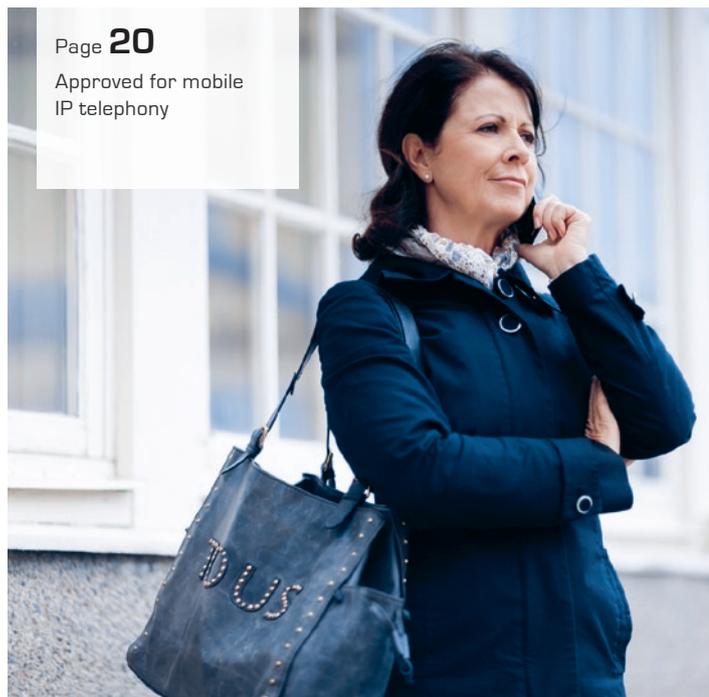




INNOVATIONS THAT GENERATE CUSTOMER VALUE

<p>2002 MicroDose Mammography modality - takes mammography images with a radiation dose that is 50% lower than any other system.</p>	<p>2007 Service enabling users to subscribe for secure voice communication.</p>	<p>2008 Online service for osteoporosis analysis.</p>	<p>2010 Visualization table for medical education and surgery planning.</p>	<p>2011 Crypto product enabling secure telephone communications with a smartphone.</p>
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Sectra develops and sells cutting-edge products and services within the niche segments of medical IT and secure communication. Sectra has offices in 12 countries and operates through partners worldwide. The company was founded in 1978 and has its roots in Linköping University in Sweden. The Sectra share is quoted on the NASDAQ OMX Stockholm AB exchange.



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SECURE COMMUNICATION SYSTEMS

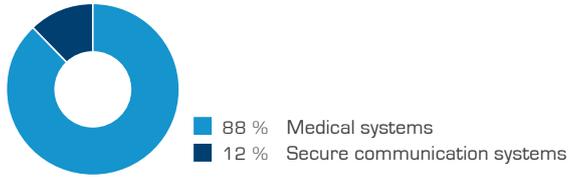
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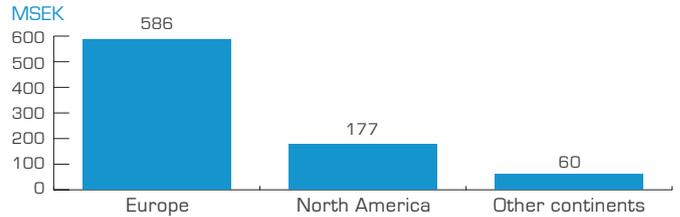
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Net sales by business area



Net sales by continent



Page 6 & 14

Large capital gain and increased profit through divestment of business operation

Key figures

	11/12	10/11
Net sales, MSEK	823.1	783.7
Profit after tax, MSEK	92.8	48.3
Profit after tax including discontinued operation, MSEK	385.8	- 9.6
Profit per share ¹ , SEK	2.52	1.31
Profit per share including discontinued operation ¹ , SEK	10.47	- 0.26

¹ Before dilution

Page 8

High direct return

The year in brief

Q1

Sectra divests operations for development and sales of the MicroDose Mammography modality. The capital gain amounts to SEK 323 million.

Sectra's Medical systems business operation enters the Russian market with new partnership.

Private healthcare provider Unilabs in Norway begins using Sectra's online service, in combination with mammograms, to examine women's risk for osteoporosis.

Sectra secures a four-year agreement amounting to SEK 57 million with major Norwegian healthcare region.

Q2

The Board of Directors adopts a new dividend policy.

Sectra signs research and development agreement with a major US university hospital.

The EU and NATO approve Sectra's security solution Panthon for mobile IP telephony.

Q3

Sectra transfers SEK 5 per share to shareholders, totaling SEK 184 million, through a redemption process.

Mammography clinic in Switzerland signs contract for Sectra's osteoporosis online service.

Swedish university orders Sectra's unique visualization table and is first to use the product in medical education.

Q4

European mammography clinics reach a milestone in the fight against osteoporosis – 1,000 women at very high risk of osteoporosis has been identified using Sectra's online service.

Dutch ministries choose to communicate securely with Sectra's crypto products. The framework agreement for secure communication is extended for another two years.

Skåne University Hospital in Sweden extends Sectra's system for managing radiology images to comprise clinics that use non-radiological medical images for diagnoses.

Long-term and profitable growth

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

VISION

Sectra aims to be the leader in selected niche markets.

OVERALL GOALS

The Sectra Group's financial goals were revised by the Board of Directors in autumn 2010. The Board's assessment at the time was that Sectra's was well positioned to reach the new goal levels within a period of about three years, based on the expected market trend.

Sectra's products and services enhance efficiency and cut costs in our customers' operations, entailing continued growth in our markets over time. However, the weak economic situation in Southern Europe and the past year's weakness in the US economy entails that markets for Sectra's products will not grow at the previously assessed pace. This means that Sectra's opportunity for achieving its growth goals has shifted forward in time.

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.



Elin Kindberg,
Medical Advisor in
the Rheumatology
business unit

"By investigating the risk of osteoporosis in conjunction with mammography, many women can avoid unnecessary suffering. To date, more than 1,000 women in Europe with a high risk of fractures have been identified using our analysis service. These women can now receive help to prevent the disease from developing."



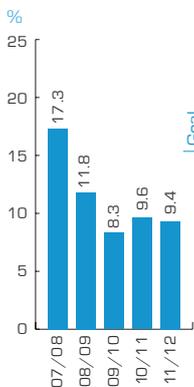
Håkan Ritzén,
Chief System Designer
and specialist in the
design of reliable IT
systems

"A patient's life could be in danger if the radiology department's IT systems do not function. Our secure system was acclaimed by HP and Intel® in 2011, when one of our major customers in the US - University Hospitals in Cleveland - received an award for its extremely reliable Sectra PACS solution."

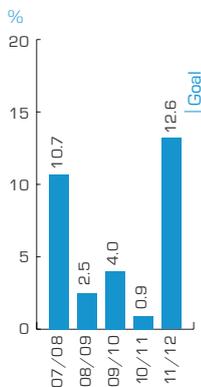
Financial goals

FY 07/08 -10/11 include divested operation.

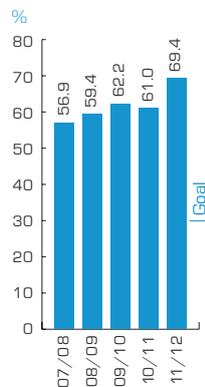
AVERAGE GROWTH, 7-YEAR PERIOD



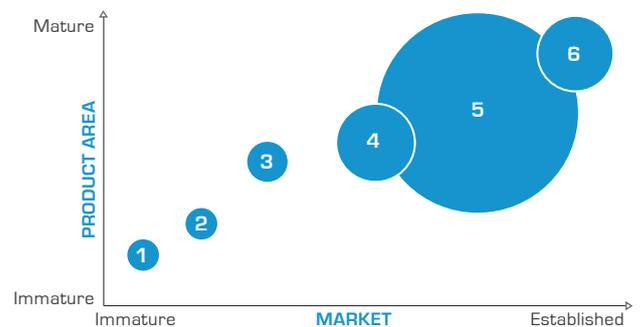
OPERATING MARGIN



EQUITY/ASSETS RATIO



Products & services for growth



- 1 Secure mobile IP telephony
- 2 Analysis of osteoporosis & rheumatism
- 3 Planning orthopaedic surgery
- 4 Secure voice communication
- 5 Radiological IT systems
- 6 Customized development of crypto products

Overall goals

	Leading positions	Profitability	Growth	Long-term
Goal	To establish a strong global brand. All operations shall be internationally leading and contribute to strengthening Sectra's profits and brand.	To achieve an operating margin (EBIT) of at least 15%.	To grow by an average of 15% each year over a seven-year period.	To maintain an equity/assets ratio of at least 30%.
Status	Sectra is the world's largest IT provider of image management systems for radiology departments (PACS). Sectra is a market leader in Sweden and the Netherlands in solutions for secure voice communication that are approved for managing information at the SECRET security level.	The operating margin excluding nonrecurring item is 9.9%. In 2011/2012, the greatest step that Sectra took towards achieving the company's profitability goal was divesting the business operations for development and sales of the MicroDose mammography modality.	Sectra's average growth is 9.4%. Growth in the markets for Sectra's products is currently dampened by the weak economic situation in Europe and North America.	The equity/assets ratio is 69.4%, which exceeds Sectra's strategic goals. During the recent global financial crisis, this had a positive effect on customer confidence.
Focus 2012/2013	Strengthen the company's position as supplier to healthcare providers with large and complex IT installations. Targeted initiatives to strengthen Sectra's brand in countries where the company holds a strong position or can become a market leader.	Internal efficiency enhancements with a major focus on the coordination of resources and product development, which may contribute to reducing costs for support and installation.	Increase sales in markets where Sectra holds a strong position. Complete the major development projects in secure communication. Increase sales of new products and online services.	Continue to maintain a favorable equity/assets ratio by prioritizing positive cash flow from operations when investing for organic growth or acquisitions.

