscal year.

Linköping, May 2011

Jan-Olof Brüer
President and CEO

NEW FINANCIAL GOALS

Due to changes in Sectra's business and niche markets, the Board has defined new financial goals for profitability and growth.

The Group's strategies, goals and prioritized activities shall contribute to long-term success for Sectra's customers and create value for the Group's stakeholders.

Vision

Sectra aims to be the leader in selected niche markets.

New financial goals

In 2010/2011, the Board revised Sectra's profitability and growth goals. The new levels are to:

- > achieve an operating margin (EBIT) of at least 15%. (Profit margin 10%)
- > grow by an average of 15% each year over a seven-year period. (Previously 30%)
- > maintain an equity/assets ratio of at least 30%. (Unchanged)

The new profitability goal is in parity with the profit levels in sectors in which Sectra is active. The growth goal is three times higher than the underlying average market growth in niches where Sectra operates. Based on the expected market trend, Sectra's Board deems that the company is favorably positioned to achieve the new goal levels over a three-year horizon.

Other overall goals

- > To establish a strong global brand.
- > All operations shall be internationally leading and contribute to strengthening Sectra's profits and brand.
- > To be equally as responsive and available to customers and partners as a small company.
- > To offer the same long-term approach, reliability and sustainability as a large company.
- > To have a positive and strong corporate culture that encourages employees to grow and develop as individuals.

Overall strategies

- > To focus on niche markets with future growth potential.
- > To base product and business development on customer value.
- > To work together with the most qualified customers to ensure that Sectra's products and systems meet the market's strictest requirements in terms of performance, quality and user-friendliness.
- > To engage in long-term efforts with strategic and complementary partners to reach a broad geographic market and expand Sectra's product offering to customers.
- > To recruit and cultivate highly qualified employees.

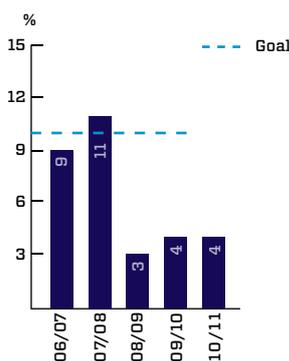
OUTCOME FINANCIAL GOALS

In recent years, the operating margin has mainly been impacted by major investments in the mammography area. In addition, the strong Swedish currency has had negative effects on net sales and earnings the recent years. To achieve our goal, we must continue our rapid expansion in the mammography product area as well as growing in our other product areas. We have also implemented activities to reduce Medical Systems' costs for production, service and support.

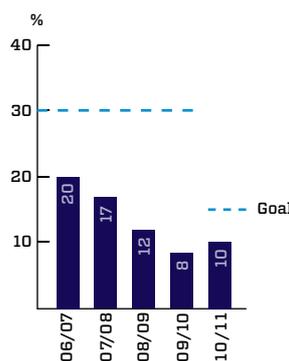
The markets for our products continue to grow even though the global economic crisis has had a considerable dampening effect on growth. We expanded our sales and support organization, initiated collaboration with distributors in new geographic markets and invested in greater production capacity in the mammography area. We also introduced new products and services that broaden our market reach and strengthen opportunities for growth in line with our goals.

Sectra has a very solid financial position. During the construction phase of our mammography operation, Sectra consolidated its financial resources to secure the implementation of the project. As a result, the equity/assets ratio exceeds our strategic goals. During the recent global financial crisis, this had a positive effect on our customers' confidence in us.

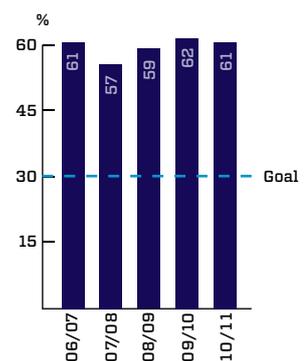
Operating margin (EBIT)



Average growth over a seven-year period



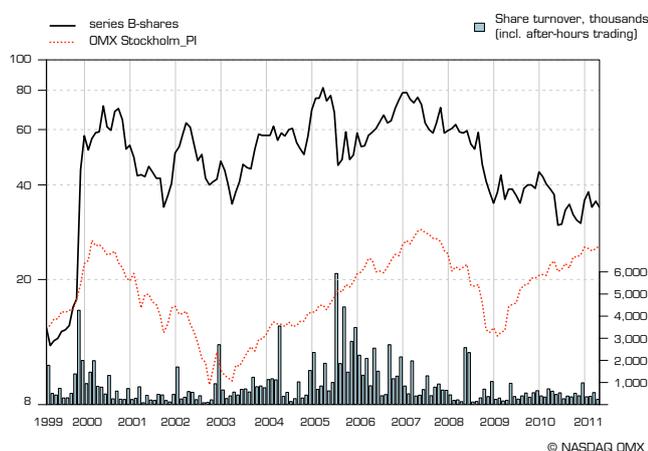
Equity/assets ratio



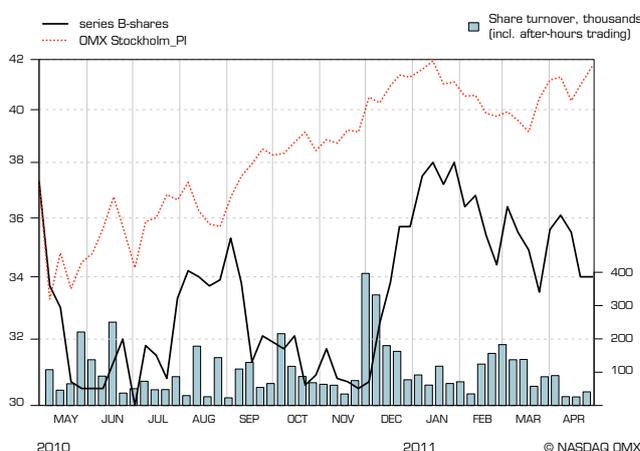
THE SHARE

Sectra's Series B share has been listed on the OMX Nordic Exchange in Stockholm since March 1999. The share is traded on the Nordic list in the Small-cap segment and the Healthcare Equipment sector.

Share price performance since listing



Share price performance 2010/2011



The total number of shareholders is 5,110 (5,409). The number of shares traded during the fiscal year was 5.4 million. This corresponds to a turnover rate of 0.16 times (0.14).

Price trend

The last price paid at the balance-sheet date was SEK 34.00 (37.30), corresponding to a market capitalization of SEK 1,164 million (1,276). The share price declined 8.8% during the fiscal year. The Stockholm Exchange's Total Index during the same period increased by 11.5%. The highest quotation for the share was SEK 38.60 on February 1, 2011, while the lowest was SEK 29.00 on December 2, 2010.

Share capital

Sectra's share capital at the balance-sheet date totaled SEK 36,842,088, distributed among 36,842,088 shares. Of these shares, 2,620,692 are Series A shares and 34,221,396 are Series B shares. All shares carry equal rights to the company's assets and earnings. One Series A share confers ten votes, while one Series B share confers one vote.

Full conversion and exercise of the issued incentive programs would increase the number of shares by 791,400, corresponding to 2.1% of the share capital and 1.3% of the votes. Accordingly, the number of shares after full dilution amounts to 37,633,488. For further information on issued incentive programs, see Note 2 on page 39.

Dividend and policy

For fiscal year 2010/2011, the Board of Directors and the President propose that no dividend is distributed. The Board of Directors' basic premise is that the dividend should represent a balance between the desire for a direct return and the company's need for capital for growth and international expansion. In the long term, the Board intends to distribute an average of 15-20% of after-tax profit to shareholders.

Analyses

The following analysts continuously monitor Sectra's performance and publish analyses:

- > Carnegie, Marcus Bellander
ph: +46 (0)8 676 87 39
- > Handelsbanken Capital Markets, Björn Olander
ph: +46 (0)8 701 10 00
- > Nordea Markets, Patrik Ling
ph: +46 (0)8 614 70 00
- > Redeye, Klas Palin
ph: +46 (0)8 545 013 44
- > SEB Enskilda, Johanna Ahlqvist
ph: +46 (0)8 522 295 00

Share capital development

Date	Transaction	Increase in no. of shares	Total no. of shares	Increase in share capital	Total share capital
1998/1999	New issue at listing	500,000	10,500,000	1,250,000	26,250,000
1999/2000	New issue	420,315	10,920,315	1,050,787	27,300,787
2000/2001	Bonus issue par SEK 2.50 to SEK 3.00	0	10,920,315	5,460,158	32,760,945
2000/2001	Split 3:1, par SEK 3.00 to SEK 1.00	21,840,630	32,760,945	0	32,760,945
2002/2003	Redemption of convertibles	315,566	33,076,511	315,566	33,076,511
2003/2004	Redemption of employee options	75,000	33,151,511	75,000	33,151,511
2003/2004	New issue	2,700,000	35,851,511	2,700,000	35,851,511
2004/2005	New issue	540,540	36,392,051	540,540	36,392,051
2004/2005	Redemption of convertibles	11,200	36,403,251	11,200	36,403,251
2004/2005	New issue	47,387	36,450,638	47,387	36,450,638
2004/2005	Redemption of employee options	54,667	36,505,305	54,667	36,505,305
2004/2005	Redemption of employee options	23,333	36,528,638	23,333	36,528,638
2005/2006	Redemption of convertibles	169,550	36,698,188	169,550	36,698,188
2005/2006	Redemption of employee options	28,333	36,726,521	28,333	36,726,521
2005/2006	Redemption of employee options	20,000	36,746,521	20,000	36,746,521
2006/2007	Redemption of employee options	36,667	36,783,188	36,667	36,783,188
2007/2008	New issue	58,900	36,842,088	58,900	36,842,088

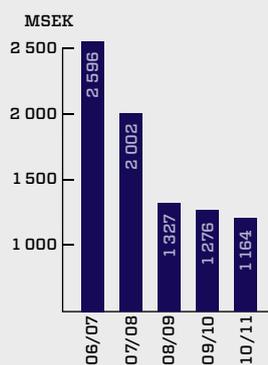
Ownership structure at April 30, 2011, and thereafter known changes

Owner	No. of A-shares	No. of B-shares	Share of capital	Share of votes
Torbjörn Kronander ¹	765,439	2,585,484	9.1%	16.9%
Jan-Olof Brüer ¹	765,441	2,582,304	9.1%	16.9%
Nordea Funds	0	6,010,360	16.3%	9.9%
Frithjof Qvigstad	262,866	1,902,519	5.9%	7.5%
IF Skadeförsäkring AB	0	4,356,300	11.8%	7.2%
Viiveke Fåk	221,700	1,088,150	3.6%	5.5%
Robert Forchheimer	202,203	1,178,104	3.7%	5.3%
Ingemar Ingemarsson	221,347	300,999	1.4%	4.2%
Thomas Ericson	136,329	857,658	2.7%	3.7%
Fjärde AP-fonden	0	1,861,651	5.1%	3.1%
Total for ten largest shareholders	2,575,325	22,723,529	68.7%	80.2%
Other owners with more than 1,000,000 shares, 32 shareholders	35,335	4,678,998	12.8%	8.3%
Owners with 10,001–100,000 shares, 93 shareholders	9,516	2,620,991	7.1%	4.5%
Owners with 1,001–10,000 shares, 1,009 shareholders	516	2,916,386	7.9%	4.8%
Owners with up to 1,000 shares, 3,966 shareholders	0	1,281,492	3.5%	2.1%
Total 5,110 shareholders	2,620,692	34,221,396	100%	100%

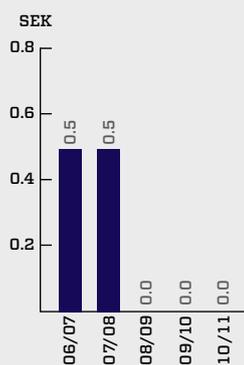
¹ Number of shares comprises direct shareholdings and holdings through family and companies.

Source: Euroclear Sweden AB

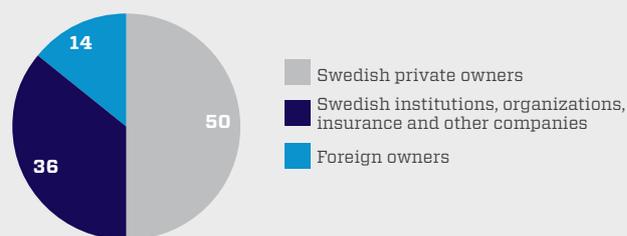
Market capitalization



Dividend per share



Ownership structure in relation to capital %



THE TEAM THAT MAKES SECTRA A WORLD LEADER

Leading-edge expertise, experience and knowledge of the customers' business and multi-cultural environments will maintain Sectra's world-leading position in the company's niche areas.

Sectra strives to employ people with not only solid expertise and a passion for their work. A positive attitude, the ability to instill confidence and trust among customers and colleagues, and a capacity for learning and sharing knowledge are essential qualities in a Sectra employee.

"Sectra offers excellent opportunities for employees to influence their job situation. But employees are also expected to take a large degree of responsibility for the work they are employed to perform," says President Jan-Olof Br ur.

Recruitment

During the fiscal year, 91 new employees with leading-edge expertise in various areas were recruited. This includes people with long experience as well as new graduates. At the end of the fiscal year, Sectra had 606 permanent employees, an increase of 1% compared with the preceding year. An additional 30 people are employed on a project basis. To facilitate the recruitment of future talent, Sectra offers prospective university graduates an opportunity to complete some of their education with the company through practice periods and thesis work.

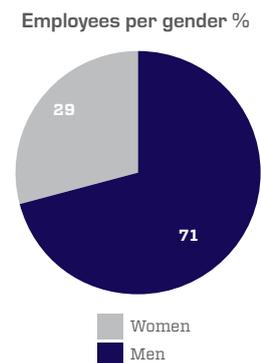
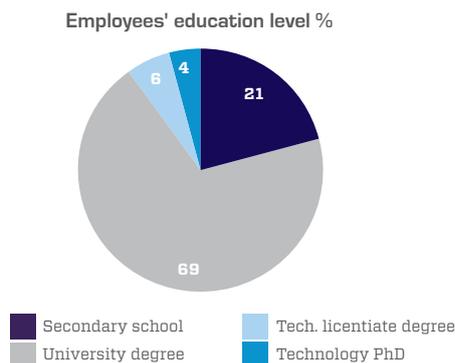
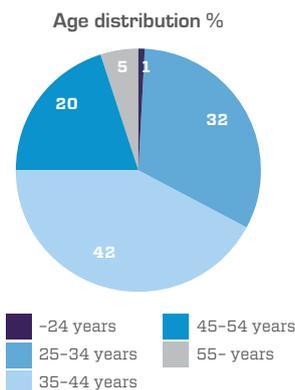
Skills and development

Sectra works actively to ensure that employees have the right skills to perform quality work. This takes place through courses, training programs, certification programs and instruction. Employees with high potential can be nominated for a basic training program where they can develop their leadership ability. Sectra also has a tradition of encouraging employees who want to specialize. Sectra's largest business area offers an annual program for employees, for example, who have been nominated for senior employee positions.

Multicultural environment

Employees from some 30 countries work at Sectra and contribute their experience from different cultures and environments. This multicultural environment is a basic premise for Sectra's international expansion. Cooperation within the Group is encouraged. Internal rotation between departments, countries and job assignments is promoted, since collective expertise can then be fully utilized.

Most of Sectra's employees have academic training and many have engineering degrees. A large number are university graduates, and 5 professors and 24 people with technology doctorates are linked to the operations.





MEDICAL SYSTEMS

THE YEAR IN BRIEF

- > Strong growth in Mammography product division.
- > We have upgraded a third of our PACS customers to the most recent generation of Sectra PACS.
- > Breakthrough orders in Middle East and Canada.
- > Increased use of Sectra online services for analysis of osteoporosis and rheumatoid arthritis.
- > Introduction of Sectra Visualization Table, a unique product for visualization and cooperation in healthcare.
- > Positive research results from clinical studies of spectral mammography.

Business concept

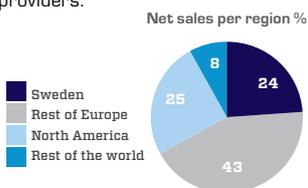
Increase effectiveness of healthcare, while maintaining or increasing quality in patient care.

Customers

Public and private healthcare providers.

Geographic market

Europe, North America, Australia/New Zealand, Japan and the Middle East.



Market position

Sectra's medical systems handle more than 55 million radiology examinations annually, making Sectra one of the world's leading suppliers of IT systems for managing radiology images.

Products and services

Sectra's products and services enable the healthcare sector to work more efficiently with its existing resources.

IT-systems:

- > management of radiology images (PACS) and radiology information (RIS)
- > planning orthopaedic operations
- > review of mammography images
- > software applications from other suppliers
- > systems components from sub-suppliers

Products:

- > digital radiology equipment for mammography
- > visualization table
- > check-in terminal

Online services:

- > tools for planning orthopaedic operations
- > managing and archiving radiology image
- > analysis of osteoporosis
- > analysis of rheumatoid arthritis

Professional services:

- > analysis and business development
- > integration and data migration
- > maintenance
- > upgrades
- > customer training

HIGHER VOLUMES AND NEW MARKETS

More and more customers are choosing Sectra's medical products and services. We implemented a number of major medical IT projects for customers wishing to coordinate the management of their radiology information and images. We also grew rapidly in the mammography market.

The business area was dominated by activities aimed at expanding volumes in the Mammography product division and by upgrades of existing installations of Sectra's systems to manage medical images. We also secured breakthrough orders in new markets.

Financial outcome

Medical Systems' net sales rose 2.6% to SEK 830.9 million. The increase was mainly attributable to sales in Northern Europe and Australia. A growing share of income derived from the multi-year licensing, service and upgrade customer agreements. The largest product division, Radiology IT, represented 84.7% of the business area's net sales. The Mammography product division boosted sales by 34.6% to SEK 127.2 million.

Operating profit for the business area amounted to SEK 3.7 million, corresponding to an operating margin of 0.5%. Operating loss for the Mammography product division was SEK 64.3 million (loss: 79.0). Radiology IT continued to report robust profitability. Adjusted for the deficit in the Mammography product division, the business area's operating profit totaled SEK 68.0 million, corresponding to an operating margin of 9.7%.

Mammography sales experiencing sharp growth

An increasing number of customers are discovering the advantages of low-dose mammography and sales volumes of our mammography system, Sectra MicroDose Mammography, grew strongly during the year. Sales rose primarily in the UK, France and Australia. A total of 88 Sectra MicroDose systems were delivered, up 60% on the preceding fiscal year. Higher sales volumes and service income, as well as quality improvements, contributed to reducing the product division's deficit.

New generation of IT systems

In our Radiology IT operations, we are advancing our products by adding functions that enable customers to use their resources more efficiently. We upgraded approximately a third of our PACS customers' systems to the new product generation in 2010/2011. This generation provides the user with more rapid and secure access to radiology images and other medical images regardless of where they are in the world.

The new product generation has advantages for both Sectra and customers in terms of upgrade costs. Customers' downtimes during the upgrade and the costs for making workstations available at the hospital are reduced. Sectra reduces its costs for upgrading systems to new versions. The shift in generation involves an initial cost that is charged to earnings for the product division, since the change is included in the ongoing upgrade agreement

signed with most of our customers. Under current plans, most customers will be using the new generation by the end of the next fiscal year.

Increase in online services

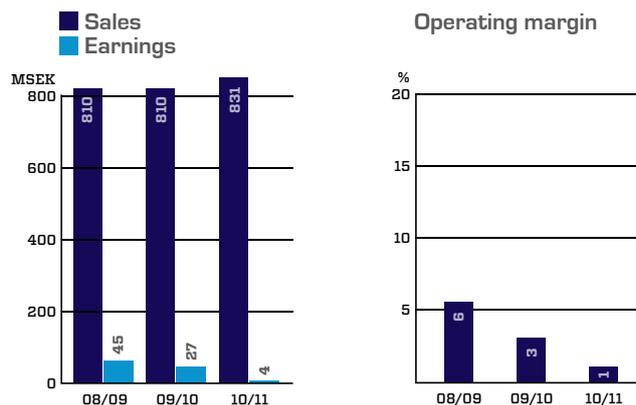
One of our key future areas is delivering medical imaging services in "the cloud," meaning online. The market for these services is growing in pace with the increasing acceptance in the healthcare sector for the Internet as a tool. In 2010/2011 we increased the sale of such online services as analysis of evaluations of osteoporosis and rheumatism, tools for pre-operative planning in orthopaedics and PACS online.

Region-wide IT solutions

Sectra's experience of major complex installations of medical IT systems is a strength since many care providers with geographically diverse operations are now choosing to coordinate the management of their radiology images and patient information. During the year, regions including Skaraborg in Sweden, Kent in the UK and the state of Queensland in Australia invested in such IT solutions from Sectra. Partnerships with customers are long term and the new agreements are valid for more than at least five years.

MicroDose enters North American market

Following the approval of the authorities in Canada and the US, Sectra entered the North American market with its Sectra MicroDose Mammography. A partnership for the distribution of the system in Canada commenced with Xtron Imaging. Shortly after approval was granted in Canada, the first North American order for four Sectra MicroDose systems was received from a chain of private clinics in Toronto, Trillium Imaging Associates.



FOCUS ON PROFITABILITY

The market for efficiency enhancing IT solutions for healthcare continues to expand. With extensive experience of medical IT, stable solutions that can meet the difficult challenges of healthcare and new innovative products and services, we are assisting customers in increasing their productivity.

Over the forthcoming fiscal year, the primary target of the business area is to enhance profitability. This will take place by increasing sales in markets where we have a strong position and ventures in new countries, and by reducing costs in production, service and support. Also, our new innovative product offerings, primarily the delivery of online medical imaging services, are vital to the long-term expansion of Medical Systems.

Enhanced profitability

In 2010/2011, Sectra carried out a number of activities that created a platform for enhanced profitability. These activities included upgrades to the new generation PACS and relocating the manufacturing of certain components included in Sectra MicroDose Mammography to subsuppliers in Asia. In 2011/2012, Sectra will implement additional measures to improve cost efficiency:

- > Focus on our online medical imaging services, a delivery model that is highly scalable and has major cost and operations advantages for both our company and our customers.
- > Ancillary sales to existing customers, sales in new markets and our new product offering will contribute to higher sales volumes.
- > Product development of radiology IT systems is to be concentrated to further automate and standardize our installation and

upgrade work.

- > Heightened coordination of internal IT systems and resources, quality improvements in internal processes, for example, sales and IT security.

Numerous and long-term customer relations

A significant portion of our income derives from multi-year commitments with our customers, primarily in Radiology IT. This long-term customer base serves as a robust platform for additional sales of products and services that can further enhance the efficiency of our customers' operations. Examples of this are PACS customers that also choose Sectra as the supplier of systems for the management of patient information, RIS. Accordingly, customers receive a total solution for imaging and information management that generates efficiency throughout the entire care chain and contributes to shortening response times to referring units. In turn, this leads to shorter waiting times for patients.

In addition to our investments in existing markets, we are working together with partners in a number of new markets such as the Middle East and Japan. Partner sales are essential to our future international expansion.

The prototype underpinning Sectra's new visualization table garnered widespread media and industry attention. The project was commented on in many blogs, magazines and TV features throughout the world, including The Economist, Svenska Dagbladet and US TV show NOVA Science. The product was also selected as an example of Swedish innovation at The Health Weeks at the Swedish embassy in Washington D.C. and the World Expo in Shanghai.





We are expanding our offering with new, innovative products that will assist customers in becoming even more efficient.

New mammography markets

Sectra MicroDose was approved for sale in Canada and Russia in 2010/2011. Sectra MicroDose also received FDA clearance in the US, which finally opens the world's largest mammography market to Sectra's low-dose mammography.

"Until now, digital mammography systems in the US have managed to reduce the radiation dose slightly below those of film-based systems," says Dr. Jesper Söderqvist, President of Sectra's mammography operations. "American mammography service providers will now have access to a system that provides high-quality imaging at half the dose."

The mammography markets in which Sectra is already an established supplier are continuing to grow and we are focusing on increasing these volumes. We are also working on securing approval in more Asian markets and other emerging markets where the occurrence of breast cancer is rapidly rising due to lifestyle changes. Sectra has, to date, mainly conducted operations in the more mature Western economies.

EFFICIENCY-ENHANCING HEALTHCARE INNOVATIONS

Customer requirements and Sectra's knowledge of market trends govern our development activities and product renewal. Working together with users, universities and research centers, Sectra develops solutions that maximize value for customers, for example, we have a long-standing and close partnership with the Center for Medical Image Science and Visualization (CMIV), www.cmiv.liu.se.

Online services advancing

The planning of orthopaedic procedures, analysis of osteoporosis, analysis of rheumatism and PACS services online is growing rapidly, but these remain minor product divisions compared with our most established areas.

PACS online, which we have mainly delivered in Denmark to date, will be gradually expanded to more countries. In the forthcoming year, we will investigate sales to customers in Sweden and Germany, countries where regulatory requirements are in place for healthcare to introduce this type of online service.

Globally unique visualization table

As a result of our close cooperation with prominent researchers at Linköping University, CMIV, Visualization Center C and Interactive Institute, we launched the Sectra Visualization Table during the year. This visualization table enables teams of physicians to work with three-dimensional radiology images in an entirely new manner. The main areas of use are operation preparations, virtual autopsies and teaching.

Check-in terminal saves time for healthcare personnel

Sectra has developed a check-in terminal for patients to register and pay for their visits. The terminal also tells customers which examination room they are to go to and any waiting times that day. This makes work easier for healthcare personnel in directing patients to the correct department straight away, instead of patients needing to queue in front of a staffed reception desk.

RESEARCH INTO BETTER CARE

Visualization of large and complex volumes of data

Modern imaging equipment produces extremely high volumes of data meaning that an increasing amount of imaging information needs to be reviewed. If managed correctly, healthcare will have new and improved opportunities to diagnose and follow up treatments, but time for reading the enormous amount of material is limited. In addition, the dimensionality of imaging is increasing and physicians need to factor in more indicative data. Sectra conducts research and development in visualization, imaging management and cognitive science aimed at enhancing efficient for customers and the option of utilizing the relevant information contained in the large volumes of data.

New cancer detection method

Sectra's unique photon-counting radiology detector is used to produce new methods that may improve breast-cancer diagnosis. One method is spectral mammography, which distinguishes different types of tissue from a standard mammography image and could potentially reduce the number of healthy women who are called back for further examination. This new method is now undergoing clinical study.

MAMMOGRAPHY AND OSTEOPOROSIS ANALYSIS DURING THE SAME EXAMINATION

Osteoporosis is one of the most painful and costly endemics. Women have the greatest risk of being afflicted by the disease and using Sectra's online service, they can be examined for osteoporosis in conjunction with their routine mammograms. The extra examination takes about 40 seconds.

In a partnership project between Karolinska Institutet, Unilabs Tumba and Sectra, 10,000 women are being offered to take the combine examination. Women who are at high risk for osteoporosis are called to osteoporosis clinics for further examination.



Torbjörn Kronander, President of Sectra's medical operations, on the future

What markets will account for growth in Medical Systems?

We will grow in all production divisions. Sectra's IT products and services enable more efficient and patient-focused healthcare, which we consider a prerequisite for care providers managing the major challenges related to the demographic trend. Our online services will become increasingly important as the markets mature, since they allow society and care providers to make substantial savings in care and treatment.

It is important for us to expand in markets in which we have a strong position, such as Northern Europe and North America. We will increase our customer base and continue to support our existing customers in their endeavor to become more efficient. For example by using our new product and service offering, which facilitate review of images, the planning of procedures and selection of medication.

What are the greatest opportunities for Medical Systems?

In most of our radiological IT system markets, sales have entered a new phase where customers are investing in their second system. These customers are often more knowledgeable and specific in their demands, which favors skilled IT companies, such as Sectra. The UK, Middle East and US will be key replacement markets in the coming years. In the US, low radiation doses are high on the agenda. This is a major advantage for us, now that we are entering the US market with our low-dose mammography system.

Another major opportunity is our ability to offer cost-effective osteoporosis assessments in conjunction with a woman undergoing her mammogram, using Sectra MicroDose and other suppliers' mammography equipment. This area offers major potential socioeconomic gains.

What are the most significant risks?

The radiology and mammography markets are exposed to pricing pressure from minor players and companies that "have their back against the wall," mainly the former film suppliers. Certain markets are also still suffering from the aftershocks of the financial crisis and will be impacted by this for a long time to come, which influences pricing and our customers' investment capacity.

To facilitate investments, we offer various financing models. The market is increasingly adopting SAAS solutions (Software As A Service), meaning that suppliers provide systems at a lower initial investment from the customer, who instead pays for its day-to-day use.

How is Sectra dealing with the price trend?

We continuously endeavor to enhance the production efficiency of Sectra MicroDose. To reduce our production costs, we are relocating some of the supply base to low-cost countries. We are also pursuing cost reductions in conjunction with the installation of upgrades of our radiology IT systems. Our cost-efficiency efforts also include expanding Sectra's offering of new products, which could result in ancillary sales for existing customers.

Finally, Sectra will compete by offering higher expertise and skills than our competitors in terms of, for example, the efficient management of large data volumes, the integration into massive and complex network environments and business development. Such expertise is valuable to customers and warrants a higher price.

How will Sectra achieve its aim to become the world leader?

Our most important asset is satisfied customers. Providing a competitive offering that helps them become more effective gives us every opportunity to continue growing. Our product development and research are to ensure our customers that we are always at the forefront. We are already the market leader in certain niches, such as PACS for mammography, and we will capitalize on this by allowing these niches to comprise the base of our continued expansion.

MORE AND BETTER CARE AT A LOWER COST

Average life expectancy and the percentage of elderly are rising throughout the industrialized world, which imposes considerable pressure on health and medical care providers. Meanwhile, political decisions are being made to limit public spending on health and care services.

Sectra has developed and sold medical systems for more than 20 years, offering products with a strong link to overcoming the challenges in the demographic trends.

IT-SYSTEMS FOR MEDICAL IMAGES AND RADIOLOGY INFORMATION

Extensive need for efficiency and communication

Fewer resources, insufficient medical specialist expertise, a continuous rise in the number of patients and increasing care needs per patient are resulting in a higher demand for efficiency and greater resource utilization in the healthcare sector. The target group for Sectra's IT products and services primarily comprise production-oriented care providers requiring IT support for effective operations. Our solutions enable these providers to enhance the efficiency of their flows and processes, leading to faster diagnoses and improved care.

Replacement markets

Northern Europe and North American account for the greatest proportion of Sectra's radiological IT sales. These are mature markets with many players where growth is driven by replacement business, ancillary sales to installed bases and, to a certain extent, new sales.

A global supplier

Sectra has successfully delivered some of the largest PACS installations in the world and our products are deployed by more than 1,150 care providers. In Scandinavia, Sectra is the market leader in PACS and RIS with a share of more than 50%.

Sectra competes with global companies, which offer broad product ranges, and with more specialized regional companies. Sectra's principal competitive advantages are its extensive experience in radiology IT and major medical IT installations. Sectra also has a large customer base, stable products and service-minded employees.

MAMMOGRAPHY

Mammography saves lives

Breast cancer is the most common form of cancer and the most frequent cause of death among women between the ages of 35 and 59. Mammography is the only method for early cancer detection that is proven to reduce the rate of mortality among breast cancer patients.

Limiting the radiation dose to which a patient is exposed during mammography is vital. Sectra MicroDose Mammography allows mammograms to be conducted using half the radiation dose of other digital or film-based mammography systems. Sectra's photon counting detector technology is the key to reducing the radiation dose without affecting the high image quality required for mammographies. This technology also comprises an excellent platform for developing new mammography methods, such as spectral mammography.

Sectra MicroDose in 20 countries

Sectra MicroDose is used in most major mammography programs in Europe. The product contributes to reducing the radiation dose during mammograms in Sweden and in another 17 countries, as well as Australia and New Zealand. Sectra holds the largest market share in Scandinavia and France at about 20%. Attractive new markets for Sectra are the US, Canada, Japan, Russia and the Middle East.

Growth in the market for digital mammography systems is being driven by the transition from analog to digital radiology technology, primarily as a result of technological advancements and digital technology's ability to facilitate increased productivity. In Canada, for example, the transition has just begun. In markets where digitalization began early, such as in the US, the earliest digital systems are also beginning to be replaced.

		Radiology IT-systems ¹ , Sectra RIS/PACS	Mammography-equipment, Sectra MicroDose
Size 2010	Europe	USD 739 million	USD 202 million
	North America	USD 1,066 million	USD 453 million
	World market	²⁾	USD 798 million
Growth average per year ⁴⁾	Europe	10 %	4 %
	North America	4 %	5 %
	World market	4-10 %	5 %

Market size and growth rate

¹⁾ Source size and growth: Frost & Sullivan.

²⁾ Source size and growth: Global Data.

³⁾ No information available but, according to the rule of thumb that the US accounts for half of the global market for our type of products, the amount should total approximately USD 2 billion.

⁴⁾ Refers to 2009-2016 for RIS/PACS and 2010-2017 for digital mammography equipment.



ORTHOPAEDIC PRE-OPERATIVE PLANNING

Hip and knee replacement surgery increasing worldwide

More than 151 million people worldwide suffer from osteoarthritis, the most common cause of hip and knee replacement surgery. In 2010, about three million hip and knee replacement procedures were conducted globally, which is expected to rise as the population ages and lifestyles change.

Sectra offers digital planning tools for the most common orthopaedic procedures. These tools enable orthopaedic surgeons to achieve the best possible efficiency and procedure outcomes. The product is primarily offered as an online service that works regardless of what type of PACS supplier the customer uses, but also as an installed software license as a component of Sectra's PACS.

Strong domestic market

Sectra is the market leader in orthopaedic planning in several markets, the strongest of which is Scandinavia where we have a share of about 60%. Some of the customers who use Sectra's planning tools include the Karolinska University Hospital in Stockholm, the Hospital for Special Surgery in New York and the Royal National Orthopaedic Hospital outside London.

ONLINE SERVICE FOR OSTEOPOROSIS ANALYSIS

A costly endemic

Some 200 million people are estimated to suffer from osteoporosis, most of whom are post-climacteric women. Nine million osteoporosis-related fractures, primarily radio carpal, hip and vertebra fractures occur annually. The fractures cause severe discomfort for patients and substantial convalescence costs for society. Today, this treatment is inexpensive, although in most cases the disease is unfortunately not diagnosed until it results in a fracture.

Cost-effective diagnosis

Using Sectra's method, which is offered as an online service, a hand X-ray provides scientifically accepted documentation for the diagnosis of osteoporosis. The image can be taken at the same time as the breast images during the mammogram and using the same radiology equipment.

The rapid and cost-effective method enables screening programs for osteoporosis, meaning that patients can be identified and treatment started at an early stage, even prior to the first fractures. An invitation for osteoporosis screening during a mammography could also increase participation in the mammography screening program.

A political decision

The market for combined mammography and analysis of osteoporosis is largely affected by whether screening programs for osteoporosis will be implemented, which is a political decision. The US is a leading country where it is recommended that women regularly examine their bone health from the age of 65.

ONLINE ANALYSIS OF RHEUMATOID ARTHRITIS

Right medication for the right patient

Rheumatoid arthritis is a serious chronic disease. Medications are effective but costly. One year's treatment of biological preparations can, in Sweden, cost more than USD 15,000, which in many cases requires lifelong treatment following the onset of the disease. To select the most effective medication and treatments, the medical profession and healthcare funders require objective indicators and decision-making support.

Sectra offers these customers an online service whereby rheumatoid arthritis is analyzed through hand X-rays of patients. The analysis is entirely objective and makes it easier for physicians to assess and prioritize patients. Sectra's services are currently used by pilot-program customers in Scandinavia and the Netherlands, although clinical trials are being conducted globally.

Examples of competitors

	Radiology IT-systems	Mammography equipment	Analysis of osteoporosis and rheumatism	Planning of orthopaedic operations
AGFA	X			
Fuji	X	X		
General Electric	X	X	X	
Hologic		X	X	
McKesson	X			
Philips	X	X		
Siemens	X	X		
Voyant Health				X

SECURE COMMUNICATION SYSTEMS

THE YEAR IN BRIEF

- > EU selects Sectra as supplier of secure telephony
- > Major order from the Swedish Defence Materiel Administration (FMV) for Sectra's encrypted telephony products.
- > Renewed framework agreement between Sectra and the Department of Defense in the Netherlands.
- > Sectra's communication solution for customers that wish to utilize a smartphone to make secure telephone calls is approved by the Dutch security authorities.