New technology, new business opportunities, greater customer value



Jan-Olof Brüer
CEO and President of Sectra AB.

New radiology equipment, e-readers, smart mobiles and cloud services – technological advancements continue, regardless of the economic situation. This trend leads to new business opportunities that benefit both Sectra and our customers.

From research to customer value

Our efforts to build success for our customers, and thus for Sectra, are long-term. Our strength lies in sustainable investments in research and development, enabling us to offer our customers the very best. In 2011/2012, our offerings were expanded with new products and services that will make everyday life easier for our customers and contribute to our expansion. For more information about our new products and services, refer to the sections under each business area.

Divestment of low-dose mammography boosts profitability

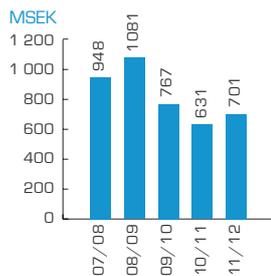
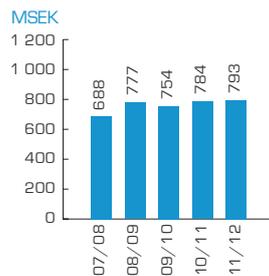
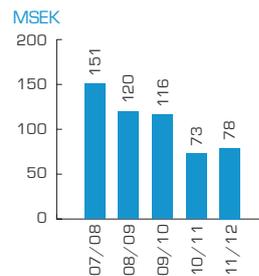
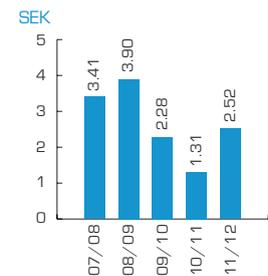
In 2011/2012, we conducted Sectra's largest structural transaction ever. We divested the operation for development, production and sales of MicroDose Mammography, the innovative product that

we led from research to market establishment. Our transaction with Royal Philips Electronics will now generate an international reach for our low-radiation mammography technology that is broader than anything we could achieve on our own – and will benefit more women.

The structural transaction had a major impact on our financial development. In addition to the capital gain of SEK 323 million, the transaction made a positive contribution to the Group's operating income. We generated an operating profit of SEK 103 million, corresponding to an operating margin of 13%. Including earnings from discontinued operations, profit after tax amounted to SEK 386 million, compared with a loss of SEK 10 million in the preceding fiscal year.

High direct return

Divestment of the MicroDose operation significantly strengthened our financial position. Since our operational development can now take place without investments in MicroDose Mammography being charged to our cash flows, we will be able to offer

ORDER BOOKINGS**NET SALES****OPERATING PROFIT****PROFIT PER SHARE**

Refers to remaining operations, excluding nonrecurring item

shareholders a high direct return. Our objective is to provide an even and favorable dividend for our shareholders over time, and the new dividend policy adopted by the Board of Directors in 2011 is described in more detail on page 8.

Financial muscles – temporarily weak markets

In 2011/2012, transactions in Europe and North America were dominated by the fact that many customers had limited budgets, and these were primarily used to maintain the functionality of their existing systems and equipment. The global economic situation and state of public finances in many countries impacted the financial situation of our customers and accordingly, our own business opportunities. The current debt crisis and its political implications for many European countries constitute the greatest uncertainty factors for our future growth.

In such times, we benefit from being a strong Group. We have a strong cash flow and an equity/assets ratio of 69%. Since the products and services we offer lead to savings for our customers, we see favorable expansion opportunities when our markets recover.

Internal efficiency enhancements to achieve 15% profit

To retain and increase our competitiveness, we work continuously to reduce our costs by enhancing our internal efficiency. We are reviewing opportunities for halving our costs in connection with the development, installation and upgrading of our products. In terms of growth opportunities, we prioritize positive cash-flow investments for organic growth, or the acquisition of positive cash-flow operations. Reaching our earnings objective of 15% in 2013/2014 will depend on how well we succeed with these activities.

Medical Systems growing in northern Europe

Despite the tough financial climate, our Medical Systems business area – which accounts for 88% of the Group's sales – continues to expand in northern Europe. Successes in Norway and the Netherlands, for example, have further strengthened our market position and we are now the market-leading supplier in these countries. In Medical Systems over the coming year, we will continue to prioritize growth in countries where we hold a strong position and can establish ourselves as a market leader.

We also made important steps forward in the smaller business units that sell such online services as analyses of osteoporosis and the planning of hip and knee replacements. These services enable major savings in the cost of treatment and care. As more healthcare providers realize the profits generated by Sectra's online services, these product areas will grow.

Secure communication for a mobile lifestyle

Following a year where new regulatory frameworks for protecting classified information have delayed ongoing development projects within our business area Secure Communication Systems, we are now poised to commence delivery of several new products. These include products that enable secure telephone calls with a smartphone. The mobile lifestyle has arrived. More and more people communicate, shop, file their tax returns, watch television and read newspapers on their smart mobile phones and e-readers. Since these are also important working tools, we have developed security solutions for customers who handle classified or restricted information.

Extensive customer base and long-term customer relations

In both of our business areas, existing customers account for more than half of our income. Our growing customer base generates continuous new transactions. Long-term agreements for service, support and upgrades provide economic stability for Sectra. Long-term customer relations are our most important priority and we ensure that existing customers receive excellent service and feel secure about the future.

The future

The demographic trend, with a growing portion of the population aged over 60, will inevitably lead to increased demand for efficient IT support systems for healthcare services. Our contribution to the advancement of healthcare services, while also enabling cost efficiencies, will increase sales of medical IT system and services. As customer installations become increasingly complex, we will benefit from our deep IT expertise and successful deliveries of some of the world's largest radiology IT solutions. Our products for secure voice communications are market-leading in Europe. Our cutting-edge technological advances enable successful competition with companies from many of the world's major countries. We also have world-class employees whose passion, knowledge and dedication to our customers is second to none. These qualities contribute to our development and we look forward to the coming fiscal year with confidence.

Linköping, May 2012

Jan-Olof Brüer
President and CEO

The Share

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

The total number of shareholders is 4,319 (5,110). The number of shares traded during the fiscal year was 5.9 million. This corresponds to a turnover rate of 0.17 times (0.16).

New dividend policy

During the year, Sectra's Board of Directors adopted the following dividend policy. Sectra's dividend shall be adapted to the company's need for capital in the business and for growth, and to the shareholders' requests for a dividend. The objective is to provide the shareholders with a stable and favorable dividend over time, and to enable the company to achieve an equity/assets ratio that is never less than 30%.

The former policy was as follows: dividend shall be well-weighted between the desire for direct return and the company's capital requirement for growth and international expansion. In the long-term, the Board of Directors intends to distribute an average of 15-20% of the profit after tax to shareholders.

Dividend and redemption programs

No ordinary dividend was paid previous fiscal year. However, in December 2011, a redemption process was carried out where SEK 5 per share, totaling SEK 184.2, was transferred to the shareholders through a 2:1 share split, combined with a mandatory redemption process and a stock dividend to restore the share capital.

For the 2011/2012 fiscal year, The Board and President propose that no regular dividend be paid. Instead, they propose

that SEK 5.00 per share be transferred to shareholders through a 2:1 share split combined with a mandatory redemption process. Further information about the proposal is available on the Sectra's website, www.sectra.com.

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. One Series A share confers ten votes, while one Series B share confers one vote. All shares carry equal rights to the company's assets and earnings.

Full conversion and exercise of the issued incentive programs would increase the number of shares by 1,074,425, corresponding to 2.9 % of the share capital and 1.8 % of the votes. Accordingly, the number of shares after full dilution amounts to 37,916,513. For further information on issued incentive programs, see Note 2 on page 35.

Analysts

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

Carnegie, **Kristofer Liljeberg**, tel: +46 (0)8 676 87 63

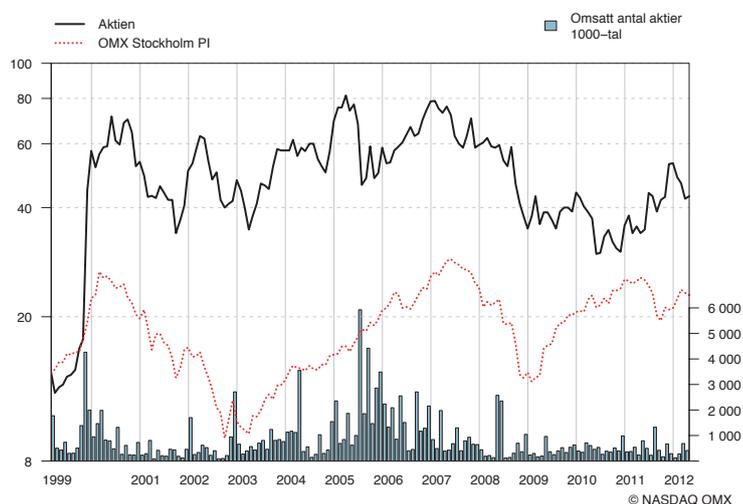
Nordea Markets, **Patrik Ling**, tel: +46 (0)8 614 70 00

Redeye, **Klas Palin**, tel: +46 (0)8 545 01 344

SEB Enskilda, **Christopher Lyrhem**, tel: +46 (0)8 522 29 674

Share price performance 2011/2012

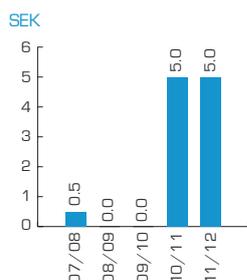
The share price rose 26% during the fiscal year. The Stockholm Exchange's Total Index during the same period decreased 11%. The last price paid at the balance-sheet date was SEK 43.00 (34.00), corresponding to a market capitalization of SEK 1,471 million (1,164). The highest quotation for the share was SEK 56.25 in January 2, 2012, while the lowest was SEK 32.10 in June 23, 2011.