Business concept

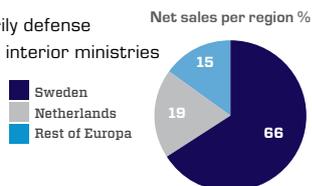
To be the leading supplier of secure communication systems for government authorities and defense organizations in Europe.

Customers

Government agencies, primarily defense organizations and foreign and interior ministries

Geographical market

Europe



Market position

Sectra is one of the leading suppliers of crypto products in Europe. Sectra's products for secure telephony are used in most EU countries. In Sweden, Sectra is the leading supplier of crypto products to government agencies.

Products and services

Sectra has developed and sold products and services for secure communication since 1978 when the company was first founded. The products are approved by the EU, NATO and several national security authorities.

Crypto products and systems for:

- > secure voice, text and fax communication
- > secure networks for data and telecommunication
- > security administration and generation of encryption keys
- > secure radio communications in TETRA networks and tactical military networks

Service offering:

- > customized cryptographic engineering
- > subscription for secure voice
- > installation and operation
- > security administration
- > service and support agreements
- > customized customer training

CONTINUED TRUST IN EUROPE

Taking care of a country's most sensitive information requires trust. Sectra's products for secure communication continue to be the solution of choice for many European decision makers. This was manifested in autumn 2010 when the EU Council announced that Tiger XS would be the product used for secure telephony within the European Union.

Activities during the year were mainly characterized by the business area's efforts to encourage more people to protect their voice communications with our Tiger XS product.

The EU chooses Sectra

In autumn 2010, a framework agreement was signed with the EU Council entailing that Sectra will supply all EU countries with products for secure telephony. The products will be used in an EU-wide minister network. This joint solution for secure voice communications will contribute to a higher level of security in Europe. The first products were delivered during the year.

Collaboration around security in Sweden

The Swedish Defense Forces and Swedish Civil Contingencies Agency (MSB) continue to work for higher levels of security and to protect highly sensitive information from new threats. The Swedish Defense Materiel Administration (FMV) therefore ordered more products for encrypted telephony from Sectra during the year. This included a large order of Tiger products, including service and support agreements for the equipment, worth SEK 36 M. The products shall upgrade existing equipment and give more users access to secure communication systems.

Renewed trust in the Netherlands

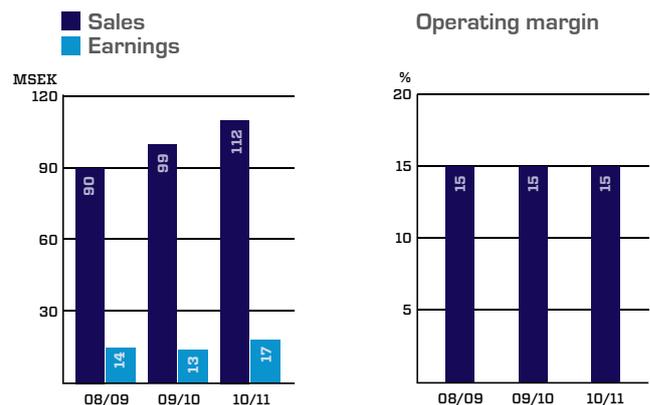
Sectra and the Ministry of Defense in the Netherlands have renewed the framework agreement for supplies of products from the Tiger family. Orders will be placed over the next three years in pace with the customer's needs to equip the Dutch defense departments and central military command with products that protect voice and data communication from eavesdropping. Service and support is included in the agreement.

Radio communications for essential public services

Sectra has previously supplied TETRA encryption to protect radio communications in Rakel, the Swedish TETRA network, which is used for essential public services such as the police force, coast-guard, customs and the Swedish Defense Forces. To simplify the use of security functions in the TETRA network, the FMV assigned Sectra to develop a server solution for the wireless distribution of encryption keys. The solution will considerably simplify the management of encryption keys, which in turn shall promote an expanded and secure collaboration within and between user groups. The new solution is scheduled for completion during spring 2012.

Profitable growth

Net sales for the business area increased 12,3% to SEK 111,8 M. Operating profit rose 11,3% to SEK 16,8 M, corresponding to an operating margin of 15,0%.



GOVERNMENT AGENCIES NEED HIGHER SECURITY



Tiger 7401, new model of Sectra's secure mobile telephone, Tiger.

The development and security approval of new products in recent years ensures continued expansion of the business area.

New product in the Tiger family

The new model of Tiger, Sectra's secure mobile telephone, was demonstrated for the first time in 2010/2011. The latest model, Tiger 7401, will function together with Sectra's successful voice crypto Tiger XS and the voice crypto Sectra Panthon.

Go-ahead for secure smartphone

Dutch security authorities approved Sectra's voice crypto, Sectra Panthon, during the year. Panthon enables government officials and decision makers who handle sensitive information to make secure telephone calls with a smartphone. Panthon supports mobile IP telephony and also has a unique security solution, Phone Integrity, which protects the telephone from malware. The target group for this product is much broader than the Tiger offering target group.

Product area on the rise

During the year, the FMV assigned Sectra to start developing a high-speed crypto for the secure transfer of large amounts of information in civilian and military networks. Ternety is the name of the new product, and deliveries to Swedish government agencies will commence during 2012. Sectra will also market and sell the product outside Sweden.

Development of a high-speed crypto is one example of the customized cryptographic engineering that we carry out, which is an important part of the business area's operations.

The headings concerning information leaks in connection with the WikiLeaks' revelations have helped raise awareness of information security issues.

Michael Bertilsson, President Secure Communication Systems, on the future



How can Sectra contribute to greater risk awareness in the community?

In the Swedish market, we collaborate with the Swedish Defense Forces and Swedish Civil Contingencies Agency in dialogs about the importance of being prepared for new threats and working to prevent information leaks. These issues must be raised in media and made visible at conferences and trade shows in order to increase security awareness in the community.

How will you continue to expand the business area?

We will maintain our focus on the European market where we have customers in more than half of EU's countries. Our goal is ultimately to sell crypto products for secure speech and secure networks to all EU countries. Our Panthon product, which enables secure calls with a smartphone, will soon be offered to users in the Restricted segment, which is a significantly larger target group than for our Tiger product. Our latest model of the Tiger mobile telephone will give us the chance to grow in the Secret segment. And we are looking forward to completing the development of Ternety, our new high-speed crypto for large data volumes so that we can commence sales to government agencies and defense departments in Sweden and the rest of Europe.

Will you focus on any new target group?

Government officials who communicate Restricted information on a daily basis are a new target group for us. Sectra Panthon is a good solution for them.

What are the operation's greatest opportunities and risks?

It is, of course, positive for our business that more and more organizations and end users are learning how easy it is to be eavesdropped and the risks they face for undesired information leaks. This leads to a greater demand for secure communication solutions.

Business discussions in our industry are long-term. However, the weakened economic situation in several European countries influences some of our discussions in that the business cycle is slightly longer than usual.

What would you like to focus on during the coming year?

Coming even closer to end users, meeting their needs with the right products. This is a basic premise for continuing to develop and broaden our product portfolio. Our focus remains exclusively on the European market, but on broader target groups. I am referring specifically to the target group that at present cannot communicate securely with a smartphones and therefore needs a product such as Panthon.



SECURE COMMUNICATION SYSTEMS

Getting the new model of Tiger approved and ready to sell is a top priority during the coming fiscal year, as is the development of our new high-speed crypto.

We will also build on our relations with security authorities, purchasing organizations and end customers in our home markets Sweden and the Netherlands. This is where Europe's leading expertise in encryption is located, which is a major bonus for us and for our customers in other countries.

GROWING AWARENESS OF RISK FOR EAVESDROPPING

Over the past year, there were many headlines containing news about information leaks and how easy it is to eavesdrop on a mobile telephone call or take over a smartphone. To eliminate the risk for sensitive information falling into the wrong hands, many organizations need to equip their employees with tools for secure communication.

The business area's largest product area, secure voice, is receiving growing attention. Today's telephony is easy to eavesdrop and security awareness is increasing. However, many organizations undervalue the significance of their information and thus do not protect it. This applies particularly to smartphone users.

"The headings concerning information leaks in connection with the WikiLeaks' revelations have helped raise awareness of information security issues. However, very few people take measures to reduce the risk of information leaks and eavesdropping. Probably because they don't think they handle desirable information. But small pieces of information here and there can lead to undesirable information landing in the wrong hands, and constitute a threat to a nation, group or individuals," says Michael Bertilsson, President of Sectra Communications.

Europe in focus

Sectra markets and sells secure communication systems exclusively in the European market. Sweden and the Netherlands are the company's home markets. In these countries, crypto products are on the cutting edge of development and use, and Sectra is the market leader in crypto products for secure telephony.

User groups

Users of secure communication solutions mainly comprise government agencies, defense organizations and foreign and interior ministries.

Crypto products for different security levels

Four levels are generally used to classify information in Europe, which define the sensitivity of the information and how it should be handled: Top Secret, Secret, Confidential and Restricted. The levels are connected to how much the information could endanger national security if it fell into the wrong hands. There is also a growing interest in being able to protect sensitive unclassified but

confidential information. In Sweden, a KSU (Crypto for Sensitive Information) framework is being planned for this type of information.

Sectra sells products that are approved for Secret and Restricted classification levels. A person who needs to communicate sensitive information that is classified as Secret should use Sectra Tiger for secure mobile, fixed and data communication. If the information is classified as Restricted, or is confidential, Sectra Panthon is an excellent product. The number of users who need products to protect information up to Restricted level is estimated to be ten times higher than users at the Secret level. This means that Sectra's products in this field have a major potential for the future.

Difficult economic situation

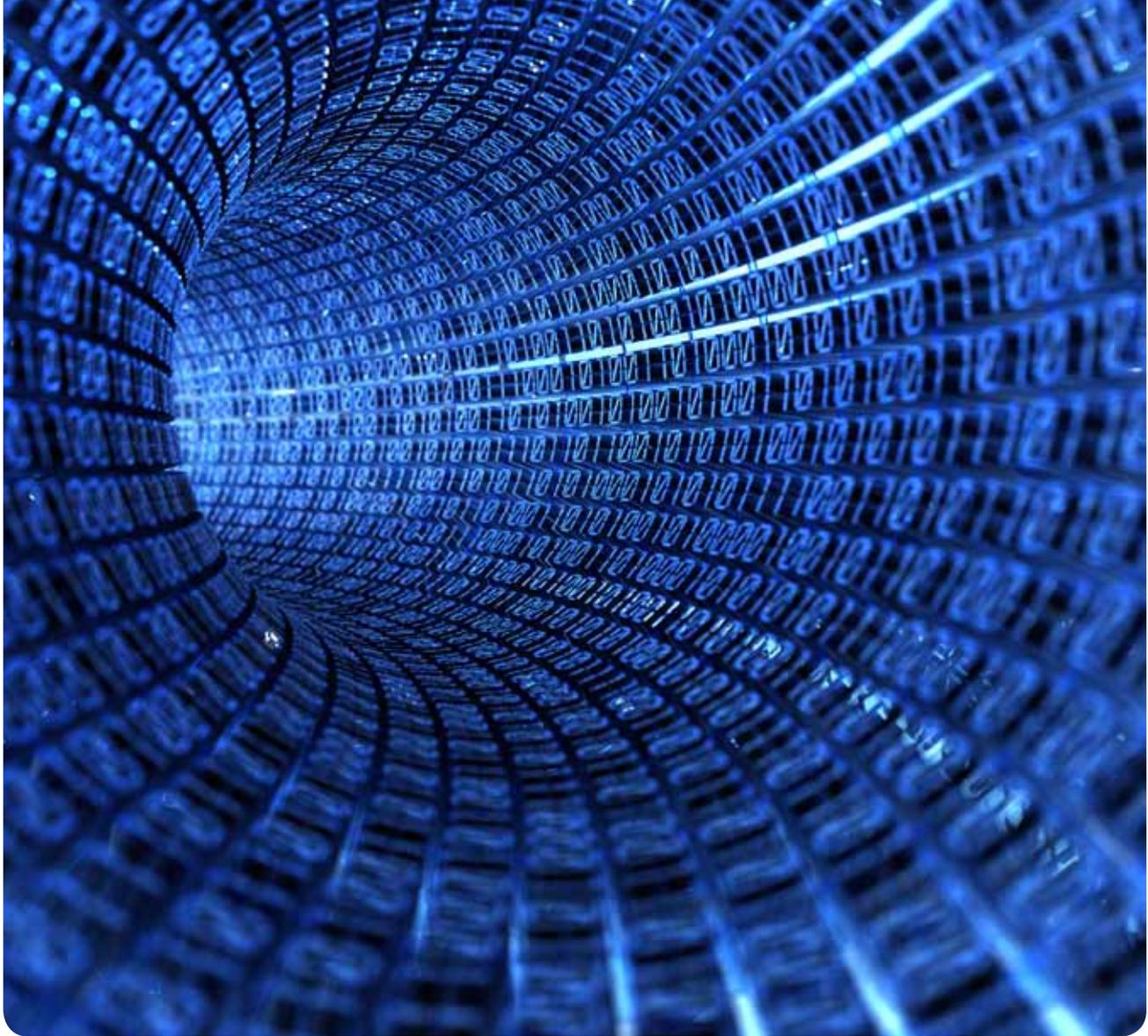
Greater security awareness increases the size of the market. On the minus side, many European countries are currently facing a difficult economic situation. This impacts the investment capacity of individual countries, as well as EU and NATO organizations.

Market size and competition

There are no relevant industry surveys of Sectra's secure communication system products, which means that Sectra cannot present the size and growth rates of these markets.

According to Sectra's own estimations, the number of potential users of Sectra's Tiger product is based on the fact that 0.3 per thousand of the population in a country consists of officials in sufficiently high positions to handle state secrets or EU information classified at Secret level. In Sweden, that entails a potential of around 3,000 units and for Europe as a whole, around 100,000 units. Sectra's voice crypto, Panthon, is designed for officials who require security at Restricted level or who handle confidential information and Sectra assesses this target group to be ten times larger.

Sectra's competitors are mainly large companies with encryption as a small part of their business. Some of these include Thales, Rohde & Schwarz, Secunet, Fox IT, Selex Communications and AEP Networks. Sectra also competes with local players that focus on encryption in some countries.



Deliveries of Sectra's new high-speed crypto, Ternety, to Swedish authorities will commence in 2012.

Competition is significantly tougher and more complex to overview in the market for crypto products approved at Restricted classification level, and for products suitable for communicating confidential information.

In relation to customized cryptographic engineering, this type of task – for natural reasons – is normally assigned to national players that have close collaboration with security authorities in their own countries. Sectra currently has development collaborations in Sweden and the Netherlands.

Competitive advantages and market position

Sectra is the only supplier in the market with a product approved by both EU and NATO at Secret classification level for secure mobile, fixed and satellite communication. Sectra's Tiger products have also been approved by several national security authorities in Europe.

"Our key competitive advantages are security approvals from both the EU and NATO, established collaborations with leading European security authorities and – first and foremost – user-friendly products," says Michael Bertilsson.

Another competitive advantage is that Sectra's crypto products are easy to use. That the system is actually used is important from a security aspect, and is the reason why Sectra focuses on user friendliness in product development. The business area's internal communication policy is that all employees shall use Tiger or Panthon for business calls, and means that all employees take an active role in product improvements while the company's own communication is protected from eavesdropping.

Sectra is the leading supplier of crypto products to the defense and other government agencies in Sweden. In the EU, more than half of the member countries use Sectra's products to protect telephone calls from eavesdropping. This makes Sectra a major European supplier of encrypted telephony.

BOARD OF DIRECTORS, GROUP EXECUTIVE MANAGE- MENT AND AUDITOR

BOARD OF DIRECTORS

Carl-Erik Ridderstråle

Tech. lic. Born 1942. Elected 2001 and Chairman of the Board since 2007.

Other posts: Chairman of the Board of Hultdin System AB. Board member of Seco Tools AB and DIAB International AB.

Sectra holdings: 16,500 B shares and convertible debentures corresponding to 18,800 B shares.

Torbjörn Kronander

PhD, MBA. Born 1957. Elected 1988. Employee since 1987, President Sectra Imtec AB and Vice President Sectra AB since 1997.

Other posts: Board member of Center for Medical Image Science and Visualization, Cellavision AB, et al. and member of the Royal Swedish Academy of Engineering Sciences.

Sectra holdings¹: 765,439 A shares, 2,585,484 B shares and convertible debentures corresponding to 26,000 B shares.

Anders Persson

MD, PhD, Associate Professor and senior physician. Born 1953. Elected 2004. Director of Center for Medical Image Science and Visualization and senior physician in radiology.

Other posts: Board member of Center for Medical Image Science and Visualization and National Supercomputer Center at Linköping University, Sweden.

Sectra holdings: 2,470 B shares and convertible debentures corresponding to 15,200 B shares.

Erika Söderberg Johnson

M.Sc. BA. Born 1970. Elected 2007. Chief Financial Officer Karo Bio AB.

Sectra holdings: Convertible debentures corresponding to 200 B shares.

Christer Nilsson

MSc. Eng. Born 1952. Elected 2008.

Director and advisor to 3i Group plc.

Other posts: Board member of HTC Sweden AB and Atle Industri AB, et al.

Sectra holdings: Convertible debentures corresponding to 5,000 B shares.

EMPLOYEE REPRESENTATIVES

Mats Björnemo

M.Sc. Born 1976. Employee representative since 2005. Accounts Manager Sectra Sverige AB.

Sectra holdings: 260 B shares and convertible debentures corresponding to 7,000 B shares.

Ann-Sofi Mikaelsson

M.Sc. BA. Born 1968. Employee representative since 2007. President Sectra Sverige AB since May 2011.

Sectra holdings: 3,009 B shares and convertible debentures corresponding to 2,000 B shares.

DEPUTY

EMPLOYEE REPRESENTATIVES

Stefan Melin

B.Sc. Born 1977. Deputy employee representative since 2009. Support engineer Sectra Sverige AB.

Sectra holdings: 600 B shares and convertible debentures corresponding to 1,000 B shares.

Stein Norheim

M.Sc. Born 1977. Employee representative since 2009. Radiology IT Chief Software Architect Sectra Imtec AB.

Sectra holdings: 1,500 B shares.

GROUP EXECUTIVE MANAGEMENT

Jan-Olof Brüer

PhD. M.Sc. Eng. and M.Sc. BA. Born 1951. President and Group CEO Sectra AB since 1985.

Sectra holdings¹: 765,441 A shares, 2,582,304 B shares and convertible debentures corresponding to 26,000 B shares.

Torbjörn Kronander

President Sectra Imtec AB and Executive Vice President Sectra AB. See "Board of Directors."

Michael Bertilsson

PhD. Born 1962. Employee since 1989. President of Sectra Communications AB since 2008.

Sectra holdings: 6,000 B shares and convertible debentures corresponding to 26,000 B shares.

Simo Pykälistö

M.Sc. BA. Born 1972. Chief Financial Officer Sectra AB, employee since 2003.

Sectra holdings: 1,000 B shares and convertible debentures corresponding to 15,000 B shares.

Helena Pettersson

Born 1970. Chief Investor and Press Relations Officer Sectra AB. Employee since 1993.

Sectra holdings: 9,239 B shares.

AUDITOR

Grant Thornton AB

Chief Coordinating Auditor since 2009 is Peter Bodin, Authorized Public Accountant.

¹ Number of shares comprises direct shareholdings and holdings through companies.

BOARD OF DIRECTORS



Carl-Erik Ridderstråle



Torbjörn Kronander



Anders Persson



Erika Söderberg Johnson



Christer Nilsson



Mats Björnemo



Ann-Sofie Mikaelsson

GROUP EXECUTIVE MANAGEMENT



Jan-Olof Brüer



Torbjörn Kronander



Michael Bertilsson



Simo Pykälistö



Helena Pettersson

ADMINISTRATION REPORT

The Board of Directors and the President of Sectra AB (publ), Corporate Registration Number 556064-8304, hereby submit the annual report and the consolidated financial statements for the period from May 1, 2010 to April 30, 2011. The following income statements, balance sheets, statements of changes in shareholders' equity, cash-flow statements, accounting policies and notes comprise an integrated part of the Annual Report.

Statement

The information in this Annual Report is such that Sectra must publish in accordance with the Securities Market Act. Sectra published the year-end report for the 2010/2011 fiscal year on May 24, 2010 at 8:00 a.m., through a press release and on the website. The Annual Report in its entirety is published through press releases and on the website, www.sectra.se, on June 9, 2011 at 08.00 a.m.

Operations

Sectra conducts the development and sale of high-tech products in the expansive niche markets for medical systems and secure communication systems.

Group structure

The Group's structure is built up around the Parent Company Sectra AB, which comprises operations for financing of customer projects and investment management, functions for Group finance, stock market and share-related operations.

The Group operations are organized in two business areas, Secure Communication Systems and Medical Systems, which are responsible for research and development, product management, marketing, sales, finance as well as service and support within their niche areas. The operations within Sectra's business areas are conducted in the wholly owned subsidiaries Sectra Communications AB (Secure Communication Systems) and Sectra Imtec AB (Medical Systems). These subsidiaries have a number of subsidiaries with offices around the world. Refer to Note 12 for further information.

Significant events 2010/2011

- > The US Food and Drug Administration (FDA) approved Sectra's digital mammography system, Sectra MicroDose Mammography™, which, therefore, can now be sold in the US.
- > Sectra signed a multi-year contract with Australia's national program for mammography screening services in the state of Queensland. The order value of the contract amounted to approximately SEK 60 million.
- > Sectra received a major order from FMV, the Swedish Defense Material Administration, for products for encrypted telephony. The order value totaled SEK 36 million.
- > Sectra has been selected as a supplier of products for secure telephony in all EU member states through a four-year framework

agreement with the Council of the European Union in Brussels.

- > The Board of Directors set new strategic objectives for the Group's profitability and growth.

Market

The Sectra Group's largest segment is Medical Systems, which accounts for 88% of the Group's net sales, while Secure Communication Systems account for 12%. Sweden remained the Group's largest individual market with 29% (28) of sales, followed by the US with 24% (26).

International markets accounted for 71% of the Group's net sales. Sales outside Sweden are primarily in USD, EUR and GBP, which means that the financial statements are impacted by fluctuations in the exchange rates of these currencies. Sectra does not hedge currency flows and therefore changes in exchange rates have a direct impact on the company's order bookings, sales and earnings. The strength of the SEK had a negative impact on these items during the fiscal year and the negative impact on financial items totaled SEK 18,3 million (neg: 9,3). For further information about currency exposure, refer to Notes 29 and 30.

The consolidated order bookings for 2010/2011 amounted to SEK 752.9 million (861.3). The lower order bookings compared with the preceding year were primarily attributable to Scandinavia. Sectra signed a number of multi-year contracts for the Scandinavian market, however, these are less substantial than for the preceding fiscal year. Sectra's operations in the Netherlands, the UK and Australia reported increased order bookings compared with the preceding fiscal year but the increase was smaller in terms of volume when translated to SEK due to the previously described currency effect.

Medical Systems

The market for medical systems continued to expand due to the major need for systems that increase efficiency in healthcare. Growth was driven by exchange transactions, additional sales to installed bases and, to a certain extent, by new sales. Sectra provides products and services that enable care providers to work more efficiently with existing resources and coordinate geographically dispersed operations. Each year, a total of approximately 55 million radiology examinations are managed in Sectra's medical systems, making Sectra one of the world's leading suppliers of IT systems for the management of digital radiology images. An increasing portion of the business area's income derives from undertakings to existing customers, both in the form of additional sales and long-term contracts for products, service, support and upgrades.

Sectra's largest markets for medical systems are Northern Europe and North America, where, in 2011, Sectra received regulatory approval for its digital mammography system, Sectra MicroDose Mammography™ from Canada Health and thereafter the US FDA.

Access to the North American mammography market is important for Sectra's ability to continue the rapid growth of the Mammography division. In addition, Sectra MicroDose also received approval in Russia. The markets in Southern Europe were negatively impacted by the economic difficulties many of these countries are experiencing, and which is presently limiting new sales of Sectra's products in this region. Therefore, Sectra is adapting its costs to meet the prevailing market conditions.

The company's principle strategy is to promote growth in those markets where Sectra already holds a strong position. In these areas, Sectra aims to increase its customer base and continue to support existing customers in their efforts to become more efficient through product and service offerings that facilitate image interpretation, planning of operations and choice of medication as well as enable mammography screenings with a halved radiation dose.

Secure Communication Systems

Decision-makers, officials and military personnel in 17 European countries utilize Sectra's encryption products to protect telephone conversations from eavesdropping. This makes Sectra the leading supplier of products for secure telecommunication systems to the European government authorities and defense organizations. Sweden and the Netherlands comprise Sectra's largest markets for secure communication systems and in this area, customers continued to invest in secure communication during the year.

Growth in the market for secure communication systems was driven by the increasing simplicity of eavesdropping on telecommunications. An increasing number of government bodies are electing to protect their telecommunications. As a result of increased cooperation between European government authorities, customers require products that support cooperation across borders. Sectra offers products that are approved by both the EU and NATO as well as by several national security agencies.

Seasonal variation

Sectra experiences seasonal variations, which means that the majority of the invoicing and earnings traditionally occurs at the end of the fiscal year. The variations in order volume can be significant in terms of individual quarters since Sectra has many large customers that conclude long-term contracts with the company, for example, medical IT projects or the development of encryption systems.

Financial overview

Consolidated sales and earnings

Consolidated net sales for the fiscal year amounted to SEK 910.9 million (848.4). Sectra's growing customer base continuously generates new business and long-term contracts for service, support and upgrades provide Sectra with a solid financial base. Both of Sectra's business areas, Secure Communication Systems and Medical Systems, reported sales growth. The increase was primarily attributable to Sectra's operations in Northern Europe and Australia.

Operating profit for the period amounted to SEK 8.2 million (34.2), corresponding to an operating margin of 0.9% (4.0). Earnings continued to be impacted by losses at Medical Systems' product division for mammography and the strength of the SEK, which also impacted on price trends in Sectra's markets for medical systems. The Secure Communication Systems business area recorded an operating margin of 15%.

Loss after net financial items amounted to SEK 8.1 million

(profit: 23.5), corresponding to a profit margin of negative 0.9% (pos: 2.8). Exchange-rate fluctuations adversely affected consolidated financial items in an amount of SEK 18.3 million (neg: 9.3), primarily as a consequence of the strengthening in the SEK against the USD and GBP. Despite the negative impact of the SEK on order bookings, sales and earnings, Sectra recorded an increase in cash balances and maintained a solid balance sheet.

Loss after tax amounted to SEK 9.6 million (profit: 17.2). Earnings per share amounted to negative SEK 0.26 (pos: 0.47).

For further information, refer to the following income statements, balance sheets and accounting policies and notes.

Cash flow and financial position

The consolidated cash flow from operating activities after changes in working capital amounted to SEK 44.9 million (47.8). The change in cash and cash equivalents compared with the preceding year amounted to SEK 7.4 million (neg: 5.8). After adjustments for exchange-rate differences in cash and cash equivalents, the consolidated cash and cash equivalents amounted to SEK 211.3 million (193.0).

The equity/assets ratio at the end of the fiscal year was 61.0% (62.2), with a liquidity multiple of 2.1 (2.1). The Group's interest-bearing liabilities amounted to SEK 23.4 million (39.6) and pertain to convertible debentures.

Investments

Investments in the Group during the fiscal year amounted to SEK 42.9 million (66.8). Investments were primarily attributable to the Group's financing operations for customer projects within Medical Systems and capitalized development. During the fiscal year, investments in Group-financed customer projects were SEK 17.8 million (41.6) and the consolidated carrying amount totalled SEK 47.0 million (55.9) at the end of the fiscal year. Capitalized work for own use amounted to SEK 20.3 million (16.1). Capitalized development costs amounted to SEK 176.4 million (187.0) at the end of the fiscal year.

Amortization for the fiscal year was SEK 63.3 million (49.8). The increase was connected to amortization of Group-financed customer projects that were finalized and capitalized development projects that were completed and transferred to delivery phase.

Parent Company's sales och profit

Net sales in the Parent Company Sectra AB for the fiscal year amounted to SEK 18.7 million (25.8). Profit after net financial items amounted to SEK 67.8 million (100.2). For further information, refer to the financial statements and notes from page 32.

Research and development

The Sectra Group continuously invests major resources in research and development in fields related to the company's niche markets. Research and development is conducted both in-house and in cooperation with customers and partners. During 2010/2011, SEK 20.3 million (16.1) of Sectra's development costs for standard products was capitalized as intangible assets in the balance sheet. Customer-related costs for the development of new products and functions are included in project costs and expenses in the income statement. Direct research expenditures are not tangible and, accordingly, total expenditures are not recognized separately.

Employees

As of the balance-sheet date, Sectra had 606 (601) permanent employees and approximately 30 employees on short contracts. Personnel turnover was 14.3% (9.5) during the fiscal year.

Leading-edge expertise, commitment and forward-looking spirit among employees are prerequisites for achieving success. Sectra's motto is "to employ based on attitude and ability and train for skills," meaning that considerable importance is placed on skills enhancement. The company works proactively with the work environment and health issues by offering medical checkups, fitness programs and training opportunities. This resulted in a very low absence due to illness of about 1.5%.

Sectra works continuously to promote equality to achieve an equal gender distribution and diversity. The proportion of female employees increased to 29.0% (28.0) during the fiscal year. Employees from about 30 countries work at Sectra and contribute experience from varying cultures and environments. For further information, refer to Note 2.

Environmental information

Sectra primarily develops and sells software and, to a lesser extent, physical products. The company's operations are not subject to licensing or reporting requirements under the Swedish Environmental Code. Sectra's products and in-house production produce a negligible environmental impact.

The digital radiology systems that Sectra develops offer a major benefit from an environmental standpoint. The introduction of digital technology contributes to reducing the use of film and chemicals, which have a significant environmental impact and also reduces travel and transports.

Risks, risk management and sensitivity analysis

Through its operations, the Group is exposed to various types of operational and financial risks. Refer to Note 29 for further information.

Corporate Governance

The management and control of the Sectra Group is divided between the shareholders, the Board of Directors and the President. Sectra applies the Swedish Code of Corporate Governance ("The Code"). Sectra established a corporate governance report in accordance with the rules of the Code and the application instructions stipulated in Swedish legislation and the Code itself. The Report was prepared as a separate document from the Annual Report and the audit report enclosed therein. The Corporate Governance Report is available on the Group's website, www.sectra.se, along with other information pertaining to corporate governance at Sectra.

The Sectra share

On the balance-sheet date, Sectra's share capital totaled SEK 36,842,088 distributed among 36,842,088 shares. Of these, 2,620,692 were Class A and 34,221,396 were Class B. All shares carry equal rights to the company's assets and profits. A Class A share carries ten votes and a B share carries one vote. On the balance-sheet date, Sectra had 5,110 shareholders. Of these, the following shareholders had direct and indirect holdings comprising more than 10% of the number of votes for the total number of shares in the company on the balance-sheet date:

> Torbjörn Kronander, who directly and indirectly through

companies, represents 16.9% of the votes.

- > Jan-Olof Brüer, who directly and indirectly through family and companies, represents 16.9% of the votes.
- > Nordea Investment Funds, who directly and indirectly through companies, represented 10.1% of the votes.

During the fiscal year, two new incentive programs were issued. A convertible debenture program with 133,000 convertibles and a share option program with 100,000 options, both at a rate of SEK 45.80. At full conversion and exercise of all issued incentive programs, the number of shares will increase by 791,400, corresponding to 2.1% of the share capital and 1.3% of the voting rights. For further information regarding issued incentive programs, refer to Note 2.

Subscription warrants

In conjunction with the acquisition of Sectra Mamea AB in April 2004, the AGM approved the issue of at most 900,000 subscription warrants as future payment of the purchase consideration in the purchase agreement with the company's founders. The warrants can be exercised up until May 31, 2015. However, no subscription warrants had been issued as of April 30, 2011.

Authorizations

The 2010 AGM granted authorization to the Board of Directors up until the next AGM to issue new shares of a maximum of 3,700,000 shares. The objective was to facilitate the issue of new shares to finance market investments and acquisitions of companies or operations, to guarantee the costs arising as a result of the company's incentive programs and to be able to constantly adapt the company's capital structure. As of the balance-sheet date, the Board of Directors had not utilized this authorization. The 2010 AGM also decided that the company would have the right to repurchase up to 10% of the company's own shares up until the next AGM. As of the balance-sheet date, the Board of Directors had not utilized this authorization.

Guidelines for remuneration to senior executives

The 2010 AGM adopted policies according to the guidelines developed by the Board of Directors for remuneration and other terms of employment for company management (the President and other members of Group Management). The guidelines pertain to agreements signed or amended after the AGM. The Board of Directors proposes that the 2011 AGM adopt the same policies for remuneration and other terms of employment as adopted at the 2010 AGM. Remuneration to company management is based on market terms while simultaneously supporting shareholders' interests. Remuneration primarily comprises fixed salary, variable salary, pension benefits and other benefits, such as a company car. Pension benefits are defined-contribution.

Fixed salary is established through taking into account experience, responsibility and performance and is based on market terms. Variable salary is proportionate to responsibility and authority. It has a maximum limit and is based on the fulfillment of targets that promote the company's long-term creation of value. Where applicable, variable salary is based on predetermined quantitative criteria. The company's costs for the variable salary portion for the President and other members of company management amount to 0-50% of the fixed salary cost.

The notice period for termination of employment by an employee

is a maximum of 12 months. If employment is terminated by the company, the total notice period and the time during which severance pay is received is a maximum of 24 months. Ordinary retirement age is 65. Pension terms and conditions are market-based and based on defined-contribution pension solutions. The pension premium is maximized to 25% of the fixed and variable salary.

Board members with special expertise that perform services for the company beyond the scope of the Board assignment may receive a fee for such services payable at market rates. Decisions on such fees are taken by the Board of Directors, without the participation of the Board member in question.

The issue of remuneration to company management is handled by the President. Remuneration of the President is decided by the Board of Directors.

The Board of Directors' statement pertaining to the buy-back of treasury shares

The Board of Directors' statement is reported under Note 31.

Significant events after balance-sheet date

Sectra has been entrusted with delivering a complete IT solution for radiology to the Northern Norway Regional Health Authority, Helse Nord, which signed a four-year agreement with Sectra. The order value amounts to SEK 57 million.

Outlook

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

Approval of reports

Pursuant to the Board decision on June 3, 2011, the consolidated financial statements have been approved for publication and will be presented to the AGM for adoption on June 30, 2011.

Proposed appropriation of profits

<i>The following is at the disposal of the Annual General Meeting (SEK):</i>	
Fair value reserve	-37,527,929
Share premium reserve	7,647,266
Profit brought forward	174,249,641
Profit for the year	50,757,914
	<u>195,126,892</u>

The Board and President propose that:

To be carried forward	<u>195,126,892</u>
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Board of Directors' affirmation

We believe that that consolidated financial statements and the annual report were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting principles and present a true and fair view of the Group's and the Parent Company's financial position and earnings.