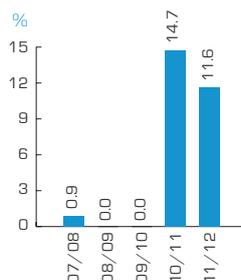
MARKET CAPITALIZATION



DIVIDEND/REDEMPTION PER SHARE



DIRECT YIELD



OWNERSHIP STRUCTURE IN RELATION TO CAPITAL



46 %	Swedish private owners
38 %	Swedish institutions, organizations, insurance and other companies
16 %	Foreign owners

Share capital development

Date	Transaction	Change in share capital	Total share capital	Total no. of shares
1999-03-03	New issue at listing	1 250 000	26 250 000	10 500 000
1999-12-20	New issue	1 050 787	27 300 787	10 920 315
2000-08-10	Bonus issue par SEK 2.50 to SEK 3.00	5 460 158	32 760 945	10 920 315
2000-08-10	Split 3:1, per SEK 3.00 to SEK 1.00	0	32 760 945	32 760 945
2002-07-02	Redemption of convertibles	315 566	33 076 511	33 076 511
2004-01-15	Redemption of employee options	75 000	33 151 511	33 151 511
2004-04-15	New issue	2 700 000	35 851 511	35 851 511
2004-06-08	New issue	540 540	36 392 051	36 392 051
2004-07-06	Redemption of convertibles	11 200	36 403 251	36 403 251
2004-07-08	New issue	47 387	36 450 638	36 450 638
2005-01-24	Redemption of employee options	54 667	36 505 305	36 505 305
2005-04-27	Redemption of employee options	23 333	36 528 638	36 528 638
2005-07-06	Redemption of convertibles	169 550	36 698 188	36 698 188
2006-01-26	Redemption of employee options	28 333	36 726 521	36 726 521
2006-04-21	Redemption of employee options	20 000	36 746 521	36 746 521
2007-01-17	Redemption of employee options	36 667	36 783 188	36 783 188
2007-06-19	New issue	58 900	36 842 088	36 842 088
2011-12-07	Redemption process - Split 2:1	0	36 842 088	73 684 176
2011-12-23	Redemption of shares	- 18 421 044	18 421 044	36 842 088
2011-12-23	Stock dividend	18 421 044	36 842 088	36 842 088

Ownership structure at April 30, 2012

Owner	No. of A shares	No. of B shares	Share of capital	No. 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 Investment Funds	0	6 925 039	18.8%	11.5%
Frithjof Qvigstad ¹	262 866	1 902 519	5.9%	7.5%
IF Skadeförsäkring AB	0	4 322 927	11.7%	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%
Fjärde AP-fonden	0	1 861 651	5.0%	3.1%
Thomas Ericson	136 329	298 197	1.2%	2.8%
Total for ten largest shareholders	2 575 325	23 045 374	69.5%	80.9%
Other owners with more than 100,000 shares, 19 shareholders	0	6 524 512	17.7%	10.8%
Owners with 10,001 - 100,000 shares, 65 shareholders	35 298	1 926 082	5.3%	3.7%
Owners with 1,001 - 10,000 shares, 614 shareholders	9 516	1 632 057	4.4%	2.8%
Owners with up to 1,000 shares, 3,611 shareholders	553	1 093 371	3.1%	1.8%
Total 4,319 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

Individuals make Sectra a world leader

Employees' competence, experience, knowledge of our customers' operations and a multicultural environment are the underlying factors of Sectra's success.

Sectra strives to employ people with solid expertise and a passion for their work. A positive attitude, the ability to instill confidence and trust in customers and colleagues, and a capacity for learning and sharing knowledge are essential qualities in a Sectra employee.

"We 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 CEO Jan-Olof Brüer. "The work should feel meaningful, and every individual must see the connection between their own efforts, customer benefits and Sectra's success."

Education level

Sectra has 502 employees. Most of these employees, 70%, have academic training and many have engineering degrees. A large number are also university graduates, and 4 professors and 16 people with technology doctorates are linked to the operations.

Recruitment

During the fiscal year, 75 new employees with leading-edge expertise in various areas were recruited. This includes people with long experience as well as new graduates. 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.

A Group-wide objective is to stimulate personal growth and development.

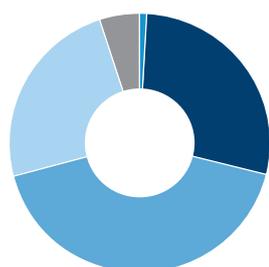
"You can begin working at Sectra as a new graduate and successively work your way up to the role of expert, a managerial position or President. Internal recruitment is prioritized when appointing people to vacant positions," says Dr Brüer.

Sectra has a tradition of encouraging employees who want to specialize. Sectra's Medical systems business area has an annual program where employees can be nominated for senior employee positions with greater benefits.

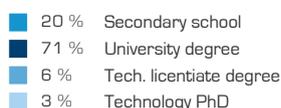
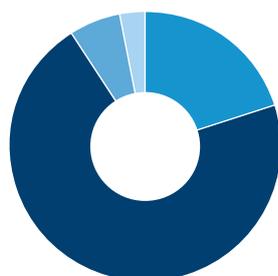
Multicultural environment

Employees from some 30 countries work at Sectra and contribute their experience from different cultures and environments. This multicultural environment facilitates Sectra's international expansion. Cooperation within the Group is encouraged. Internal rotation between departments, countries and job assignments is promoted, since it enables the utilization of Sectra's collective expertise.

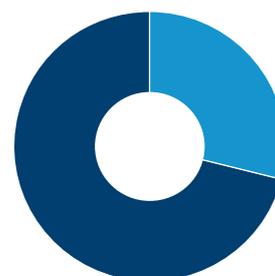
AGE DISTRIBUTION



EMPLOYEES' EDUCATION LEVEL



EMPLOYEES PER GENDER



Medical systems



BUSINESS CONCEPT

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

CUSTOMERS

Public and private healthcare providers.

GEOGRAPHIC MARKETS

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

THREE BUSINESS LINES

Sectra's products and services enable the healthcare sector to work more efficiently with its existing resources. The customer offering comprises IT solutions, software licenses, service and upgrade agreements, online services, consultancy services and training courses. The Medical Systems operations are organized into the following business lines:

Radiology IT systems

- > IT systems for management of medical images (PACS) and patient information (RIS)
- > software applications from other suppliers integrated with Sectra's IT systems
- > consultancy services such as integration, system design, data migration and business development
- > visualization tables
- > products for enhanced service to patients, such as a check-in terminal, an SMS text-messaging service and web scheduling services
- > hardware components such as archives and monitors from sub-contractors

Rheumatology and osteoporosis

- > online service for analyzing osteoporosis
- > online service for analyzing rheumatoid arthritis

Orthopaedics

- > online service for orthopaedic pre-operative planning
- > software for orthopaedic pre-operative planning, installed in combination with Sectra PACS

MARKET POSITION

Over the past 20 years, Sectra has successfully delivered some of the largest installations of radiology IT systems worldwide and the company's products are used by more than 1,150 healthcare providers. A total of 55 million radiology examinations are managed each year with our systems, making us the largest independent supplier of image management systems (PACS) for radiology departments in the world. Within Radiology IT, Sectra is a market leader in Scandinavia, with a market share of more than 50%. Sectra also holds a strong position in the Netherlands and Portugal with market shares of more than 20%.

Better care at same or lower cost

The average life expectancy and percentage of elderly people are rising throughout the entire industrialized world, putting pressure on health and medical care providers. In addition, politicians are making decisions to cut public spending on health and social care.

Sectra sells medical IT systems and services that lead to cost savings and solutions to the challenges arising from demographic trends. The need for more efficiency in the healthcare sector is now as tangible as when Sectra, as one of the first providers, introduced IT systems into hospital radiology departments more than 20 years ago. The market is dominated by:

- More and older patients.
- High demands for cost savings among healthcare providers.
- Expansion of IT systems for managing and archiving radiology images to also manage other types of medical images used in healthcare.
- Rapid technological development.

Specialized in medical IT

The Medical Systems business area is organized into three business lines: Radiology IT, Orthopaedics and Rheumatology. Radiology IT systems is the largest business line and accounts for 90% of sales in Medical Systems. The other business lines are in the early stages of development and have great growth potential.

Competitive advantages

Sectra's competitors comprise global players and specialized regional companies. The global players are large companies with strong brands and wide product ranges. The regional companies have a narrower product offering and their sales are based on proximity and strong service and support. Sectra's competitive advantages are:

- Highly specialized personnel with strong service mindedness.
- Highly reliable and stable products.
- Efficient solutions that increase customers' productivity.
- Strong offerings to the referring and consulting clinics that use the radiology department's services.
- Long experience in medical image-based IT.
- Long experience in large medical IT installations.
- High delivery reliability.
- Large customer base.
- Strong financial position.
- Close collaboration with research centers and universities.

RADIOLOGY IT

IT support for efficient radiology operations

The target group for Sectra's Radiology IT products and services are primarily major production-oriented hospitals and private chains of clinics. Sectra's solutions for image management (PACS) and patient information (RIS) can render workflows and processes more efficient, leading to faster diagnosis and better care.

A common IT system for all medical images

A clear trend is that the IT systems that manage images from radiology and mammography departments are being developed to also manage medical images from other disciplines, such as oncology and pathology. This trend is driven by hospital IT departments that seek cohesive systems for all image management, which simplifies administration and system management, while increasing availability for authorized healthcare personnel.

This trend increases the complexity and makes greater demands on integration, which benefits suppliers with strong IT skills.

"Our long-term goal is to provide total solutions for all management and communication of the hospitals' medical images, through a combination of proprietary products and collaboration with other suppliers," says Marie Ekström, Manager of the Radiology IT business line.

ORTHOPAEDICS

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 in pace with an aging population and lifestyle changes.