The Administration Report for the Group and the Parent Company presents a fair review of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Linköping, June 3, 2011

Jan-Olof Brüer
President and CEO

Carl-Erik Ridderstråle
Chairman of the Board

Torbjörn Kronander
Board Member

Christer Nilsson
Board Member

Erika Söderberg Johnson
Board Member

Anders Persson
Board Member

Ann-Sofi Mikaelsson
Employee Representative

Mats Björnemo
Employee Representative

Our auditors' report was submitted on June 7, 2011
Grant Thornton Sweden AB
Peter Bodin
Authorized Public Accountant

THE GROUP

Consolidated income statement

Amounts in SEK thousands	Note	10/11	09/10
Operating income			
Net sales	1	910,887	848,357
Capitalized work for own use		20,349	16,149
Total income		931,236	864,506
Operating expenses			
Goods for resale		-197,070	-167,527
Personnel costs	2	-457,940	-444,345
Other external costs	3, 4	-204,688	-168,677
Depreciation of machinery and equipment	11	-27,805	-18,929
Amortization of intangible assets	10	-35,494	-30,830
Total operating expenses		-922,997	-830,308
Operating profit		8,239	34,198
Financial investments			
Interest income and similar profit/loss items	6	3,048	464
Interest expenses and similar expense items	7	-19,352	-11,124
Net financial items		-16,304	-10,660
Profit after financial items		-8,065	23,538
Tax	9	-1,552	-6,331
Net profit for the year		-9,617	17,207
Attributable to			
Parent Company's shareholders		-9,617	17,207
Non-controlling interest		0	0
Earnings per share, SEK			
Before dilution		-0.26	0.47
After dilution		-0.26	0.46
No. of shares at year-end			
Before dilution		36,842,088	36,842,088
After dilution	2	37,633,488	37,400,488
Average number of shares, before dilution		36,842,088	36,842,088
Average number of shares, after dilution	2	37,536,405	37,544,946

Consolidated statement of comprehensive income

Amounts in SEK thousands	Note	10/11	09/10
Net profit for the period		-9,617	17,207
Other comprehensive income			
Change in translation difference from translating foreign subsidiaries for the period		-25,834	-16,244
Other comprehensive income for the period		-25,834	-16,244
Total comprehensive income for the period		-35,451	963
Attributable to:			
Parent Company's shareholders		-35,451	963
Non-controlling interest		0	0

Consolidated cash-flow statement

Amounts in SEK thousands	Note	10/11	09/10
CURRENT OPERATIONS			
Operating profit		8,239	34,198
Adjustment for non-cash items	25	48,054	32,749
Interest received		2,221	-916
Interest paid		-1,071	-1,871
Income tax paid		-31,820	-26,529
Cash flow from current operations before changes in working capital		25,623	37,631
Changes in working capital			
Change in inventories		-1,751	26,000
Change in receivables		-16,558	-495
Change in current liabilities		37,538	-15,356
Cash flow from current operations		44,852	47,780
INVESTMENTS ACTIVITY			
Acquisitions of intangible fixed assets		-21,294	-17,035
Acquisitions of tangible fixed assets		-21,607	-49,772
Change in investments		22,354	20,047
Cash flow from investment activity		-20,547	-46,760
FINANCING ACTIVITY			
Change in convertibles		-16,171	-5,817
Change in long-term liabilities		-727	-1,034
Cash flow from financing activity		-16,898	-6,851
Cash flow for the year		7,407	-5,831
Cash and cash equivalents at start of year		193,024	184,282
Exchange-rate difference in cash and cash equivalents		10,910	14,573
Cash and cash equivalents at year-end	18	211,341	193,024
Unutilized credit facilities		15,000	15,000

Consolidated balance sheets

Amounts in SEK thousands	Note	30 April 11	30 April 10	Amounts in SEK thousands	Note	30 April 11	30 April 10
ASSETS				EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity			
Intangible assets	10	195,073	211,079	Share capital		36,842	36,842
Machinery and equipment	11	60,175	72,780	Other contributed capital		296,526	296,526
Long-term investments	14, 28	4,335	3,931	Reserves		-18,503	4,911
Deferred tax assets	9	1,739	0	Retained earnings, including net profit for the year		254,672	264,289
Total fixed assets		261,322	287,790	Total shareholders' equity		569,537	602,568
Current assets				Long-term liabilities			
Inventories	15	57,184	57,484	Provisions	20	5,627	6,354
Accounts receivable	16, 29	210,373	202,983	Deferred tax liability	20	15,328	16,141
Current tax assets		40,080	17,119	Other long-term liabilities	21	23,406	17,315
Other receivables		7,805	13,852	Total long-term liabilities		44,361	39,810
Prepaid expenses and accrued income	17	145,619	174,423	Current liabilities			
Short-term investments	14, 28	0	22,000	Accounts payable		38,777	37,103
Cash and cash equivalents	18	211,341	193,024	Current tax liability		6,956	11,199
Total current assets		672,402	680,885	Other current liabilities		37,307	46,149
Total assets		933,724	968,675	Accrued expenses and deferred income	22	236,786	231,846
				Total current liabilities		319,826	326,297
				Total equity and liabilities		933,724	968,675

Pledged assets and contingent liabilities, see Note 24

Changes in Group equity

Amounts in SEK thousands	Share capital	Other contributed capital	Reserves		Retained earnings	Total equity
			Translation reserve	Other reserves		
Equity as of May 1, 2009	36,842	296,526	5,525	13,139	247,082	599,114
Comprehensive income for the year			-16,244	0	17,207	963
Share-based payments		0	0	2,491	0	2,491
Equity as of April 30, 2010	36,842	296,526	-10,719	15,630	264,289	602,568
Comprehensive income for the year			-25,834	0	-9,617	-35,451
Share-based payments		0	0	2,420	0	2,420
Equity as of April 30, 2011	36,842	296,526	-36,553	18,050	254,672	569,537

Other contributed capital comprises a statutory reserve and premiums paid in conjunction with share issues. The translation reserve includes exchange-rate differences arising in the translation of foreign subsidiaries' financial statements. Other reserves mostly include the re-measurement of such share-based remuneration as convertibles and stock option programs.

There are no non-controlling interests in the Sectra Group.

P A R E N T C O M P A N Y

Income statement

Amounts in SEK thousands	Note	10/11	09/10
Operating income			
Net sales	1	18,654	25,804
Operating expenses			
Personnel costs	2	-9,030	-12,302
Other external costs	3	-18,764	-19,505
Depreciation of tangible fixed assets	11	-231	-558
Operating profit		-9,371	-6,561
Result from financial investments			
Income from participations in Group companies	5	61,350	94,700
Interest income and similar items	6	22,268	15,037
Interest expenses and similar items	7	-6,496	-2,998
Profit after financial items		67,751	100,178
Appropriations	8	1,874	15,700
Profit before tax		69,625	115,878
Tax on income for the year	9	-18,867	-31,433
Net profit for the year		50,758	84,445

Consolidated statement of comprehensive income

Amounts in SEK thousands	Note	10/11	09/10
Net profit for the period		50,758	84,445
Other comprehensive income			
Fund for fair value		-22,189	-15,339
Other comprehensive income for the period		-22,189	-15,339
Total comprehensive income for the period		28,569	69,106

Cash-flow statement

Amounts in SEK thousands	Note	10/11	09/10
CURRENT OPERATIONS			
Operating profit		-9,371	-6,561
Adjustment for non-cash items	25	335	513
Interest received		21,440	13,656
Interest paid		-1,218	-1,428
Income tax paid		-22,625	-20,306
Cash flow from current operations before changes in working capital		-11,439	-14,126
Changes in working capital			
Change in receivables		52,799	-68,627
Change in current liabilities		76,427	86,309
Cash flow from current operations		117,787	3,556
INVESTMENT ACTIVITY			
Acquisitions of fixed assets		1,089	-521
Change in long-term receivables		-22,628	-15,339
Change in investments		23,073	20,064
Cash flow from investment activity		1,534	4,204
FINANCING ACTIVITY			
Change in convertibles		-16,171	-5,817
Change in long-term liabilities		0	-3,955
Group contributions paid/received		-17,000	8,400
Cash flow from financing activity		-33,171	-1,372
Cash flow for the year		86,150	6,388
Cash and cash equivalents at start of year		729,260	722,872
Cash and cash equivalents at year-end	18	815,410	729,260
Unutilized credit facilities		15,000	15,000

Balance sheet

Amounts in SEK thousands	Note	30 April 11	30 April 10	Amounts in SEK thousands	Note	30 April 11	30 April 10
ASSETS				EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity			
Machinery and equipment	11	558	1,878	<i>Restricted equity</i>			
Participations in Group companies	12	13,978	13,978	Share capital		36,842	36,842
Receivable from Group companies	13	143,288	152,465	Share premium reserve		226,456	226,456
Long-term investments	14	1,982	1,419	Total restricted equity		263,298	263,298
Deferred tax assets	9	1,739	0	<i>Unrestricted equity</i>			
Total fixed assets		161,545	169,740	Fund for fair value		-37,528	-15,339
Current assets				Share premium reserve		7,647	7,647
Receivable from Group companies		265,986	314,299	Retained earnings		174,250	147,548
Current tax assets		21,412	0	Net profit for the year		50,758	84,445
Other receivables		1,836	2,510	Total unrestricted equity		195,126	224,301
Prepaid expenses and accrued income	17	1,738	2,125	Total shareholders' equity		458,424	487,599
Short-term investments	14	0	22,000	Untaxed reserves	19	95,962	97,836
Cash and cash equivalents	18	815,410	729,260	Long-term liabilities			
Total current assets		1,106,382	1,070,194	Other long-term liabilities	21	23,406	17,315
TOTAL ASSETS		1,267,927	1,239,934	Total long-term liabilities		23,406	17,315
Pledged assets and contingent liabilities				Current liabilities			
		30 April 11	30 April 10	Accounts payable		677	855
Pledged assets		11,000	11,000	Liabilities to Group companies		685,266	609,021
Total pledged assets		11,000	11,000	Current tax liability		0	1,213
Guarantees on behalf of group companies		332,944	308,047	Other current liabilities	22	399	22,674
Total contingent liabilities		332,944	308,047	Accrued expenses and deferred income	23	3,793	3,421
				Total current liabilities		690,135	637,184
				Total equity and liabilities		1,267,927	1,239,934

Changes in Parent Company equity

Amounts in SEK thousands	Share capital	Statutory reserve	Fund for fair value	Share premium reserve	Unrestricted equity	Total equity
Equity as of May 1, 2009	36,842	226,456	0	7,647	211,151	482,096
Group contributions paid	0	0	0	0	-86,300	-86,300
Tax effect	0	0	0	0	22,697	22,697
Total changes in capital recognized in equity, excl. transactions with the company's owner	0	0	0	0	-63,603	-63,603
Total comprehensive income	0	0	-15,339	0	84,445	69,106
Total changes in capital excl. transactions with the company's owner	0	0	-15,339	0	20,842	5,503
Equity as of April 30, 2010	36,842	226,456	-15,339	7,647	231,993	487,599
Group contributions paid	0	0	0	0	-78,350	-78,350
Tax effect	0	0	0	0	20,606	20,606
Total changes in capital recognized in equity, excl. transactions with the company's owner	0	0	0	0	-57,744	-57,744
Total comprehensive income	0	0	-22,189	0	50,758	28,569
Total changes in capital excl. transactions with the company's owner	0	0	-22,189	0	-6,987	-29,176
Equity as of April 30, 2011	36,842	226,456	-37,528	7,647	225,007	458,424

ACCOUNTING POLICIES

General accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). Changes made to existing and new standards during the year have not been applied retroactively within the Group. In addition, the Swedish Financial Accounting Standards Council's recommendation RFR 1.3 "Supplemental accounting rules for groups" has been applied.

All amounts in the text and tables in the Notes are in SEK thousands, unless otherwise stated.

Amended accounting policies

Since May 2010, the Group has applied revised IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements. These new or amended policies have not led to any changes in the consolidated financial statements as no acquisitions have been made during the year and all subsidiaries are wholly owned. Changes in ÅRL have entailed additional disclosure requirements in relation to remuneration to auditors, which has affected Note 3.

In all other respects, the Group's accounting policies remain unchanged compared with the preceding year.

New and amended accounting policies that become applicable from May 1, 2011

A number of new or amended standards and interpretations will apply from May 1, 2011 and onwards, but have not been applied in advance when preparing these financial statements. No advance application of news or amendments that will apply as of the 2010/2011 fiscal year has been planned. The amendments and interpretations that are not yet effective are not considered to have any significant impact on the Group's financial statements.

Parent Company

The Parent Company applies the same accounting policies as the Group, as well as Swedish law and the Swedish Financial Accounting Standards Council's recommendation RFR 2.3 "Accounting for legal entities." This means that the EU-approved IFRS rules and pronouncements are applied as far as possible within the framework of the Annual Accounts Act and Swedish taxation practices. The rules for valuation and clarification follow IFRS and are the same as those applied within the Group, except that the arrangement follows the Annual Accounts Act and may thus deviate from IFRS in certain cases. Untaxed reserves and appropriations are also recognized in the Parent Company in accordance with Swedish law.

Basis for preparation of the reports

Assets, provisions and liabilities are measured at cost or nominal value unless otherwise stated in the notes that follow. The preparation of financial statements in accordance with IFRS requires that the Group

uses accounting assumptions and estimates for the future. The most important estimates and judgments are presented in Note 27.

Consolidated financial statements

The consolidated financial statements have been prepared using the acquisition method, and cover those companies in which the Parent Company, directly or through subsidiaries, exerts a controlling influence. A controlling influence normally applies when more than 50% of the vote-carrying shares in a subsidiary have been acquired. When acquisitions are made, the acquired companies are absorbed into the Group as of their acquisition date. The cost of the subsidiary's shares is determined by means of an acquisition analysis conducted at the time of the acquisition. The difference between the acquisition cost for the subsidiary's shares and the estimated fair value of the acquired net assets at the time of the acquisition is recognized as Group goodwill. The Group's internal receivables and liabilities, revenues and expenses, and unrealized gains or losses arising from transactions between Group companies have been eliminated in their entirety during preparation of the consolidated financial statements.

Non-controlling interests are the portion of net assets and earnings that belong to other joint shareholders in a subsidiary. Non-controlling interests are recognized in Group earnings after tax and the share of net assets is recognized in consolidated shareholders' equity.

Shareholdings in associated companies in which the Group holds not less than 20% and not more than 50% of the votes are recognized using the equity method. The value of the associated company's shares is adjusted based on Sectra's share of net earnings after tax. In the consolidated income statement, the change in value is recognized as "participations in the earnings of associated companies." As of the balance-sheet date, Sectra had no non-controlling interests or participations in associated companies.

Translation of foreign subsidiaries

Functional currency

The consolidated accounts are presented in SEK, which is the Parent Company's functional and reporting currency. Items in the financial reports for companies in the Group are valued in the currency that is used where the company has its main operations, that is, in its functional currency.

Transactions and balance-sheet items

Transactions in functional currencies are recognized initially in the functional currency at the currency rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate prevailing on the closing date (year-end rate). Currency differences arising in payment of transactions in foreign currencies and in translation of monetary assets and liabilities at the year-end rate are recognized in profit and loss.

Financial statements of foreign operations

The assets and liabilities of Group companies are translated at the year-end rate. The income statements are translated at the average rate during the reporting period. Any exchange-rate differences that arise are applied directly to Group equity. Translation differences that arise in the translation of long-term receivables and liabilities in foreign currency and that constitute net investments in subsidiaries are recognized against shareholders' equity. Translation differences that arise in the translation of current receivables and liabilities in foreign currency for which payment is planned within the foreseeable future are recognized in profit and loss.

Segment reporting

The division by operating segment is based on the areas of operation monitored by the Board of Directors and executive management in their internal reporting. The Group's operational divisions, Medical Systems and Secure Communication Systems, serve as its operating segments, which corresponds with the operating structure of the Group. Other operations pertain primarily to activities for financing of customer projects and the Parent Company's invoicing for Group-wide services and asset management.

Revenue recognition

The Group's revenues mainly derive from fixed-price projects, sales of products and licenses, and consulting work. Project-based income is recognized based on the project's degree of completion at the balance-sheet date. The degree of completion is calculated as the ratio between the expenses paid at the balance-sheet date and the estimated total expenses. In cases where a loss is expected to occur on an uncompleted project, the entire anticipated loss is applied against earnings for the year. Revenues from sales of products and licenses are recognized as income at the time of delivery unless significant risks or obligations remain after delivery. Product sales that are delivered in project form are recognized as income in accordance with the degree of completion based on the accrued hours. Ongoing consulting services are recognized as income as the work is executed.

Pensions and post-retirement benefits to employees

The Sectra Group has defined-contribution pensions only, which means that the Group makes payments to various pension institutions on an ongoing basis. These pension payments are expensed continuously and constitute the Group's pension costs for the year, which are recognized under "Personnel costs." Sectra has no other pension obligations and is not responsible for any value changes in the paid-in premiums. This means that Sectra does not bear the risk when pensions are paid, and no pension obligations are recognized as liabilities in the balance sheet.

Intangible fixed assets

Intangible fixed assets are recognized at cost, less amortization and

impairment losses. Individual assessments of value in use are conducted on an ongoing basis in order to identify any impairment need. If the carrying amount exceeds the recoverable value, the differences are charged against earnings for the period on an ongoing basis as they arise. In the case of an asset that does not generate cash flows, the recoverable value is estimated for the cash-generating unit to which the asset belongs. The recoverable value is the higher of the asset's net selling price and its value in use. Value in use is calculated as the present value of future cash flows relating to specific assets. The amortization period for intangible fixed assets exceeds five years if the asset is expected to generate financial benefits, based on individual assessment, and has a period of use in excess of five years.

Capitalized development costs

Sectra develops proprietary software and equipment in the fields of medical equipment and secure communications. All research costs are expensed directly, and customer-related development costs are included in project costs, which are expensed at the time of revenue recognition. Internal development costs for standard products are capitalized and recognized as intangible fixed assets to the extent that they are expected to generate financial benefits in the future. Additional requirements for capitalization are that project costs can be reliably estimated, that it is technically possible to complete the project, and that the Group has the necessary resources to complete development. Capitalized project costs include all expenses directly attributable to materials, services and remuneration to employees. Capitalized development costs are subject to straight-line amortization over the period of use per individual asset, although the maximum amortization period is ten years. Amortizations of capitalized development costs start when the asset is completed and sold to customer.

Patents

Patent rights are recognized at cost and are subject to straight-line amortization over the assets' ten-year estimated period of use.

Trademarks and customer relations

Trademarks and customer relations pertain to acquisition-related assets. These rights are recognized at cost and are subject to straight-line amortization over the assets' ten-year estimated period of use.

Tangible fixed assets

Depreciation according to plan is based on the original cost and estimated financial lifetime. The following depreciation periods are applied:

Office furniture	10 years
Equipment and office machines	5 years
Equipment at customer premises	3-10 years

Leasing

Through operational and financial leasing agreements, the company utilizes equipment, computers, cars and items for onward leasing, such as mammography equipment. Since the company only has leasing agreements comprising insignificant amounts, all leasing agreements are classified as operational leasing agreements.

Costs of operational leases are charged against net earnings for the year. These costs are recognized as ongoing operating expenses in profit and loss, and are spread over the entire term of the lease.

Borrowing costs

Borrowing costs are expensed when they are not directly attributable to the acquisition, construction or production of a qualifying asset and are part of the cost of that asset. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. The Sectra Group had no qualifying assets on the balance sheet date.

Inventories

Inventories are recognized at the lower of historical cost according to the first-in, first-out (FIFO) method or fair value. Estimated obsolescence has thus been taken into account. Costs for internally manufactured semi-finished and finished goods consist of direct production costs plus a reasonable surcharge for indirect production costs.

Receivables

Receivables are recognized at the amount expected to be collected, based upon individual assessment.