Sectra offers digital planning tools for the most common orthopaedic surgical procedures and is a market leader in orthopaedic planning in several markets. Sectra holds its strongest position in Scandinavia with a market share of 60%.

"Our tools help orthopaedists achieve the best surgical results with the highest possible efficiency. The product is mainly sold as an online service that functions regardless of the customer's PACS supplier," says Hanna Eriksson, Manager of the Orthopaedics business line.



“Our long-term goal is to provide total solutions for all management and communication of the hospitals’ medical images, through a combination of proprietary products and collaboration with other suppliers.”

RHEUMATOLOGY AND OSTEOPOROSIS

80 % of osteoporosis sufferers do not receive a diagnosis
 Some 200 million people are estimated to suffer from osteoporosis, most of whom are post-menopausal women. The disease affects as many as one-third of women aged over 50 worldwide. Nine million osteoporosis-related fractures are reported annually, predominantly wrist, hip and vertebral fractures. These fractures entail a great deal of suffering for patients and enormous costs to society for convalescent care. In 2010, costs in the EU were estimated at EUR 39 billion according to a report from the International Osteoporosis Foundation.

The treatment to stop decalcification of bone is relatively inexpensive. Unfortunately, in most cases, the disease is not diagnosed until it results in fractures, which explains the high costs associated with the disease.

Examine osteoporosis in connection with mammography

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

“With our cost-efficient method, patients can be identified and treatment can begin at an early stage, before the first fractures. An invitation to examine osteoporosis in connection with a mammogram can also increase participation in the mammography program,” says Jakob Algulin, Manager of Sectra’s Rheumatology business line.

Right medicine to right patient

Rheumatoid arthritis is a serious and 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. Choosing the most effective drug and treatment requires objective indicators and decision-making support. Sectra offers an online service, where rheumatoid arthritis is analyzed with hand X-ray images. The analysis makes it easier for the physician to assess and prioritize patients. The service is currently being used by pilot customers in Scandinavia and the Netherlands in both clinical trials and research.

MARKET SIZE 2010

Radiology image management (PACS) and information system (RIS)

Europe: USD 739 M
 North America: USD 1,066 M
 Source: Frost & Sullivan

Growth rate

According to sector analyses published by various market research companies, the global market for Radiology IT systems (RIS/PACS) will grow at an average rate of up to 10% per year by 2018. However, due to the economic recession lower growth figures are expected from several leading suppliers in the sector over the next few years – about 5% in North America, and no growth or negative growth in Europe.

SOME MARKET PLAYERS IN SECTRA'S NICHE AREAS

	Radiology IT systems PACS and RIS	Analyzing osteoporosis and rheumatism	The planning of orthopaedic operations
Agfa	X		
Brainlab			X
Carestream	X		
DR Systems	X		
General Electric	X	X	
Hologic		X	
Intellirad	X		
McKesson	X		
Philips	X		
Sectra	X	X	X
Siemens	X		

Focus on Medical IT increases profitability

In 2011/2012, Sectra divested its operations for the development and sales of the mammography modality MicroDose to Royal Philips Electronics. The estimated capital gain amounts to SEK 323 million. The transaction had a positive impact on the business area's operating earnings.

Operating earnings within Medical Systems, rose from SEK 4 million the previous fiscal year (including discontinued operations) to SEK 98 million for remaining operations. A result of the increased focus on Medical IT.

“Our goal is to continue increasing profitability. In the company's largest business line, Radiology IT, we launched activities over the past year that will contribute to greater cost-efficiency over a two-year horizon,” says Torbjörn Kronander, President of Sectra's medical operations.

Measures for greater cost-efficiency include efforts to upgrade the customers' PACS systems to Sectra's new product generation, product development and enhanced internal processes. Sectra also adapted its operations in countries where the financial situation led to a severely diminished market, particularly in southern Europe.

“We conducted a comprehensive analysis of the market, strategies and opportunities for expansion, which underlies our continued marketing and development initiatives within Radiology IT,” says Dr Kronander.

Increased sales in northern Europe

Income within the business line Radiology IT is derived from new sales, multi-year agreements for service and upgrades and additional sales of products and services. In 2011/2012, sales increased in northern Europe, particularly in the Netherlands and Scandinavia.

“Our initiatives target a handful of markets and areas at a time. For example, we had a successful venture in the Netherlands, where we acquired a sales company in 2006 and have now achieved a market share of over 20%. We also strengthened our position in Norway during the year through an agreement with Helse Nord for 11 hospitals run by the Northern Norway Regional Health Authority,” says Dr Kronander.

Several product launches

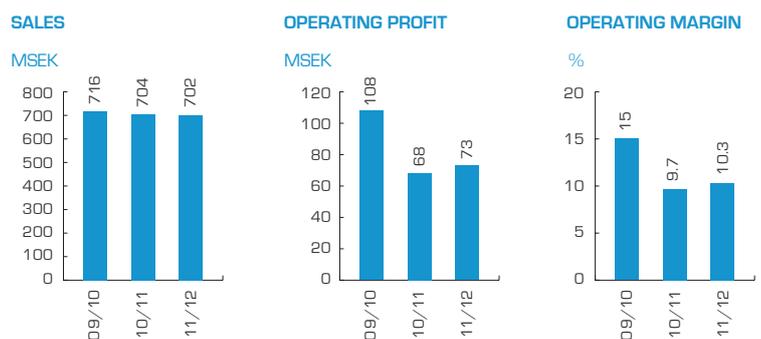
A key part of the efforts to increase growth and profitability involve additional sales to customers who already use Sectra's radiology IT systems. Sectra offers add-on products and services that further increase customers' productivity and use of resources and enhance the care experience for patients. Some of the offerings launched by Sectra in 2011/2012 include:

- User-friendly self-service tools for patients. An SMS text-messaging service for examination reminders and a web application where patients can book their own examinations.
- A mobile application that presents medical images on tablets, making it easier for on-duty physicians and facilitating the use of images for patient consultations.
- Functionality that enables mammography physicians to review a new type of X-ray image, a tomosynthesis image, from their ordinary workstation.

FINANCIAL RESULTS 2011/2012

In the fiscal year 2011/2012, additional transactions with existing customers and long-term agreements for service, support and upgrades accounted for more than half of Medical Systems' sales. The business area's operations in northern Europe and Australia showed growth. In southern Europe and the US, sales were adversely impacted by the economic recession and by US customers prioritizing investments in other types of IT systems to meet (Meaningful Use) requirements in the new healthcare and health insurance reform.

In 2011/2012, despite the negative impact of costs in connection with divestment of the MicroDose operation, the higher share of hardware transactions and lower new sales of IT systems, Medical Systems increased its operating profit due to internal efficiency enhancements.



The diagram pertains to continuing operations excluding non-recurring items

Improved medical training with visualization table

During the year, Sectra’s unique visualization table gained ground in education for physicians and other medical personnel. Swedish universities are the first in the world to apply the product in an educational setting. Students use their hands to zoom, rotate and make incisions in various body parts without using a scalpel. The technology was developed in collaboration with researchers at the Center for Medical Image Science and Visualization, the Interactive Institute and Visualization Center C.

Rising interest in osteoporosis analysis

Increasing numbers of mammography clinics around Europe use Sectra’s service for analyzing osteoporosis, Sectra OneScreen. New customers in Norway and Switzerland have now signed up for the service, for example. Use of the service is greatest among private mammography clinics.

“We are also working to make our analysis service available in the public healthcare sector, but this process takes longer since it is subject to political decisions,” says Dr Kronander. “Our sales initiatives for OneScreen are primarily focused on northern Europe.”

New research collaboration in the US

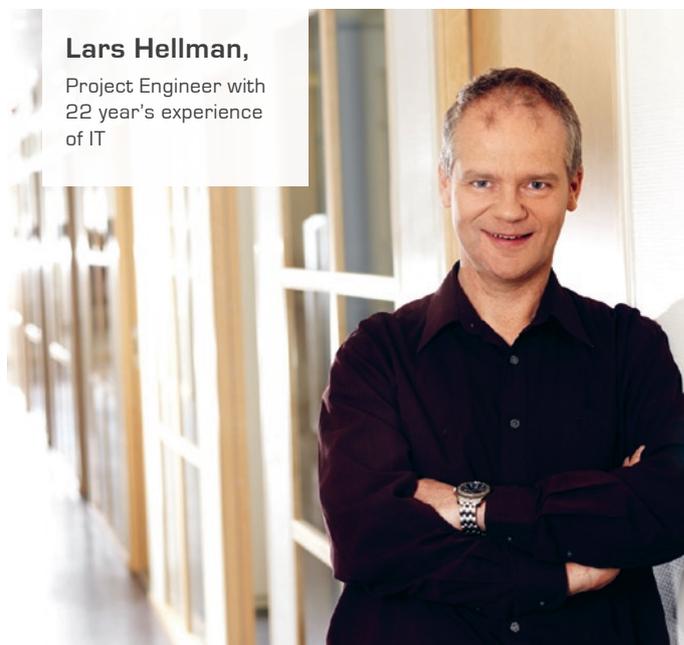
In collaboration with users, universities and research centers, Sectra develops innovative solutions that maximize customer benefits. These include a long-term and close collaboration with the Center for Medical Image Science and Visualization (CMIV) in Linköping.

“We signed our first US research contract during the year with University Hospitals in Cleveland,” says Dr Kronander.



Maria Vrang,

Product Owner,
Radiology IT



Lars Hellman,

Project Engineer with
22 year's experience
of IT

“We work closely with our customers and their opinions are the core of our product development. Our new web forum, Sectra UserInfluence, makes it even easier for customers to discuss prototypes with Sectra’s developers and product managers.”

“When customers change to our IT systems, we help them transfer patient data. This often involves several hundred TB of data, usually of varied quality. We ensure that our customers’ business-critical systems are up and running on the planned date without any adverse impact on their daily operations. That requires careful project planning and we have plenty of experience to fall back on.”