Tax recognitions

The Group's total tax comprises current tax and deferred tax. Deferred tax pertains to tax on temporary differences and loss carryforwards. Within the Group, deferred tax is calculated on untaxed reserves, loss carryforwards and internal profits. Current tax is calculated as the taxable surplus, including any adjustments for tax paid in previous years. Deferred tax assets pertaining to loss carryforwards are recognized only if it is likely that future profits will arise that will entail lower tax in the future.

Financial instruments

Financial instruments include both assets and liabilities. Securities holdings and other receivables, accounts receivable and cash and cash equivalents are recognized as assets. Financial liabilities include convertible debentures, accounts payable and other financial liabilities.

Financial assets

Financial assets are recognized in the balance sheet when the company becomes party to the agreement, and are removed when the agreement expires or the company loses control over the assets.

Market-listed shares are measured at market value, while financial instruments held to maturity are measured at amortized cost. Cash and cash equivalents and short-term investments of surplus liquidity are measured on a continuous basis at fair value and value changes are recognized in profit and loss. Loan receivables and accounts receivable are recognized at amortized cost. Impairment testing of these assets is carried out on a continuous basis and any impairment losses are recognized in profit and loss as other operating expenses. A provision for receivables is posted when there is evidence that the Group will not receive payment in accordance with the original terms of the receivable.

Financial liabilities

Financial liabilities are recognized in the balance sheet when the invoice is received or when the company in another manner becomes party to the contractual obligations. A financial liability is derecognized from the balance sheet when the obligation specified is discharged and all liability expires. Loan debts are initially recognized at nominal value after subtracting transaction costs. The liabilities are continuously measured at amortized cost after adjustments for any surplus/deficit, with interest accrued over the term of the loan. Interest expenses are recognized directly in profit and loss. Convertible debentures are recognized as combined financial instruments divided into a liability and an equity portion. The liability portion of convertible debenture loans is measured at fair value, discounting future cash flows at the market interest rate. The equity portion is calculated as the difference between the nominal value and the fair value of the loan.

Derivative instruments

Derivative instruments in the form of futures contracts are used within the Group to reduce risks associated with changes in exchange rates. The change in the value to adjust the underlying asset or liability is offset by the change in the value of the futures contract. These flows are offset and are not posted to the balance sheet. Futures premiums accrue over the term of the contract. There were no currency forwards or derivative instruments within the Sectra Group on the balance-sheet date.

Fair value

The method for calculating the fair value of financial assets and liabilities is based on three measurement levels. At measurement level one, fair value is calculated based on quoted market prices and instruments traded in an active market. At measurement level two, quoted market prices are not available, but variables for the calculation of fair value are obtained from market quotations. At measurement level three, fair value is calculated based on data that is not available in the market. The Group's financial assets and liabilities mainly belong to measurement level two.

NOTES

Note 1 Operating segments

The division of operating segments was determined based on the internal reporting to the Board of Directors and the company's executive management. Information regarding the company's operational segments and geographic areas was used to evaluate sales and earnings in the Group and to allocate the Group's resources among various segments. The identified operational divisions are Medical Systems and Secure Communication Systems.

Medical Systems develops and sells IT systems for radiology clinics and medical equipment. The main products in the segment are IT solutions for processing and archiving radiology images and patient information, digital radiology equip-

ment for mammography examinations and IT solutions for orthopaedics. Development and production are primarily carried out in Sweden, and sales are conducted through Sectra's own sales company and through external partners.

Secure Communication Systems develops and sells products for secure communications. The segment is divided into two product divisions: Tiger, which offers products for secure voice and data communications, and Crypto, which develops customized systems and products. Development and production occur in Sweden, and sales are conducted through Sectra's sales organization in Sweden and the Netherlands.

Operations

	Medical systems ¹		Secure Communication Systems		Other operations ²		Eliminations ³		Total Group ⁴	
	10/11	09/10	10/11	09/10	10/11	09/10	10/11	09/10	10/11	09/10
Net sales	830,894	810,146	111,800	99,631	59,270	81,451	-91,077	-142,871	910,887	848,357
Depreciation	47,989	38,960	479	435	14,831	10,364	0	0	63,299	49,759
Operating profit	3,703	26,461	16,807	15,076	-7,570	-3,681	-4,701	-3,658	8,239	34,198
Assets	692,112	751,089	96,950	78,698	1,307,072	1,276,992	-1,162,411	-1,138,104	933,723	968,675
Liabilities	637,665	690,358	90,398	73,273	763,413	736,687	-1,127,290	-1,138,104	364,186	362,214
Investments	31,264	33,491	902	1,090	10,735	32,226	0	0	42,901	66,807

Geographic areas

	Sweden		Rest of Europe		North America		Rest of the world		Total	
	10/11	09/10	10/11	09/10	10/11	09/10	10/11	09/10	10/11	09/10
Net sales	268,960	234,270	356,247	354,732	215,644	224,610	70,036	34,740	910,887	848,357
Assets	646,717	632,906	141,934	177,942	112,785	129,449	32,287	28,378	933,723	968,675
Investments	21,499	18,669	19,290	47,796	1,017	235	1,095	107	42,901	66,807

¹ Sectra's mammography operations accounted for SEK 127.2 million (94.5) of the company's sales and posted a loss of SEK 64.3 million (loss: 79.0), which was included in the operating result for the fiscal year.

² 68.5% (63.6) of the net sales of other operations pertain to activities to finance customer projects and 31.5% (31.7) to the Parent Company's billing of Group-wide services and asset management.

³ 100% of the Parent Company's total sales are attributable to other companies in the Group of companies to which the company belongs. Purchases from Group companies amounted to 4.5%.

⁴ Sectra has no customers that individually contribute more than 10% of total net sales. Most of the Group's fixed assets are in Sweden.

Note 2 Employees and personnel costs

Average number of employees and percentage of women

	10/11		09/10	
	Total	of whom women	Total	of whom women
Parent Company				
Sweden	13	11	19	11
Group				
Australia	11	4	12	3
Canada	6	0	6	0
Denmark	5	1	4	1
Germany	24	8	22	7
Japan	1	0	1	0
Netherlands	21	5	19	3
New Zealand	2	0	2	0
Norway	13	4	11	4
Portugal	6	3	6	3
Spain	6	3	5	2
Sweden	359	95	357	94
Switzerland	1	0	2	0
UK	50	18	48	16
US	92	25	89	22
Group total	597	166	584	155

Salaries and other remuneration

	10/11		09/10	
	Board of Directors and President	Other employees	Board of Directors and President	Other employees
Parent Company				
Sweden	1,821	3,687	1,868	5,978
Group				
Australia	2,920	10,767	1,256	7,423
Canada	0	4,686	0	4,896
Denmark	1,149	2,775	1,002	2,630
Germany	1,789	14,175	1,994	13,888
Japan	0	610	0	979
Netherlands	1,624	9,395	1,626	10,166
New Zealand	0	1,131	0	867
Norway	1,272	9,508	1,435	8,278
Portugal	0	991	798	1,790
Spain	716	3,450	0	2,690
Sweden	6,675	154,162	6,261	150,476
Switzerland	0	1,066	0	1,623
UK	1,646	29,713	1,414	27,955
US	3,161	71,037	2,730	75,142
Group total	20,952	313,466	18,516	308,803

The proportion of female Board members, including employee representatives on the Boards of Directors of all Group companies, amounted to 12% (11), and on the Parent Company's Board of Directors to 29% (29). The proportion of women in the Group's management groups, including company presidents, amounted to 23% (19), and in Group management to 25% (20).

Social costs

	Board and President	10/11			Board and President	09/10		
		of which pension costs	Other employees	of which pension costs		of which pension costs	Other employees	of which pension costs
Parent Company								
Sweden	846	263	1,580	388	858	261	2,545	590
Group								
Australia	183	183	745	745	133	133	593	593
Canada	0	0	765	354	0	0	614	195
Denmark	107	102	258	238	77	71	224	200
Germany	317	276	2,751	716	297	266	2,720	1,053
Japan	0	0	25	0	0	0	0	0
Netherlands	378	133	2,281	634	296	133	1,903	420
New Zealand	0	0	55	55	0	0	15	0
Norway	225	36	1,843	147	231	29	2,093	763
Portugal	0	0	368	0	112	0	256	0
Spain	123	0	583	0	0	0	583	0
Sweden	3,452	1,133	69,660	17,170	3,291	1,110	67,397	16,556
Switzerland	0	0	174	77	0	0	226	116
UK	243	70	4,740	1,089	267	70	4,497	1,147
US	116	0	15,186	1,856	159	43	13,474	1,784
Group total	5,144	1,933	99,434	23,081	4,863	1,855	94,595	22,827

Absence due to illness % of regular work hours

	Group		Parent Company	
	10/11	09/10	10/11	09/10
Total				
All employees	1.5	1.2	1.5	0.9
of which, proportion of absences lasting 60 days or longer	13.0	0.0	0.0	0.0
By group				
Women	3.0	1.4	1.7	1.0
Men	1.0	1.1	0.0	0.7
Employees 29 years and younger	1.7	1.3	2.6	1.4
Employees 30-49 years	1.5	1.2	1.2	0.9
Employees 50 years and older	0.8	1.0	0.0	0.0

Remuneration to the Board, President and other senior executives 2010/2011

	Board fee	Basic salary	Variable remuneration	Other benefits	Pension premiums	Total
Carl-Erik Ridderstråle, Board Chairman	250	0	0	0	0	250
Erika Söderberg Johnson	190	0	0	0	0	190
Torbjörn Kronander	0	1,441	0	0	263	1,704
Anders Persson	170	0	0	0	0	170
Christer Nilsson	170	0	0	0	0	170
Total remuneration to the Board	780	1,441	0	0	263	2,484
President/CEO	0	1,041	0	0	263	1,304
Other senior executives (3 persons)	0	2,172	0	0	398	2,570
Total remuneration to the President and other senior executives	0	3,213	0	0	661	3,874
Total	780	4,654	0	0	924	6,358

Preparation and decision-making process

The Board fee was decided at the Annual General Meeting in accordance with the proposal of the Nomination Committee. Guidelines for remuneration to the President and other senior executives are determined at the Annual General Meeting. Remuneration to the President/CEO was considered and decided by the Board Chairman. The President/CEO considered and decided on the remuneration to the other senior executives.

Remuneration to the Board of Directors

Fees are paid to the Board Chairman and other external members in accordance with the decision of the Annual General Meeting. Internal Board members are not paid a fee. SEK 150,000 was paid in fees to external Board members in 2010/2011 and SEK 250,000 to the Chairman. For Audit Committee work, SEK 20,000 was paid to external Board members and SEK 40,000 to the Chairman of the Audit Committee. No separate fee is paid for Remuneration Committee work.

Remuneration to the President and other senior executives

Remuneration to the President/CEO and other senior executives is based on market terms and comprises basic salary, variable salary, other benefits and pension. The fixed salary is determined taking into account experience, areas of responsibility and performance. The variable salary is performance-based and maximized to a percentage of the fixed annual salary, which is a maximum of 50%. "Other senior executives" refers to the three individuals who, together with the President/CEO and Vice President/President Medical Systems, comprised Group management during the fiscal year.

Terms of notice and severance pay

The company must give the President/CEO 18 months' notice of termination. The President/CEO must give the company six months' notice of resignation. The notice periods for other senior executives range from three to 12 months on the part of the company, and from three to six months on the part of the executives.

There are no special agreements regarding severance pay.

Pension

The retirement age for the President and other senior executives is 65 years. Pension benefits for the President and other senior executives are paid within the framework of the pension plan that applies to all employees, and which comprises defined-contribution and vested pensions.

Share-based remuneration

Convertibles and stock option programs enable employees to acquire shares in the company. The fair value of the allocated convertibles and options is recognized as a personnel cost with a corresponding increase in shareholders' equity. The fair value is calculated on the allocation date and is allocated over the vesting period. The fair value of the allocated convertibles and options is calculated according to the Black & Scholes model and consideration is given to the terms and conditions that applied on the allocation date. The amount recognized as an expense is adjusted to reflect the actual number of vested convertibles and options. During the fiscal year, share-based remuneration was expensed in an amount of SEK 2,420 thousand (2,491), of which SEK 475 thousand (758) pertained to senior executives, including the President/CEO.

Issued incentive programs

Convertibles programs	2009/2012	2010/2014	
Number of underlying Series B shares	368,400	133,000	
Conversion rate, SEK	47.00	45.80	
Exercise period	21–25 May 2012	26–30 May 2014	
Time to expiration	15 June 2012	15 June 2014	
Interest rate during time to expiration	4%	Floating	
Dilution upon full conversion, capital	1.0%	0.4%	
Employee stock option programs	2008/2011	2009/2012	2010/2013
Number of underlying Series B shares	90,000	100,000	100,000
Exercise price, SEK	78.90	47.00	45.80
Exercise period	9–15 Sep 2011	19–25 Aug 2012	20–26 Sep 2013
Number of options exercised at April 30, 2010	0	0	0
Dilution at full exercise, capital	0.2%	0.3%	0.3%

During the year, two new incentive programs were issued. A convertible debenture program with 133,000 convertibles and a stock options program with 100,000 options, both at a rate of SEK 45.80.

The dilution resulting from the employee stock option program 2008/2011 (90,000) is expected to be zero according to the company's assessment, since the conversion rate for the debentures amounts to SEK 78.90.

Note 3 Fees to auditors

	Group		Parent Company	
	10/11	09/10	10/11	09/10
Grant Thornton				
Audit fees	1,221	949	238	150
Audit-related fees	593	218	140	120
Tax advisory services	101	8	10	8
Other fees	528	299	66	103
Audit fees to others				
Audit fees	27	248	0	0
Other fees	441	495	0	164
Total	2,911	2,217	454	545

Audit assignments involve examination of the annual accounts, accounting records and the administration of the Board of Directors and the President and other tasks performed by the company's auditor including audit consultancy. The fee for audit assignments includes the statutory revision performed in each country.

Note 4 Costs for operational leases

Annual leasing fees paid for operational leases totaled SEK 5,759 thousand (5,013). Agreed future leasing fees for operational leases are payable as shown below:

	Group			
	11/12	12/13	13/14	14/15
Cars	3,843	2,574	1,208	359
Other	354	143	139	79
Subleased objects	1,221	689	141	0
Total	5,419	3,406	1,489	438

Total future leasing fees pertaining to non-terminable agreements for subleased objects amounted to SEK 2,051 thousand. Revenues during the 2010/2011 fiscal year pertaining to leasing items leased onward amounted to SEK 1,423 thousand.

Note 5 Income from participations in Group companies

	Parent Company	
	10/11	09/10
Group contributions	61,350	94,700
Total	61,350	94,700

Note 6 Interest income and similar profit/loss items

	Group		Parent Company	
	10/11	09/10	10/11	09/10
Other interest income	2,205	-923	813	720
Interest income from Group companies	0	0	20,612	12,930
Dividend	16	6	16	6
Revaluation, securities	563	1,381	563	1,381
Capital gain on shares	264	0	264	0
Total	3,048	464	22,268	15,037

Monetary assets and liabilities are recorded in profit and loss at the rate on the balance-sheet date.

Note 7 Interest expenses and similar expense items

	Group		Parent Company	
	10/11	09/10	10/11	09/10
Interest expenses	1,070	1,871	953	1,371
Interest expenses from Group companies	0	0	265	57
Exchange difference	18,282	9,253	5,278	1,570
Total	19,352	11,124	6,496	2,998

Monetary assets and liabilities are recorded in profit and loss at the rate on the balance-sheet date.

Note 8 Appropriations

	Parent Company	
	10/11	09/10
Change in accrual fund	1,648	15,612
Change in excess depreciation	225	88
Total	1,874	15,700

Note 9 Tax on net profit for the year

	Group		Parent Company	
	10/11	09/10	10/11	09/10
Tax expenses				
Current tax expense	-4,391	-13,261	0	-8,736
Tax on Group contributions			-20,606	-22,697
Deferred tax	2,839	6,930	1,739	0
Total tax expense	-1,552	-6,331	-18,867	-31,433
Relationship between Group tax and recognized tax per applicable tax rate				
Earnings before tax	-8,066	23,538	69,624	115,878
Tax per applicable tax rate for the Parent Company (26.3%)	2,121	-6,190	-18,311	-30,476
Adjustment of tax for previous years	-156	-429	0	-288
Tax effect due to amended tax rate	0	1,988	0	0
Tax effect of nondeductible expenses	-947	-550	-557	-671
Tax effect of nontaxable income	3	22	1	2
Change in temporary differences	690	4,848	0	0
Adjustment for tax in foreign subsidiaries	-3,263	-6,020	0	0
Tax on net profit for the year	-1,552	-6,331	-18,867	-31,433
Deferred tax liability				
Deferred tax liability on untaxed reserves	25,613	26,444		
Deferred tax liability on current assets	-10,285	-10,303		
Net deferred tax liability	15,328	16,141		
Deferred tax assets				
Deferred tax receivable on unutilized loss carryforwards	1,739	0	1,739	0
Total deferred tax assets	1,739	0	1,739	0

Unutilized loss carryforwards for which deferred tax assets are not recognized refer to foreign subsidiaries and amount to SEK 14,725 thousand (17,887) at April 30, 2011. There is no time limit to use the foreign loss carryforwards.

Note 10 Intangible assets

Group	Capitalized development ¹	Patents ²	Customer relations ³	Brand	Total
Historical cost at start of year	323,657	29,371	24,794	4,762	382,584
Translation differences	0	-1,556	100	0	-1,456
Investments for the year	16,149	0	0	0	16,149
Cumulative historical cost at April 30, 2010	339,806	27,815	24,894	4,762	397,277
Opening depreciation/amortization ⁴	126,045	14,259	10,767	4,297	155,368
Amortization for the year	26,785	2,705	1,340	0	30,830
Cumulative depreciation/amortization at April 30, 2010	152,830	16,964	12,107	4,297	186,198
Closing residual value at April 30, 2010	186,976	10,851	12,787	465	211,079
Historical cost at start of year	339,806	27,815	24,894	4,762	397,277
Translation differences	0	347	-2,780	0	-2,433
Investments for the year	20,349	0	734	0	21,083
Cumulative historical cost at April 30, 2011⁵	360,155	28,162	22,848	4,762	415,927
Opening depreciation/amortization	152,830	16,964	12,107	4,297	186,198
Translation differences	0	-173	-665	0	-838
Amortization for the year	31,321	2,324	1,384	465	35,494
Cumulative depreciation/amortization at April 30, 2011	184,151	19,115	12,826	4,762	220,854
Closing residual value at April 30, 2011	176,004	9,047	10,022	0	195,073

¹ Capitalized development pertains to internally generated intangible assets in proprietary software and equipment for medical imaging management and secure communications. The largest projects in capitalized development pertained to systems for digital mammography comprising X-ray equipment. The remaining amortization period on larger projects is six years. Other intangible assets are acquired.