Targeted initiatives for increased profitability

Future care challenges and more knowledgeable customers favor Sectra. Profitability will increase through greater internal efficiency and growth in all of the business area's niches.

In most of Sectra's markets for radiology IT systems, sales have entered a new phase where customers are investing in their second system. At the same time, customer solutions become increasingly complex as IT systems manage more types of medical images and demands for integration with other systems increase.

"We have long experience and great competence in the IT-area. The customers we meet on replacement markets are usually more knowledgeable and their demands are more specific, which favors IT players such as Sectra," says Torbjörn Kronander, President of Sectra's medical operations.

Focusing on increased profitability

Within business line Radiology IT, Sectra will grow and win market shares by focusing on sales to healthcare organizations with large and complex IT installations.

"With customers such as the entire Northern Ireland healthcare sector, Region Skåne and ProMedica – a major chain of healthcare clinics in the US, we have demonstrated that we can deliver this kind of project. These customers conduct between 500,000 and one million examinations annually and have geographically widespread operations," says Dr Kronander.

The business line will also drastically reduce its costs for support and installation, a goal that spans three years. Efforts to achieve this goal entail product changes and resource coordination between countries and markets.

"We have begun reducing our costs for upgrades and new installations. We will continue this process for other parts of our systems," says Dr Kronander. "These efficiency measures are essential for achieving our margin goals and meeting increased price pressure in our markets."

Targeted initiatives for geographic expansion

The business area focuses on growth in countries and regions where the company has either a strong presence or the possibility to become a market leader. The expansion process is primarily organic. The majority of sales today are derived from Sweden, the US and countries in northern Europe, such as the UK, Norway and the Netherlands.

Partner sales account for about one-fifth the sales in Medical Systems.

"We primarily enter new markets by way of cooperative partners. In the Middle East, Russia and Japan, we have initiated establishment processes with partners, while Finland, Italy and parts of the US are examples of markets where we have well-functioning partner channels," says Dr Kronander.

Cost benefits with online services

Sectra's online services for analyzing osteoporosis, monitoring how patients with rheumatism respond to treatment and planning orthopaedic operations present major cost-saving opportunities for both society and care providers. The sales from these services are minor in comparison with the company's large Radiology IT operations, but they drive customer value and their potential is great.

"The significance of delivering online services to the healthcare sector will increase," says Dr Kronander. "It generates major cost and operation benefits for both us and our customers, since customers require no hardware or software installation. Thus, our online services have the potential to grow rapidly."

Torbjörn Kronander

President of Sectra's medical operations



Secure communication systems



BUSINESS CONCEPT

Sectra delivers approved and effective security solutions to government authorities, defence departments and critical functions of society throughout Europe.

CUSTOMERS

Government authorities, defense departments and critical functions of society. Users are decision-makers and officials in governments, defense authorities and critical functions of society, such as municipalities, county councils, police, customs, rescue services and the coast guard.

PRODUCTS AND SERVICES

Sectra offers products and services for secure communication to customers who handle classified information. The products are approved by national security authorities and such international organizations as the EU and NATO. Sectra's customer offering comprises:

- Secure voice and SMS communication.
- Secure high-speed data communication.
- Customer-specific development projects, from pre-studies to the production and delivery of customized crypto products/ systems.
- Services in the form of installation, deployment, security administration, service and support, as well as training.

GEOGRAPHIC MARKET

European countries that are members of the EU and/or NATO.

MARKET POSITION

Sectra has developed and sold products and services for secure communication since 1978 when the company was first founded. Sectra's collaboration with customers and national security authorities in many countries has led to the company's various solutions for secure communication now being used in most countries throughout Europe, in the EU and NATO organizations.

An increasingly mobile market

An increasing amount of information that was previously stored on computers is now moving over to smartphones. In 2011, a total of 2.5 million smartphones were sold in Sweden alone, a 50% increase compared with the preceding year. This trend requires new types of security solutions.

A smartphone is an important tool and contains addresses, e-mail, text messages and notes from meetings. It also stores information about the user's whereabouts, internet searches and passwords for social networks. If politicians do not have an effective security solution and misplace their mobiles, this could entail a major security risk.

"We make modern technology available to customers who handle classified or confidential information. With our communication solution for mobile IP telephony, customers can make secure phone calls from their smartphones and protect their phones from malicious code," says Michael Bertilsson, President of the business area Secure Communication Systems.

European market

Sectra markets and sells secure communication systems exclusively in the European market, with Sweden and the Netherlands as the largest marketplaces. The development and application of crypto products in these countries is cutting edge, and Sectra is a market leader in crypto products for secure telephony.

The market for Sectra's products is impacted by:

- Rapid technological development in data and telecommunications.
- Changes to regulatory frameworks for managing classified information.
- The ease and low cost of intercepting phone calls and messages.
- The rising interest shown by civilian authorities and critical functions of society for also protecting information that is sensitive and confidential, but unclassified.

The weak economic situation in some European countries affects the markets for Sectra's products. Budgets that are earmarked for investments in IT and communication security are shrinking or being frozen. This impacts the investment capacity of individual countries as well as EU and NATO organizations.

"Our long-term goal is to sell crypto products for secure voice and secure networks in all EU countries. Our short-term focus lies on sales campaigns in domestic markets – in Sweden and the Netherlands – and a number of selected countries where dialog is ongoing and we assess that customers are capable of investing in secure communication solutions," says Dr Bertilsson.

Different security levels require different products

In Europe, four main security levels are used to define the sensitivity of information and how it should be managed: Top Secret, Secret, Confidential and Restricted. Each of these levels is connected to the degree of damage that the information might cause if it fell into the wrong hands.

Sectra sells products that are approved for Secret and Restricted security 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 Company Confidential, then Sectra Panthon for mobile IP telephony is a secure choice.

Size of the market

The organizations and users to which Sectra delivers solutions are restrictive in the information they present about existing equipment and planned investments. As a result, there are no relevant industry surveys of the market's size or growth rate.

According to Sectra's own estimates, the potential number of Sectra Tiger users is approximately 150,000 individuals throughout Europe and approximately 3,000 individuals in Sweden. This calculation is based on approximately 0.3 per thousand of the population comprising government officials in positions that handle state secrets or EU information that is classified as Secret.

The communication solution for mobile IP telephony, Sectra Panthon, is intended for government officials who require security at Restricted level or who deal with information that is confidential. The number of users who require products for secure communication up to the level of Restricted is estimated to be ten times higher than the number of users who require Secret security level.

Competitors

Sectra's main competitors in the field of security-approved products are large-sized companies that are established in the European market and where encryption forms a minor part of their operations. Examples include Thales, Rohde & Schwarz, Secunet, Fox IT, Selex Communications and AEP Networks. In some countries, Sectra also competes with smaller and local players that, like Sectra, focus on encryption.

“Our long-term goal is to sell crypto products for secure voice and secure networks in all EU countries. Our short-term focus lies on sales campaigns in domestic markets – in Sweden and the Netherlands – and a number of selected countries where dialog is ongoing and we assess that customers are capable of investing in secure communication solutions.”

The market for secure communication with smartphones is dominated by a larger number of players. However, in contrast with the company’s product, Sectra Panthon, most of these competitors’ products lack security approvals.

Customized development projects are usually assigned to national players – for obvious reasons – who work closely with the security authorities in their own countries. Sectra currently has development collaborations in Sweden and the Netherlands.

Competitive advantages

Sectra is the only supplier in the market with a product approved by both the EU and NATO for the Secret security level, for secure mobile, fixed and satellite communication. Sectra’s Tiger products are also approved by several national security authorities in Europe. In the market for approved Restricted-level security solutions, Panthon is the only product with triple approval.

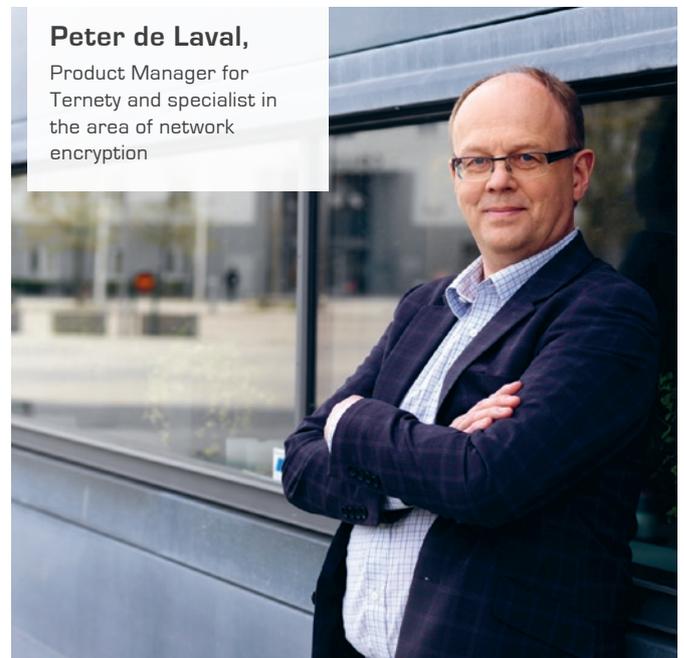
”As an international supplier we build valuable knowledge together with a number of customers. By working closely with end-users, we can develop security solutions that are effective – for both organizations and individual users,” says Dr Bertilsson.

¹ Source: The Swedish trade organization MobilTeleBranschen.



Robert Lidquist,
Vice President Product Division Tiger and specialist in the area of secure voice communication

”High availability and usability is of major importance to our customers. The market’s shift toward packet-switched data (IP) further improves availability and our Tiger system is currently being adapted for this technology.”



Peter de Laval,
Product Manager for Ternety and specialist in the area of network encryption

”Organizations are increasingly using external server farms for storing data. Sensitive data that is transferred between users and server farms needs to be protected. This requires faster crypto, and the Gigabit crypto we are developing will enable the encryption and decryption of large amounts of data without appreciable delay.”

Sound profitability and key approvals



Security authorities have introduced new security requirements that impact Sectra’s major development projects. At the same time, economic development in many European countries has been weak. Although the year was dominated by unexpected events, the trend in this business area was stable.

The 2011/2012 fiscal year was characterized by hard work in all product areas and development projects. In parallel with the development of new products, Sectra delivered and updated mature products. Extensions to service and support agreements also developed as planned.

Amended requirements from security authorities

In line with altered threat scenarios, security authorities in Sweden and the Netherlands amended their security requirements during the year. The new requirements entailed extensions to ongoing development projects and, consequently, delays to a new Sectra Tiger model, Sectra Panthon for Android and the new high-speed crypto, Ternety, which also impacts product deliveries.

“The new security requirements entail greater security and higher quality. Customers have also ordered new functions, which increases the usability of the products,” says Dr Bertilsson.

Panthon approved by the EU and NATO

During the year, Sectra’s security solution for mobile IP telephony, Panthon, was approved by both NATO and the EU for the Restricted security level.

“This approval makes it possible for officials and policy-makers in EU and NATO organizations to protect their sensitive communication with our future-proof solution that has been developed in close collaboration with the Dutch security authority,” says Dr Bertilsson.

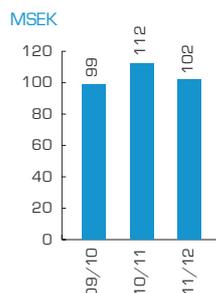
Dutch ministries show renewed trust

All Dutch ministries continue to communicate securely with Sectra’s crypto products. They have extended their framework agreement, through which they purchase secure communication as a service, for another two years.

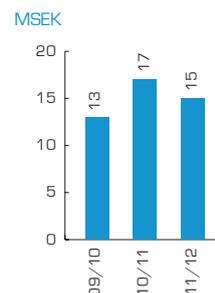
FINANCIAL RESULTS

Amended security requirements from security authorities have caused delays to Sectra’s ongoing delivery and development project, which impacted the financial results for 2011/2012.

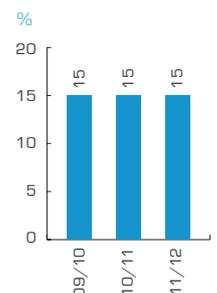
NET SALES



OPERATING PROFIT



OPERATING MARGIN



Solid customer base and three product launches

Close collaboration with European security authorities and end-users, assurance of a continued strong market position and new product offerings are some of the strategies that aim to achieve the business area's long-term goal of selling products to all EU countries.

Focus on security approval of new products

Major development projects for the Tiger, Panthon and Ternety products are ongoing and will be completed during 2012/2013, according to the new time schedules. The plan is that the security authority in the Netherlands shall evaluate the new Tiger and Panthon products, as well as one additional country and the EU and NATO during the coming fiscal year.

"We are in the final phase of the development projects for the new Sectra Tiger model and for Panthon on the Android platform. These products must be approved by security authorities, which we perceive to be under a lot of pressure. It is vital that development and evaluation goes according to schedule, since this will have a direct impact on when we can start deliveries to our existing and new customers," says Dr Bertilsson, President of Sectra's secure communication operation.

New Tiger model

Tiger is the business area's largest product area and includes products for secure mobile, fixed and satellite communication. The development of Sectra's new secure mobile phone model, Tiger 7401, is taking final shape in collaboration with the Dutch security authority. Deliveries of the new model can commence as soon as security authorities announce their approval.

Secure smartphones and tablets

In order to meet end-users' requirements for secure communication with more smartphone and tablet models, Panthon is being further developed to function on the Android platform.

"Panthon enables our customers to start using secure communication solutions for information that does not formally present any national security risks, but is still sensitive and could expose organizations or individuals to risk if falling into the wrong hands," says Dr Bertilsson.

Customized development – a continuing key base

The Swedish Defence Materiel Administration (FMV) assigned Sectra to develop a high-speed crypto, Ternety, for secure communication in data networks. During the fiscal year, the development project was revised due to amended requirements from the Swedish security authority and delivery of the product to Swedish government agencies will commence in 2013.

"Development of the high-speed crypto is one example of

a development assignment where we are responsible from the pre-study to the final system and product. Development projects comprise more than half of the business area's sales and are a key operational base," says Dr Bertilsson.

Revenue from development projects and multi-year agreements in Sweden and the Netherlands provide a stable base for the operations when changes take place in the external environment that are impossible to influence or foresee.

Michael Bertilsson

President of Sectra's secure communication operation.



Five year summary

Amounts in SEK thousands unless otherwise stated

	11/12	10/11	09/10	08/09	07/08
Consolidated Income Statements					
Net sales	823 090¹	783 691	753 857	776 978	687 978
Capitalized work for own use	10 586	8 598	15 107	36 763	17 260
Operating expenses	-686 822	-678 457	-628 233	-680 467	-547 313
Depreciation	-43 389	-41 288	-25 075	-12 832	-7 349
Operating profit	103 465¹	72 544	115 656	120 443	150 576
Net financial items	24 390	-2 371	-2 644	79 475	32 633
Profit after financial items	127 855	70 173	113 012	199 918	183 209
Income tax	-35 007	-21 874	-29 020	-56 066	-57 511
Net earnings for the year from remaining operations	92 848	48 299	83 992	143 852	125 698
Profit/loss from discontinued operations	292 967	-57 916	-66 785	-93 396	-75 235
Net earnings/loss for the year	385 815	-9 617	17 207	50 456	50 463
Profit attributable to equity holders of the:					
Parent Company	385 815	-9 617	17 207	50 456	50 463
Non-controlling interest	0	0	0	0	0

Consolidated Balance Sheets

ASSETS					
Intangible assets	65 784	195 073	211 079	227 216	217 637
Other fixed assets	66 450	66 249	78 257	69 554	69 575
Cash and cash equivalents	605 757	211 341	193 024	184 282	288 358
Other current assets	396 083	461 061	486 315	527 103	410 370
Total assets	1 134 074	933 724	968 675	1 008 155	985 940
EQUITY AND LIABILITIES					
Equity	787 392	569 537	602 568	599 114	560 670
Provisions	28 466	20 955	22 495	30 474	46 377
Long-term liabilities	17 260	23 406	17 315	23 162	51 859
Current liabilities	300 956	319 826	326 297	355 405	327 034
Total equity and liabilities	1 134 074	933 724	968 675	1 008 155	985 940

	11/12	10/11	09/10	08/09	07/08
Key figures ²					
Financial					
Working capital, SEK million	822.0	592.9	642.1	645.4	624.3
Liquidity ratio, times	3.4	2.1	2.1	2.0	2.2
Solvency, %	69.4	61.0	62.2	59.4	56.9
Debt ratio	0.04	0.04	0.07	0.07	0.10
Investments, SEK million	31.1	42.9	66.8	67.7	82.6
Profitability					
Gross margin, %	17.8	14.5	18.7	17.2	23.0
<i>Excl. nonrecurring item¹</i>	15.4	14.5	18.7	17.2	23.0
Operating margin, %	12.6	9.3	15.3	15.5	21.9
<i>Excl. nonrecurring item¹</i>	9.9	9.3	15.3	15.5	21.9
Profit margin, %	15.5	9.0	15.0	25.7	26.6
<i>Excl. nonrecurring item¹</i>	13.0	9.0	15.0	25.7	26.6
Return on total capital, incl. discontinued operations, %	40.8	-0.7	2.5	7.4	8.9
Return on working capital, incl. discontinued operations, %	59.7	-1.1	3.9	11.6	13.8
Return on equity, incl. discontinued operations, %	58.0	-1.6	2.9	8.7	9.3
Value added, SEK million	488.9	475.5	504.1	491.2	447.6
Employees					
No. of employees, average	500	496	484	448	398
No. of employees at fiscal year-end	502	500	497	483	423
Sales per employee, SEK million	1.6	1.6	1.6	1.7	1.7
Value added per employee, SEK million	1.0	1.0	1.0	1.1	1.1
Data per share					
No. of shares at fiscal year-end ³	36 842 088	36 842 088	36 842 088	36 842 088	36 842 088
Average number of shares	36 842 088	36 842 088	36 842 088	36 842 088	36 832 271
Equity per share, SEK	21.37	15.46	16.36	16.26	15.22
Equity per share after full dilution ⁴ , SEK	20.77	15.13	16.11	16.06	14.93
Cash flow per share, SEK	4.17	2.24	2.77	5.44	4.62
Cash flow per share, incl. discontinued operations, SEK	3.34	0.70	1.02	2.55	2.31
Cash flow per share after dilution ⁴ , SEK	4.05	2.19	2.73	5.37	4.53
Cash flow per share after dilution incl. discontinued operations ⁴ , SEK	3.24	0.68	1.01	2.52	2.26
Earnings per share, SEK	2.52	1.31	2.28	3.90	3.41
Earnings per share incl. discontinued operations, SEK	10.47	-0.26	0.47	1.37	1.37
Earnings per share after dilution ⁴ , SEK	2.46	1.29	2.24	3.84	3.34
Earnings per share after dilution incl. discontinued operations ⁴ , SEK	10.23	-0.26	0.46	1.35	1.34
Dividend/Redemption per share ⁵ , SEK	5	5	0	0	0.50
Dividend yield, %	11.6	14.7	0	0	0.9
P/E ratio, times	17.1	26.0	16.4	9.9	17.2
Share price at fiscal year-end, SEK	43.0	34.0	37.3	38.8	58.5
The shares annual turnover rate ⁶	0.17	0.6	0.14	0.25	0.25

¹ The 2011/2012 amounts include a nonrecurring item that had a positive impact of SEK 30 million on sales and SEK 25 million on operating profit.