² Patents mainly pertain to assets in the mammography operations from the acquisition of Sectra Mamea AB.

³ Customer relations are attributable to the Medical Systems segment and pertain to acquired assets from Sectra Sverige AB (formerly Radisoft AB) and Sectra imaXperts BV.

⁴ Impairments pertain to a minor mammography subproject in the Medical Systems segment. Impairment losses were posted 2009 due to the discontinuation of the subproject.

⁵ Of the acquisition value at April 30, 2011, 2.9% pertains to ongoing development projects and 97.1% completed projects.

Testing of intangible assets for impairment requirements

Intangible assets are tested for impairment requirements when necessary and at least once annually. Impairment testing is based on the calculation of the future value in use. The value of the Group's intangible fixed assets is assessed based on the value in use of the cash-generating units. The value in use is based on the cash flows expected to be generated during the remaining life of the units.

The future cash flows used in the calculation of each unit's value in use are based on a detailed review of each unit. The present value of the forecast future cash flows for all units is calculated using a cost of capital of 11% before tax. The cost of capital is based on a market-based assessment of average capital cost taking into consideration the assessed risk level in the cash flows of the units.

The forecast period when calculating value in use is determined by the asset's useful life, between five to seven years, and the assumed average growth of 15%.

Other assumptions regarding required returns:

Risk-free interest:	Ten-year treasury bill or an equivalent financial investment with the lowest possible risk
Market risk premium:	5%
Beta value:	The beta value is calculated at one
Interest expenses:	Sectra's assessed cost for borrowing
Tax rate:	Tax rate in Sweden.

Sensitivity analysis

Impairment testing has been carried out with a sufficient margin to ensure that management deems that any reasonable changes in the individual variables will not cause the value in use to be less than the carrying amount. Accordingly, management's assessment is that no impairment requirement will arise, regardless of whether variations occur in the most critical variables.

Parent Company

The Parent Company held no intangible assets at April 30, 2011.

Note 11 Machinery and equipment

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Historical cost at start of year	129,325	84,674	12,833	12,552
Translation differences	-10,490	-6,183	0	0
Investments for the year	21,607	52,117	0	521
Sales/disposals for the year	-2,737	-1,283	-1,817	-240
Cumulative historical cost at year-end	137,705	129,325	11,016	12,833
Depreciation at start of year	56,545	39,734	10,955	10,637
Translation differences	-4,756	-960	0	0
Depreciation for the year	27,805	18,929	231	558
Sales/disposals for the year	-2,064	-1,158	-728	-240
Cumulative depreciation at year-end	77,530	56,545	10,458	10,955
Residual value according to plan	60,175	72,780	558	1,878
Total carrying amount	60,175	72,780	558	1,878

Note 12 Participations in Group companies

	Corp. Reg. No.	Reg. office	No. of shares	Share of capital, %	Nominal value	30 April 11 Carrying amount	30 April 10 Carrying amount
Parent Company							
Sectra Imtec AB	556250-8241	Linköping, SE	300,000	100%	3,000	2,883	2,883
Sectra Communications AB	556291-3300	Linköping, SE	3,000,000	100%	3,000	3,000	3,000
Sectra Wireless Technologies AB	556570-9325	Linköping, SE	3,000,000	100%	3,000	8,000	8,000
Sectra Secure Transmission AB	556247-1283	Linköping, SE	100,000	100%	100	95	95
Ebberöd Capital, Inc.	20-8912327	Shelton, US	1,000	100%	0	0	0
Ebberöd Capital Ltd	06707408	Milton Keynes, UK	1,000	100%	GBP 0.001	0	0
Total carrying amount						13,978	13,978
Sectra Imtec AB							
Sectra Sverige AB	556483-9479	Linköping, SE	40,350	100%	100	21,016	21,016
Paxlink AB	556572-3292	Linköping, SE	1,000	100%	100	811	811
Sectra Norge AS	975 353 265	Oslo, NO	5,000	100%	NOK 500	283	283
Sectra North America, Inc.	06-1473851	Shelton, US	500	100%	USD 50	384	384
Sectra Medical Systems GmbH	HR B 8546	Cologne, DE	500	100%	EUR 26	219	219
Sectra A/S	26121361	Herlev, DK	5,000	100%	DKK 100	639	639
Sectra Ltd	4571654	Milton Keynes, UK	1	100%	GBP 0.001	0	0
Sectra Pty Ltd	105 376 190	Sydney, AU	1	100%	AUD 0.1	1	1
Sectra New Zealand Ltd	1539744	Auckland, NZ	1	100%	NZD 0.1	0	0
Sectra Medical Systems SL	B84352749	Madrid, ES	500	100%	EUR 253	2,290	2,290
Sectra Mamea AB ¹	556570-7022	Stockholm, SE	107,616	100%	183	152,161	152,161
Sectra imaXperts BV ¹	39069257	Almere, NL	500	100%	EUR 22.5	4,664	3,936
Total carrying amount						182,468	181,740
Sectra Communications AB							
Sectra Communications Ltd	4884887	London, UK	1	100%	GBP 0.001	0	0
Sectra Communications BV	27264295	The Hague, NL	1,800	100%	EUR 18	164	164
Total carrying amount						164	164

¹ Any additional purchase price pertaining to the acquisition of Sectra Mamea AB on April 30, 2004 cannot be reliably calculated and is not therefore included in the acquisition analysis and the value reported above. For Sectra Mamea AB, the additional purchase price can become relevant up to and including April 2015. At December 1, 2010 an additional purchase price amounting to SEK 728 thousand was paid pertaining to Sectra imaXperts BV, which increased the carrying amount of shares in subsidiaries by the corresponding amount.

Note 13 Long-term receivables in Group Companies

	Parent Company	
	30 April 11	30 April 10
Historical cost	152,465	0
New receivables	37,632	0
Amortized loans	-15,004	0
Exchange-rate difference	-22,189	0
Reclassified to/from short-term receivables	-9,616	152,465
Total	143,288	152,465

Note 14 Financial investments

Long-term investments	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Other shares and participations	4,335	3,931	1,982	1,419
Total	4,335	3,931	1,982	1,419
Short-term investments				
Equity and fixed-income bonds	0	22,000	0	22,000
Total	0	22,000	0	22,000

Securities holdings with maturities of less than one year are classified as short-term. See Note 28 for valuation of securities holdings.

Note 15 Inventories

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Component stocks	43,220	28,021	0	0
Products in progress	3,595	9,704	0	0
Finished products	10,369	19,759	0	0
Total carrying amount	57,184	57,484	0	0

An impairment loss amounting to SEK 409 thousand (1,448) was recognized in profit and loss for 2010/2011.

Equipment and components mainly used for development were reclassified as inventories or expensed in profit and loss, depending on the estimated lifetime of the stock items in question. Of the total inventory value, 0 is measured at fair value after selling expenses.

Note 16 Accounts receivable

Accounts receivable per currency	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
SEK	48,222	22,706	0	0
USD	44,362	53,223	0	0
EUR	73,753	61,157	0	0
GBP	18,565	25,085	0	0
Other currencies	25,471	40,812	0	0
Total	210,373	202,983	0	0

Change for the year in the reserve for doubtful accounts receivable

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Opening balance	4,233	7,920	0	0
Realized losses	-553	-99	0	0
Reversal of unutilized amounts	-770	-5,770	0	0
Reserve for doubtful accounts receivable	1,884	2,182	0	0
Exchange-rate effect	0	0	0	0
Total	4,794	4,233	0	0

See Note 29 for an age analysis.

Note 17 Prepaid expenses and accrued income

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Prepaid rent	3,437	3,889	1,262	1,299
Accrued interest income	129	50	113	33
Prepaid support agreements	3,253	3,963	78	459
Other items	16,529	12,954	285	334
Recognized non-invoiced income	122,271	153,567	0	0
Total	145,619	174,423	1,738	2,125

Note 18 Cash and cash equivalents

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Bank balances	188,249	167,511	815,400	703,747
Short-term securities	10	24,986	10	24,986
Blocked funds for guarantees	23,082	527	0	527
Total	211,341	193,024	815,410	729,260

Short-term securities recognized under cash and cash equivalents refer to bank deposits and commercial paper that can be considered as equivalent to cash and cash equivalents and have maturities within 90 days.

Bank overdraft facilities

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Credit limit granted	15,000	15,000	15,000	15,000
Unutilized portion	-15,000	-15,000	-15,000	-15,000
Utilized credit amount	0	0	0	0

Note 20 Appropriations

	Group			
	Taxes		Guarantee commitments	
	30 April 11	30 April 10	30 April 11	30 April 10
Carrying amount at start of period	16,141	23,983	6,354	6,491
Provisions made during period	3,902	1,508	2,633	6,354
Amount appropriated	-4,715	-9,350	-3,360	-6,491
Carrying amount at end of period	15,328	16,141	5,627	6,354
of which, total long-term portion of provisions	8,458	15,589	0	0
of which, total short-term portion of provisions	6,870	552	5,627	6,354

The carrying amount at the end of the period is expected to be settled within 8 years pertaining to taxes, and within 1 years pertaining to guarantee commitments

Note 21 Other long-term liabilities

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Convertible debentures 09/12	17,315	17,315	17,315	17,315
Convertible debentures 10/14	6,091	0	6,091	0
Total	23,406	17,315	23,406	17,315

During the year, a new convertible debenture program was issued, with 133,000 convertibles at a rate of SEK 45.80.

Note 19 Untaxed reserves

	Parent Company	
	30 April 11	30 April 10
Tax allocation reserves:		
Allocated to taxes 06	0	1,649
Allocated to taxes 07	15,515	15,515
Allocated to taxes 08	18,304	18,304
Allocated to taxes 09	24,000	24,000
Allocated to taxes 10	26,900	26,900
Allocated to taxes 11	10,700	10,700
Excess depreciation	543	768
Total	95,962	97,836

Of the total untaxed reserves, SEK 25,238 thousand (25,731) is recognized as deferred Group tax.

Note 22 Other current liabilities

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Convertible debentures 07/10	0	22,262	0	22,262
Value-added tax	23,207	9,206	0	0
Employee withholding taxes	6,412	6,031	380	389
Other liabilities	7,688	8,650	19	23
Total	37,307	46,149	399	22,674

Conditions

For information about the terms for the convertible subordinated loans, see Note 2 Salaries and other remuneration and The Sectra Share on page 28 of the Administration Report.

Note 23 Accrued expenses and deferred income

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Accrued social security	27,058	26,418	1,072	1,244
Accrued vacation pay	37,660	35,430	1,178	1,616
Prepaid support agreements	46,878	32,572	0	0
Accrued accounts payable	7,243	2,627	623	478
Invoiced non-recognized income	40,355	39,680	0	0
Other items	77,592	95,119	921	83
Total	236,786	231,846	3,794	3,421

Note 24 Pledged assets and contingent liabilities

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Chattel mortgages	36,250	36,250	11,000	11,000
Total pledged assets	36,250	36,250	11,000	11,000
Guarantees on behalf of Group companies	0	0	332,944	308,047
Total contingent liabilities	0	0	332,944	308,047

Note 25 Cash flow

Adjustment for non-cash items

	Group		Parent Company	
	30 April 11	30 April 10	30 April 11	30 April 10
Depreciation/amortization	63,299	49,759	231	558
Exchange-rate difference	-17,665	-19,502	104	-45
Provisions for personnel costs	2,420	2,492	0	0
Total	48,054	32,749	335	513

Note 26 Related parties

Financial liabilities and receivables bearing market interest exist between the Parent Company and its subsidiaries; refer to Note 13. No other related-party transactions exist.

Note 27 Important estimates and judgments

At year-end, certain judgments are made in regard to the application of accounting policies that affect the values reported on the reporting date. These estimates for reporting purposes may deviate from the actual outcome. The following estimates may involve a risk of changes in the values reported.

Impairment requirements relating to intangible assets are assessed on an ongoing basis, based on the calculated recoverable amount per cash-generating unit. The recoverable amount is based on the unit's value in use, which consists of calculated future cash flows during its useful life. The calculations are based on budgeted long-term targets and anticipated growth. In the calculations, a discount rate of 11% is applied and growth is set at a level consistent with the market trend.

The useful life of intangible assets is based on the average life of the asset. Amortizations of intangible assets are based on the assumed useful life per asset, which can have major significance for the Group's results and financial position.

Obligations for guarantees arise upon the delivery of a system that normally involves a guarantee period of 12 months. Assessment of future guarantee costs is based on individual projects and prior experience. Deviations between the actual guarantee cost and the provisions occur for individual projects, but at Group level these deviations are limited.

Note 28 Financial assets and liabilities

Group 30 April 2011	Accounts receivable and loan receivables	Financial assets available for sale	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets and liabilities	Total balance sheet
Investments held as fixed assets	0	4,335	0	4,335	4,335	0	4,335
Accounts receivable	210,373	0	0	210,373	210,373	0	210,373
Other short-term receivables	0	0	0	0	0	7,805	7,805
Cash and bank balances	211,341	0	0	211,341	211,341	0	211,341
Total financial assets	421,714	4,335	0	426,049	426,049	7,805	433,854
Other long-term liabilities	0	0	23,406	23,406	23,406	0	23,406
Other current liabilities	0	0	0	0	0	37,307	37,307
Accounts payable	0	0	38,777	38,777	38,777	0	38,777
Total financial liabilities	0	0	62,183	62,183	62,183	37,307	99,490
Group 30 April 2010							
Investments held as fixed assets	0	3,931	0	3,931	3,931	0	3,931
Accounts receivable	202,983	0	0	202,983	202,983	0	202,983
Other short-term receivables	0	0	0	0	0	13,852	13,852
Short-term investments	0	22,000	0	22,000	22,000	0	22,000
Cash and bank balances	193,024	0	0	193,024	193,024	0	193,024
Total financial assets	396,007	25,931	0	421,938	421,938	13,852	435,790
Other long-term liabilities	0	0	17,315	17,315	17,315	0	17,315
Other current liabilities	0	0	22,262	22,262	22,262	23,887	46,149
Accounts payable	0	0	37,103	37,103	37,103	0	37,103
Total financial liabilities	0	0	76,680	76,680	76,680	23,887	100,567

Revaluation of accounts receivable recognized in profit and loss amounted to SEK 1,884 thousand (2,182). No gains or losses were recognized in any of the other categories.

Calculation of fair value

The following methods were used to calculate fair value:

Securities holdings that are available for sale are included in measurement level two, meaning that the calculation of fair value is based on market

quotations or the calculation of future cash flows for which variables are obtained from market quotations whenever possible. The holding that can be sold amounts to SEK 4,335 thousand (25,931).

For cash and cash equivalents and other receivables and liabilities with shorter lifetimes, the carrying amount is considered to correspond to the fair value. In the case of receivables or liabilities whose lifetime exceeds one year, the carrying amount has been discounted and corresponds to fair value.

Note 29 Risks, risk management and sensitivity analysis

Risks related to operations

Sectra's risks related to operations are limited. As a general rule, customers' operations are financed directly or indirectly with public funds and solvency is excellent, although payment practices vary between different countries. Due to the fact that Sectra is active in a large number of markets, the political and market risks, for example, for the Group as a whole are limited. The largest individual risks related to operations are described below.

Customers and partners

Sectra's five largest partners and customers jointly account for 22.4% (25.0) of Group sales. Although sales to each customer are divided among a number of agreements, the loss of a major customer could have a significant effect on the Group's earnings and position. Due to the continuous expansion of operations, the proportion of the Group's business volume represented by each individual partner and customer is gradually declining.

Product liability and property risks

Through its operations, Sectra assumes product liability, which means that personal injury or damage to property caused by the company's systems at the premises of a customer or third party could lead to a claim being made against Sectra. Insurance policies have been taken out for the property and liability risks to which the Group is exposed.

Intellectual property rights

Sectra is among the leaders in the areas in which the Group operates and invests substantial resources in product development. To ensure a return on these investments, Sectra works continuously to analyze the requirements for different products in terms of intellectual property rights, and to identify and protect inventions through patents.

Other business risks

The prices for medical systems in the world market are largely governed by major US companies. Accordingly, the USD exchange rate has an effect on the price structure for mammography systems, for example. Other business risks, such as market risks, suppliers, technical development and dependence on individual persons, are analyzed continuously. Measures are taken as needed to reduce the Group's risk exposure.

Financial risks

The Sectra Group is exposed to financial risks pertaining to currency, interest, financing and liquidity risks. Rules and authority for management of financial transactions and risks are described in the Group's finance policy, which is determined by the Board. Responsibility for management of financial transactions and risks is centralized to the Parent Company's finance department. The aim is to support the Group's business activities by identifying and limiting the Group's financial risks, providing cost-efficient financing of Group companies and managing cash and cash equivalents on market terms.

Currency exchange risks

Exchange rate exposure within the Sectra Group occurs primarily via transactions in foreign currencies, in the form of customer and supplier payments

and to a lesser extent, in translating foreign subsidiaries' income statements and balance sheets. In accordance with the Group's finance policy, subsidiary financing shall be in the local currency and currency exposure pertains mainly to USD, GBP and EUR. Currency changes had an adverse impact of SEK -5,750 thousand (loss: 4,916) on the operating profit and SEK -18,282 thousand (loss: 9,253) on consolidated financial items.

The Group's policy at present is not to hedge transaction exposure, since the potential gains to be derived from building up procedures to efficiently manage hedge contracts are not considered significant. Sectra monitors payment flows in foreign currencies on an ongoing basis, and hedging of transaction exposure may be implemented if the gains expected to be derived from exchange rate hedge contracts are deemed to be significant.

Group's revenues and expenses in various currencies

MSEK			
Currency	Revenues	Expenses	Net exposure
SEK	278.2	-457.2	-179.0
USD	216.8	-225.5	-8.7
EUR	203.7	-114.1	89.6
GBP	83.9	-45.3	38.6
Other currencies	128.3	-80.9	47.4
Total	910.9	-923.0	-12.1

Interest-rate risks

Interest-rate risks pertain to the impact of changes in market interest rates on earnings. The Group's interest-bearing assets are mainly short-term in nature, and pertain to securities that can be liquidated at short notice in the event of major changes in the general interest rate situation. At the closing date, the Group's interest-bearing assets exceed interest-bearing liabilities, as a result of which a decline in interest rates has an adverse impact on the Group and an increase has a positive effect.