² Definition of key figures, see note 33.

³ Adjusted for stock splits and bonus issues.

⁴ Dilution is based on the convertible debenture loan 2011/2012 (225,090), 2010/2011 (145,727) and 2009/2010 (403,608) and the employee stock option program 2009/2010 (100,000), 2010/2011 (100,000) and 2011/2012 (100,000).

⁵ 2011/2012 refers to redemption program proposed by the Board of Directors.

⁶ Year 07/08 – 09/10 refer to calendar year and year 10/11 – 11/12 refers to fiscal year.

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, 2011 to April 30, 2012. 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 2011/2012 fiscal year on May 22, 2012 at 08:00 a.m. through a press release and on Sectra's website www.sectra.se. The Annual Report in its entirety is published through press releases and on the website, www.sectra.se, on June 7, 2012 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 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, currently undergoing a name change to Sectra Medical Systems AB (Medical Systems). These companies have a number of subsidiaries with offices around the world. Refer to Note 12 for more information.

Significant events 2011/2012

- Sectra divested the operation for development and sales of the low-dose mammography modality MicroDose Mammography. The capital gain amounted to SEK 322.6 M.
- Sectra secured a four-year agreement valued at SEK 57 M with Norwegian healthcare region Helse Nord.
- The Board of Directors established a new dividend policy.
- Sectra transferred SEK 5 per share to shareholders, a total of SEK 184 M, through a redemption process.

Structural transaction

On August 31, 2011, Sectra completed a transaction with Royal Philips Electronics, which thereby acquired the operation for development and sales of the low-dose mammography modality, MicroDose Mammography. Excluding a possible additional purchase price, the transaction generated a capital gain based on

carrying amounts of SEK 322.6 M after tax for Sectra during the fiscal year. Refer to Note 13 for more information about the divested operation.

Reporting in the financial statements pertains to continuing operations, unless otherwise stated. Discontinued operations pertains to Sectra Mamea AB which developed, produced and marketed the modality for low-dose mammography.

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 is the Group's largest individual market with 31% (29) of sales, followed by the US with 20% (24).

Sales outside of Sweden are primarily in USD, EUR and GBP, entailing that the financial statements are impacted by fluctuations in the exchange rates of these currencies. Sectra does not hedge currency flows and thus, changes in exchange rates have a direct impact on the company's order bookings, sales and earnings. For more information about currency exposure, see Note 30.

The consolidated order bookings for 2011/2012 rose 11.1% to SEK 701.1 M (631.0). Targeted growth ventures in countries where Sectra holds a strong position or can be a market leader lead to higher order bookings, primarily in northern Europe.

Medical Systems

The market for medical systems continues to grow due to the major need for systems that increase efficiency in healthcare. This growth is driven by exchange transactions, additional sales to installed bases and new sales. Sectra supplies radiology, mammography, orthopaedic and rheumatology clinics with IT systems and services that enable more efficient work processes and coordinate geographically dispersed operations. More than 1,100 customers use Sectra's IT systems and services, including some of the world's major care providers. An increasing portion of the business area's income is derived from undertakings to existing customers, in the form of both additional sales and long-term contracts for products, service, support and upgrades.

In Medical Systems's largest business line, Radiology IT systems, Sectra's strategy is to grow in markets where the company already holds a strong position and through partnerships in selected geographic areas with major growth potential. Sectra's largest markets for Medical Systems are Northern Europe and North America. In many European markets, an uncertain economic trend and the need for government austerity measures has dampened growth, which also applies in the US. Despite the tough economic climate, Medical Systems continued to expand in Northern Europe. Successes in Norway and the Netherlands strengthened Sectra's market position and the company is now the market-leader provider of radiology IT systems (RIS/PACS) in these countries. In the home market, Sectra is by far the largest provider of IT systems for handling medical images (PACS).

Secure Communication Systems

Decision-makers, officials and military personnel in 17 European countries utilize Sectra's encryption products to protect their telephone calls from eavesdropping. This makes Sectra the leading supplier of products for secure telecommunication systems to European government authorities and defense organizations. Growth is driven by the fact that telephone calls are now easier than ever to intercept, changes to various regulatory frameworks for managing classified information, and the growing number of authorities that are choosing to protect their confidential, but unclassified, information.

Sweden and the Netherlands are Sectra's largest markets for Secure Communication Systems, and these customers continued to invest in secure communications during the year. Due to increased cooperation between authorities in European countries, customers need products that support cross-border cooperation. Sectra's products are approved by both the EU and NATO, as well as several national security authorities.

Seasonal variations

Sectra experiences seasonal variations, which means that most invoicing and earnings traditionally occur at the end of the fiscal year. Order volumes can vary significantly in terms of individual quarters, since Sectra has many large customers that hold long-term contracts with the company for medical IT projects, for example, or the development of encryption systems.

Financial overview

Consolidated sales and earnings

Consolidated net sales for the fiscal year amounted to SEK 823.1 M. This amount includes a non-recurring item of SEK 30 M pertaining to sales of assets in the Medical Systems business area attributable to divestment of the operation for low-dose mammography. Excluding the non-recurring item, net sales rose 1.2% to SEK 793.1 M (783.7).

Operating profit amounted to SEK 103.5 M (72.5), corresponding to an operating margin of 12.6%. The Secure Communication Systems business area once again reported an operating margin of 15% and Medical Systems contributed to increased profitability through the MicroDose divestment and internal efficiency enhancements. Excluding the non-recurring item, consolidated operating profit amounted to SEK 78.5 M (72.5), corresponding to an operating margin of 9.9% (9.3).

Profit after net financial items was SEK 127.9 M (70.2), corresponding to a profit margin of 15.5%. This change is mainly due to increased interest income and positive exchange-rate differences. Exchange-rate changes had a positive impact of SEK 7.5 M (neg: 16.1) on consolidated financial items. Profit after tax amounted to SEK 92.8 M (48.3). Earnings per share before dilution amounted to SEK 2.52 (1.31).

Earnings including discontinued operations

Discontinued operations reported profit after tax of SEK 293.0 M (loss: 57.9) for the year, including capital gain based on carrying amounts. Consolidated profit after tax and including discontinued operation amounted to SEK 385.8 M (loss: 9.6). Earnings per share before dilution and including discontinued operations amounted to SEK 10.47 (loss: 0.26).

Cash flow and financial position

Sectra's cash flow was significantly strengthened by divestment of the operation for low-dose mammography. Consolidated cash flow from operating activities after changes in working capital amounted to SEK 148.6 M (44.9). During the fiscal year, the change in cash and cash equivalents including discontinued operations amounted to SEK 393.5 M (7.4). After adjustments for exchange-rate differences in cash and cash equivalents, consolidated cash and cash equivalents amounted to SEK 605.8 M (211.3).

At the end of the fiscal year, the equity/assets ratio was 69.4% (61.0) and cash and cash equivalents amounted to a multiple of 3.4 (2.1). The Group's interest-bearing liabilities amounted to SEK 34.6 M (23.4) and pertain to convertible debentures, refer to Notes 22 and 23.

Investments

During the fiscal year, investments in the Group amounted to SEK 31.1 M (42.9). Investments were primarily attributable to the Group's financing operations for customer projects in Medical Systems and capitalized development. Investments in Group-financed customer projects during the year were SEK 17.5 M (17.8) and at the end of the fiscal year, the consolidated carrying amount in projects totaled SEK 46.1 M (47.0). Capitalized work for own account during the fiscal year was SEK 10.6 M (8.6). Capitalized development costs totaled SEK 55.8 M (176.0) at the end of the fiscal year, where the comparable value included discontinued operations.

Parent Company's sales and profit

Net sales in the Parent Company Sectra AB for the fiscal year amounted to SEK 18.3 M (18.7). Profit after net financial items amounted to SEK 403.0 M (67.8) and included SEK 300.0 M in anticipated dividend from the Medical Systems business area, as well as SEK 90.7 M (61.4) in Group contributions from subsidiaries.

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

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 2011/2012, SEK 10.6 M (8.6) 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 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

On the balance-sheet date, Sectra had 502 (500) permanent employees and some 40 project employees. Employee turnover during the fiscal year was 14.2% (14.3).

Employees with leading-edge expertise, dedication and drive underlie Sectra's success. Sectra's motto is "hire on attitude and ability; train for skills", meaning that considerable importance is placed on skills enhancement. The company works proactively with work environment and health issues by offering health checks, fitness programs and training opportunities. This resulted

in very low absence due to illness, corresponding to 1.7% (1.5).

Sectra works continuously to promote equality to achieve a gender balance and diversity. The proportion of female employees is 29.0% (29.0). Employees from about 30 countries work at Sectra and contribute experience from a range of cultures and environments. For more information, refer to Note 2.

Environmental information

Sectra primarily develops and sells software and, to a lesser degree, physical products. The company's operations are not subject to notification or permit requirements under the Swedish Environmental Code. Neither its products nor the company's own production have a major impact on the environment.

The digital radiology systems that Sectra develops are highly beneficial from an environmental perspective. The introduction of digital technology reduces the need for film and chemicals with a high environmental impact and minimizes travel and transport.

Risks, risk management and sensitivity analysis

Through its operations, the Group is exposed to various types of operational and financial risks. Refer to Note 30 for more 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 shares, 2,620,692 were Class A and 34,221,396 Class B. All shares carry equal rights to the company's assets and profits. A Class A share carries ten votes and a Class B share one vote. At full conversion and exercise of all issued incentive programs, the number of shares will increase by 1,074,425, corresponding to 2.9% of the share capital and 1.8% of the number of votes.

On the balance-sheet date, Sectra had 4,319 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:

- Torbjörn Kronander, who directly and indirectly through companies represents 16.9% of the votes.
- Jan-Olof Briier, who directly and indirectly through family and companies represents 16.9% of the votes.
- Nordea Investment Funds, who directly and indirectly through companies represents 11.5% of the votes.