Credit risks

The Group's credit risks can be divided into risks related to the customer's ability to pay as agreed and counterparty risks in conjunction with financial transactions.

Customer credit risk means that the customer fails to fulfill its undertaking for payment of customer invoices. The Group has set guidelines to ensure that customers have high creditworthiness. Sectra's customers consist largely of government agencies and other highly reputable customers with high creditworthiness, and whose credit risk is considered to be extremely low. To minimize customer credit risks in fixed-price projects, Sectra works to a large extent with part payments in advance.

Age analysis accounts receivable	Group	
	30 April 11	30 April 10
MSEK		
Accounts receivable not due for payment	111.1	123.7
Accounts receivable overdue 0–60 days	59.8	44.9
Accounts receivable overdue 60 days	8.1	13.7
Accounts receivable overdue 120 days	31.4	20.7
Total	210.4	203.0

Reserves amounted to SEK 4.8 million (4.2) within the group of accounts receivable overdue more than 120 days.

Counterparty risks arise in financial transactions and cash management in conjunction with the Group having claims on banks and other securities issuers. The maximum credit exposure and credit rating for approved counterparties is described in the Group's finance policy. To minimize credit risks, Sectra only uses counterparties with high creditworthiness and invests in instruments with high quality.

Liquidity risks

To minimize liquidity risks, excess liquidity is placed only in bank deposits, or in securities that can be liquidated at short notice, and which have a smoothly functioning secondary market. Unutilized bank overdraft facilities are used in the event of temporarily elevated liquidity needs. The Parent Company monitors the Group's liquidity continually by compiling liquidity forecasts as a basis for investments or short- and long-term borrowing.

At the closing date, the Group's unutilized credit facilities amounted to SEK 15,000.

Convertible loans 2009/2012 carry a fixed interest rate of 4% and convertible loans 2010/2014 carry floating rates, Stibor +2.25%. Other loans carry floating rates, which varied between 3 and 5% during the fiscal year. Financial leasing contracts and convertibles have terms of zero to four years. See Note 2 for further information about convertibles issued.

Sensitivity analysis

The Group's earnings depend mainly on product sales and the cost of personnel and materials. The analysis below is based on the figures from the 2010/2011 fiscal year and how the variables named would have affected profit/loss after net financial income/expense if no measures such as hedging or adaptation of resources had been taken. Each variable is treated individually, provided the others remain unchanged. The analysis is not claimed to be precise, but is merely indicative.

Variable	Change	Effect on earnings after financial items
Net sales	+/- 1%	+/- SEK 7.3 M
Cost of materials	+/- 1%	+/- SEK 2.0 M
Personnel costs	+/- 1%	+/- SEK 4.6 M
Interest rate level	+/- 1%	+/- SEK 2.0 M
Exchange-rate changes:		
USD exchange rate	+/- 1%	+/- SEK 1.9 M
EUR exchange rate	+/- 1%	+/- SEK 1.0 M
GBP exchange rate	+/- 1%	+/- SEK 1.3 M

In the event that the SEK weakens by 1% against the USD, GBP or EUR, profit after net financial items would improve by SEK 4.2 million.

Note 30 Asset management

The Group's financial goals have been determined by the Board. The goal is to have a favorable and flexible capital structure so that it can be changed if the conditions for operations or for different borrowing alternatives change and maintain financial stability. The Group's equity ratio goal is 30%.

The Group's capital is defined as total shareholders' equity less unrealized value changes and amounted to SEK 567,117 (600,077) at April 30, 2011. The Group's equity ratio at the closing date was 61.0% (62.2). Sectra's operations have large seasonal variations during the operating year and, ac-

ordingly, it is the Board's ambition to retain a sound capital structure with a low debt/equity ratio.

In accordance with the Group's dividend policy, the dividend shall be well weighted between direct return and the company's need for capital for growth and international expansion. The long-term intent is to distribute an average of 15-20% of profits after taxes to the shareholders. The Board is proposing a dividend of SEK 0.00 per share to the 2011 Annual General Meeting.

Note 31 Board's statement concerning repurchase and transfer the company's own shares

The Board of Directors' reasons for the authorization to repurchase and transfer the company's own Class B shares are in accordance with the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Swedish Companies Act.

The company's objects, scope, and risks

The company's objects and scope of business are specified in the Articles of Association and the Annual Reports provided. The business conducted by the company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks that are generally associated with operating a business.

The financial position of the company and the Group

The financial position of the company and the Group at April 30, 2011 is stated in the latest Annual Report. The Annual Report also states which accounting policies are applied in the measurement of assets, allocations and liabilities.

The non-restricted equity in the Parent Company and the Group's retained profits amounted to SEK 195.1 million and SEK 254.7 million, respectively, at the end of the 2010/2011 fiscal year.

The Annual Report states that the debt/equity ratio is 61.0%. The proposed authorization to purchase and transfer the company's own Class B shares does not endanger the completion of any necessary investments. The company's financial position does not give rise to any other conclusion than that the company can continue its business and that the company can be expected to fulfill its obligations on both a short- and long-term basis.

In the opinion of the Board of Directors, the amount of shareholders' equity as reported in the most recent Annual Report is in reasonable proportion to the scope of the company's operations and the risks associated with conducting operations in consideration of the now proposed and the authorization to repurchase the company's own Class B shares.

Justification for dividend and repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board is of the opinion that, after a comprehensive review of the financial position of the company and of the Group, it follows that the proposed authorization to repurchase and transfer the company's own Class B shares is justified according to the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Swedish Companies Act, that is, with reference to the requirements that the objects of the business, its scope and the risks placed on the size of the company's and Group's equity and the company's and the Group's consolidating requirements, liquidity and financing needs in general.

Note 32 Definitions of key ratios

Added value

Operating profit plus labor costs.

Added value per employee

Operating profit plus labor costs divided by average number of employees.

Adjusted equity

Recognized equity plus 73.7% of untaxed reserves.

Capital employed

Total assets reduced by non-interest-bearing debts.

Cash flow per share

Cash flow from current operations divided by the number of shares at the end of the period.

Debt/equity ratio

Interest-bearing debts divided by equity.

Earnings per share

Profit after tax divided by average number of shares.

Equity

Equity includes 73.7% of untaxed reserves.

Equity per share

Equity divided by the number of shares at the end of the period.

Equity ratio

Equity as a percentage of total assets.

Gross margin

Operating profit before depreciation as a percentage of sales.

Liquidity ratio

Current assets divided by current liabilities.

Operating margin

Operating profit after depreciation as a percentage of sales.

P/E ratio

Share price at the end of the year divided by earnings per share.

Profit margin

Profit after net financial items as a percentage of sales.

Return on equity

Income after net financial items reduced by actual tax as a percentage of average adjusted equity.

Return on total capital

Profit after net financial items plus financial expenses as a percentage of average total assets.

Return on capital employed

Profit after net financial items plus financial expenses as a percentage of average capital employed.

Yield

Dividend as a percentage of share price.

A U D I T R E P O R T

To the annual meeting of the shareholders of Sectra AB (publ)

Corporate identity number 556064-8304

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Sectra AB (publ) for the financial year May 1, 2010 – April 30, 2011. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 26-50. The board of directors and the managing director are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director and significant estimates made by the board of directors and the managing director when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and give a true and fair view of the group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the statutory administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Linköping, June 7, 2011

Grant Thornton Sweden AB
Peter Bodin
Authorised Public Accountant

FIVE YEAR SUMMARY

Amounts in SEK thousands unless otherwise stated	10/11	09/10	08/09	07/08	06/07
Consolidated Income Statements					
Net sales	910,887	848,357	863,275	742,923	672,511
Capitalized work for own use	20,349	16,149	39,059	57,847	42,581
Operating expenses	-859,698	-780,549	-835,817	-699,734	-633,728
Depreciation/Amortization	-63,299	-49,759	-45,102	-21,337	-19,693
Income from participation in associated co.	0	0	0	0	-490
Operating profit	8,239	34,198	21,415	79,699	61,181
Net financial items	-16,304	-10,660	49,979	80	9,021
Profit after financial items	-8,065	23,538	71,394	79,779	70,202
Income tax	-1,552	-6,331	-20,938	-29,315	-22,986
Net earnings for the year	-9,617	17,207	50,456	50,464	47,216
Profit attributable to equity holders of the:					
Parent Company	-9,617	17,207	50,456	50,464	47,216
Non-controlling interest	0	0	0	0	0
Consolidated Balance Sheets					
Assets					
Intangible assets	195,073	211,079	227,216	217,637	159,343
Other fixed assets	66,249	76,711	71,545	69,575	68,314
Cash and cash equivalents	211,341	193,024	184,282	288,358	385,150
Other current assets	461,061	487,861	525,112	410,370	241,655
Total assets	933,724	968,675	1,008,155	985,940	854,462
Equity and liabilities					
Equity	569,537	602,568	599,114	560,670	519,406
Provisions	20,955	22,495	30,474	46,377	37,041
Long-term liabilities	23,406	17,315	23,162	51,859	36,438
Current liabilities	319,826	326,297	355,405	327,034	261,577
Total equity and liabilities	933,724	968,675	1,008,155	985,940	854,462

Key figures ¹	10/11	09/10	08/09	07/08	06/07
Financial					
Working capital, SEK million	592.9	642.1	645.4	624.3	567.4
Liquidity ratio, times	2.1	2.1	2.0	2.2	2.5
Solvency, %	61.0	62.2	59.4	56.9	60.8
Debt ratio	0.04	0.07	0.07	0.10	0.11
Investments, SEK million	42.9	66.8	67.7	82.6	58.6
Profitability					
Gross margin, %	7.9	9.9	7.7	13.6	12.4
Operating margin, %	0.9	4.0	2.5	10.7	9.1
Profit margin, %	-0.9	2.8	8.3	10.7	10.4
Return on total capital, %	-0.7	2.5	7.4	8.9	8.6
Return on working capital, %	-1.1	3.9	11.6	13.8	13.0
Return on equity, %	-1.6	2.9	8.7	9.3	9.4
Value added, SEK million	466.2	478.5	449.1	429.6	361.5
Employees					
No. of employees, average	597	584	538	477	411
No. of employees at fiscal year-end	606	601	577	506	455
Sales per employee, SEK million	1.5	1.5	1.6	1.6	1.6
Value added per employee, SEK million	0.8	0.8	0.8	0.9	0.9
Data per share					
No. of shares at fiscal year-end ²	36,842,088	36,842,088	36,842,088	36,842,088	36,783,188
Average number of shares	36,842,088	36,842,088	36,842,088	36,832,271	36,758,743
Equity per share, SEK	15.46	16.36	16.26	15.22	14.12
Equity per share after full dilution ³ , SEK	15.13	16.11	16.06	14.93	13.84
Cash flow per share, SEK	0.70	1.02	2.55	2.31	2.24
Cash flow per share after dilution ³ , SEK	0.68	1.01	2.52	2.26	2.19
Earnings per share, SEK	-0.26	0.47	1.37	1.37	1.28
Earnings per share after dilution ³ , SEK	-0.26	0.46	1.35	1.34	1.26
Dividend per share ⁴ , SEK	0	0	0	0.50	0.50
Dividend yield, %	0	0	0	0.9	0.7
P/E ratio, times	n/a	79.9	28.3	42.7	59.2
Share price at fiscal year-end, SEK	34.0	37.3	38.8	58.5	76.0
The shares annual turnover rate ⁵	0.16	0.14	0.25	0.25	0.55

¹ Definition of key figures, see note 32.

² Adjusted for stock splits and bonus issues.

³ Dilution is based on the convertible debenture loan 2010/2011 (133,000) and 2009/2010 (368,400) and the employee stock option program 2008/2009 (90,000), 2009/2010 (100,000) and 2010/2011 (100,000). In calculating the dilution effect, it was taken into account that the employee stock options 2008/2009 (90,000), which in the company's assessment will not be utilized during the exercise period September 9-15, 2011, since the conversion price of SEK 78.90 is substantially higher than the listed price at the end of the fiscal year.

⁴ Dividend proposed by the Board of Directors for 2010/2011.

⁵ Year 06/07 – 09/10 refer to calendar year and year 10/11 refers to fiscal year.

GLOSSARY

FDA (Food and Drug Administration)

The US Food and Drug Administration with responsibility for the regulation of medical devices.

Crypto

Equipment that uses mathematical manipulations (algorithms and keys) to encrypt information, so that it can be interpreted or read only by the intended recipient. In order to read encrypted information, the recipient must have the correct key and algorithm so that the data can be reconverted into its original clear-text form.

IP (Internet Protocol) telephony

The transmission of voice communications over networks based on Internet Protocol (IP). Unlike traditional telephony, the transfer is divided into data packets.

Mammography screening

Mammography is an examination procedure used to detect breast cancer at an early stage in asymptomatic women. Screening means that all women of certain ages are called for examinations regularly.

Modality

Equipment that is used to generate images of the body.

Orthopaedics

A surgical specialty for disorders affecting the skeleton and the locomotor system.

Osteoporosis

Commonly referred to as “brittle bone disease”, is a skeletal disease that causes increased brittleness of the bones and a risk for fractures.

Osteoarthritis

A degenerative disease of the cartilage in one or more joints, usually the hand, hip, knee and toe joints.

PACS (Picture Archiving and Communication System)

A system for managing and archiving digital radiology images.

Photon

An elementary particle responsible for electromagnetic phenomena, such as light and X-rays.

RIS (Radiology Information System)

A system for managing radiology patient data, such as appointment bookings, patient information and dictations.

Rheumatism

An inflammatory disease that affects women more often than men.

Smartphone

A mobile telephone with PC-like functionality that offer higher memory capacity than normal mobile telephones and can be used for Internet services and e-mail.

TETRA (Terrestrial Trunked Radio)

An international standard for digital radio systems. Radio systems based on the TETRA standard are used by various organizations throughout the world, including police authorities, rescue services, fire departments, customs and border control, national coast guards and defense agencies.

Spectral mammography

A technique used to visualize with colors various types of breast tissue on a mammography image.

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ANNUAL GENERAL MEETING

Date: June 30, 2011
Time: 4.00 CET
Place: Collegium, Teknikringen 7, Linköping, Sweden

Notice

The official notice was published through press release and on the company's website on May 31, 2011. The notice was published in the Official Swedish Post och Inrikes Tidningar on June 1, and at this date issuance of the notice was also announced in Svenska Dagbladet.

Dividend

The Board of Directors and the President propose that no dividend is distributed for the fiscal year 2010/2011.

Complete proposals

Full notice, complete proposals, registration form and proxy form are available at the company's offices in Linköping and on the company's website www.sectra.se. Shareholders wishing to have these documents by mail may notify the company by phone +46 13 23 52 00 or e-mail info@sectra.se.

FINANCIAL INFORMATION

September 6, 2011	Three-month report
December 6, 2011	Six-month report
March 6, 2012	Nine-month report
May 22, 2012	Year-end report

Financial information and corporate governance reports are available on the Group's website www.sectra.se under the heading “Investor” and press releases under the heading “Press”. Questions can be submitted to the company by phone +46 13 23 52 00 or e-mail info.investor@sectra.se.

The Annual Report 2010/2011 was published on the company's website on June 9, 2011. It was distributed by mail to new shareholders and those shareholders who have registered an interest in receiving financial reports.

Interested parties can subscribe on the company's website to receive annual reports, interim reports and press releases by e-mail. Financial reports and other information can also be ordered by phone or at the e-mail address above.

Sectra MicroDose Mammography helps reduce the radiation dose of mammography in 18 European countries as well as Canada, Japan, Australia and New Zealand.



INNOVATIONS MAKE LIFE EASIER FOR CUSTOMERS

Close collaboration with customers and researchers has given Sectra extensive experience in business development, and converting innovative technologies to products and services that benefit our customers. Here are some examples:

1993

- > Sectra digitizes the radiology operations in Mjölby, making it the first unit in Sweden and among the first in the world with entirely film-free radiology. Today, Sectra's system is used to handle digital radiology images for more than 1,100 care providers worldwide.

1999

- > Sectra is the first company to offer digitized prosthesis modeling, which facilitates operation planning for orthopaedists.
- > Sectra initiates a partnership for the development of a digital mammography system with Professor Mats Danielsson and his research group at the Royal Institute of Technology, who have developed a photon-counting radiology detector. The photon-counting technology makes it possible to combine very low doses of radiation with the high image quality required for mammography.
- > Sectra delivers its Tiger secure mobile telephone to the Swedish Defense Forces, which becomes the first organization in the world with eavesdrop-protected mobile telephone communications. Today, Sectra's products for secure voice communications are used by customers in 17 European countries.

2001

- > Sectra helps to establish a new medical imaging research center – the Center for Medical Image Science and Visualization (CMIV) – in Linköping, Sweden.

2002

- > Sectra launches the Sectra MicroDose Mammography system, which takes mammography images with a 50% lower radiation dose than any other system.

2005

- > Sectra introduces new methods for managing extremely large image volumes in our systems for handling radiology images. These methods have been developed in partnership with the CMIV research center and are part of Sectra's RapidConnect™ technology.

2007

- > Sectra introduce a service enabling users to subscribe for secure voice communication. The service is used by customers in the Netherlands.

2008

- > Sectra becomes the first company in the world to offer an online service for bone density analysis. This service enables the estimation of a patient's risk for osteoporosis at a much lower cost than traditional methods.
- > Tiger XS is certified by the NATO Military Committee for communications up to the security level SECRET, becoming the first crypto product for voice communication to be approved by both NATO and the EU.

2009

- > Sectra launches its Panthon crypto product which enables secure telephone communications with a smartphone.

2010

- > Sectra's photon-counting detector technology is used in the first research project for color images for mammography, spectral imaging. The first clinical results show that mammography in color can improve opportunities for a physician to diagnose breast cancer.
- > Sectra launches a unique visualization table that can save operation time and enhance the quality of care. Using advanced 3D visualization, a team of physicians can examine for example tumors, bone fractures and signs of cerebral aneurysm before operating on a patient.

CUSTOMER OBSESSION

FUTURE PROOF INNOVATION COMPETENCE
EFFECTIVENESS SMART PEOPLE

EFFICIENT HEALTHCARE

BEST PEOPLE LONG-TERM

Medical Systems

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