Sectra issued three new incentive programs during the fiscal year. The 2008/2011 stock option programs for employees in North America expired. No options were redeemed.

For convertible loans 2009/2012, employees and external Board members redeemed convertible debentures valued at SEK 10.8 M,

corresponding to 252,890 shares, between May 21-25, 2012, which was after the balance-sheet date. On the maturity date of the convertible loan – June 15, 2012 – Sectra will repay SEK 6.5 M to convertible loan holders who refrained from conversion.

For more information concerning incentive programs issued, see Note 2.

Dividend/Redemption process

An Extraordinary General Meeting held by Sectra on November 22, 2011 resolved to transfer SEK 5 per share, totaling SEK 184.2 M, to shareholders through a 2:1 share split, combined with a mandatory redemption process and a stock dividend to restore the share capital. The redemption process took place in December 2011. No ordinary dividend was issued in 2010/2011.

No ordinary dividend is proposed for 2011/2012. Instead, the Board and the President propose that the Annual General Meeting (AGM) resolves to transfer SEK 5 per share, a total of SEK 185 M, to shareholders through a stock split 2:1 in combination with a mandatory redemption process and a stock dividend to restore the share capital.

Authorizations

The 2011 Annual General Meeting granted authorization to the Board, prior to the next AGM, to resolve on a new issue of not more than 3,700,000 shares. The purpose was to facilitate an issue of new shares to finance marketing investments and the acquisition of companies or operations, to secure the costs arising in connection with the company's incentive programs and to enable continuous adaptation of the company's capital structure. The 2011 AGM also resolved that the company was entitled to repurchase not more than 10% of the company's own shares up until the next AGM. On the balance-sheet date, the Board had not utilized either of these authorizations.

Guidelines for remuneration to senior executives

In accordance with the guidelines prepared by the Board, the 2011 AGM adopted the following policies for remuneration and other terms of employment for company management (the President and other members of Group management). The guidelines apply to agreements that are signed or amended after the AGM. The Board of Directors proposes to the 2012 AGM that the policies for remuneration and other terms of employment that were adopted at the 2011 Annual General Meeting shall continue to apply, with one adjustment to the pension terms. The background is that Sectra has changed its pension plan for all employees in Sweden, resulting in a change in the level of pension premium which, according to previous conditions was maximized at 25%. The pension premium is now proposed to be maximized at 30% of the fixed and variable salary.

Remuneration to company management is based on normal market terms, while also ensuring the shareholders' best 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 by accounting for the executive's experience, responsibilities and performance and is based on normal market conditions. Variable remuneration is proportionate to the executive's responsibilities 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 pre-determined quantitative criteria. The company's costs for the variable salary portion for the President and other members of company management amount to not more than 50% of the fixed salary costs.

The notice period for terminating 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 not more than 30% 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.

Issues concerning remuneration to company management are handled by the President. Remuneration to the President is resolved by the Board of Directors.

The Board of Directors' statement pertaining to the buyback of treasury shares

The Board of Directors' statement is reported under Note 32.

Significant events after the balance-sheet date

At the time of publishing this Annual Report, no events considered significant by the company had taken place after the balance-sheet date.

Outlook and financial goals

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 in Scandinavia provides a solid base for continued international expansion. Sectra's long-term financial goals are to:

- Achieve an operating margin of at least 15%.
- Achieve average annual growth of 15% over a seven-year period.
- Maintain an equity/assets ratio of at least 30%.

The Board of Directors revised the Group's financial goals in autumn 2010. The Board's opinion at the time was that Sectra had the right conditions for achieving the new goal levels within

a period of about three years, based on the expected market trend. Sectra's products and services enhance efficiency and save costs for its customers, entailing continued growth in our markets over time. However, the weak economic situation in Southern Europe and recent years' weakness in the US entail that the markets for Sectra's products have not grown in pace with previous assessments, and that Sectra's opportunities for achieving the growth goals have been postponed.

Approval of reports

Pursuant to the Board decision on June 1, 2012, the consolidated financial statements have been approved for publication and will be presented to the AGM for adoption on June 28, 2012.

Proposed appropriation of profits

The following is at the disposal of the Annual General Meeting (SEK):

Fair value reserve	- 18,465,017
Share premium reserve	7,647,266
Profit brought forward	34,711,618
Profit for the year	365,993,083
	<u>389,886,950</u>

The Board and President propose that the profits be appropriated so that SEK 389,886,950 is carried forward.

They also propose that the Annual General Meeting resolves that SEK 5 per share is transferred to shareholders through a 2:1 stock split combined with a mandatory redemption process and a stock dividend to restore the share capital. This entails a transfer of SEK 185,474,890 to the company's shareholders.

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 1, 2012

Jan-Olof Brüer
President and CEO

Carl-Erik Ridderstråle
Chairman of the Board

Torbjörn Kronander
Board Member

Anders Persson
Board Member

Erika Söderberg Johnson
Board Member

Christer Nilsson
Board Member

Jakob Svärdröm
Board Member

Stein Norheim
Employee Representative

Regina Rosander
Employee Representative

Our auditors' report was submitted on June 4, 2012
Grant Thornton Sweden AB

Peter Bodin
Authorized Public Accountant

Consolidated income statement

Amounts in SEK thousands	Note	11/12	10/11
Operating income			
Net sales	1	823 090	783 691
Capitalized work for own use		10 586	8 598
Total income		833 676	792 289
Operating expenses			
Goods for resale		- 158 381	- 114 077
Personnel costs	2	- 385 467	- 402 906
Other external costs	3, 4	- 142 974	- 161 474
Depreciation of machinery and equipment	11	- 26 785	- 25 742
Amortization/impairment of intangible assets	10	- 16 604	- 15 546
Total operating expenses		- 730 211	- 719 745
Operating profit		103 465	72 544
Financial investments			
Interest income and similar profit/loss items	6	25 778	2 842
Interest expenses and similar expense items	7	- 1 388	- 5 213
Net financial items		24 390	- 2 371
Profit after financial items		127 855	70 173
Tax	9	- 35 007	- 21 874
Profit for the year from continuing operations		92 848	48 299
Profit/loss from discontinued operations	13	292 967	- 57 916
Profit/loss for the year		385 815	- 9 617
Attributable to:			
Parent Company's shareholders		385 815	- 9 617
Non-controlling interest		0	0
Earnings per share remaining operations, SEK			
Before dilution		2.52	1.31
After dilution		2.46	1.29
Earnings per share including profit/loss from discontinued operations, SEK			
Before dilution		10.47	- 0.26
After dilution		10.23	- 0.26
No. of shares at year-end			
Before dilution		36 842 088	36 842 088
After dilution	2	37 916 513	37 633 488
Average number of shares, before dilution		36 842 088	36 842 088
Average number of shares, after dilution	2	37 707 909	37 536 405

Consolidated statement of comprehensive income

Amounts in SEK thousands	Note	11/12	10/11
Net profit for the year		385 815	- 9 617
Other comprehensive income			
Change in translation difference from translating foreign subsidiaries for the period		14 408	- 25 834
Other comprehensive income for the period		14 408	- 25 834
Total comprehensive income for the period		400 223	- 35 451
Attributable to:			
Parent Company's shareholders		400 223	- 35 451
Non-controlling interest		0	0

Consolidated balance sheets

Amounts in SEK thousands	Note	30 April 12	30 April 11
ASSETS			
Fixed assets			
Intangible assets	10	65 784	195 073
Machinery and equipment	11	53 647	60 175
Long-term investments	15, 29	3 639	4 335
Deferred tax assets	9	9 164	1 739
Total fixed assets		132 234	261 322
Current assets			
Inventories	16	14 727	57 184
Accounts receivable	17, 30	241 302	210 373
Current tax assets		14 271	40 080
Other receivables		4 301	7 805
Prepaid expenses and accrued income	18	121 482	145 619
Cash and cash equivalents	19	605 757	211 341
Total current assets		1 001 840	672 402
TOTAL ASSETS		1 134 074	933 724
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		36 842	36 842
Other contributed capital		296 526	296 526
Reserves		- 18 434	- 18 503
Retained earnings, including net profit for the year		472 458	254 672
Total shareholders' equity		787 392	569 537
Long-term liabilities			
Provisions	21	594	5 627
Deferred tax liability	9, 21	27 872	15 328
Other long-term liabilities	22	17 260	23 406
Total long-term liabilities		45 726	44 361
Current liabilities			
Accounts payable		30 436	38 777
Current tax liability		1 324	6 956
Other current liabilities	23	51 074	37 307
Accrued expenses and deferred income	24	218 122	236 786
Total current liabilities		300 956	319 826
TOTAL EQUITY AND LIABILITIES		1 134 074	933 724

Pledged assets and contingent liabilities, see Note 25.

Consolidated cash-flow statement

Amounts in SEK thousands	Note	11/12	10/11
CURRENT OPERATIONS			
Operating profit		103 465	8 239
Adjustment for non-cash items	26	44 436	48 054
Interest received		18 730	2 221
Interest paid		- 1 388	- 1 071
Income tax paid		- 11 698	- 31 820
Cash flow from current operations before changes in working capital		153 545	25 623
Changes in working capital			
Change in inventories		9 095	- 1 751
Change in receivables		- 2 191	- 16 558
Change in current liabilities		- 11 869	37 538
Cash flow from current operations		148 580	44 852
INVESTMENT ACTIVITY			
Acquisitions of intangible fixed assets	10	- 10 916	- 21 294
Acquisitions of tangible fixed assets	11	- 20 187	- 21 607
Sell in investments		0	22 354
Cash flow from investment activity		- 31 103	- 20 547
FINANCING ACTIVITY			
Change in convertibles		0	- 22 262
Taking up convertibles	22	11 168	6 091
Repayment of long-term liabilities		0	- 727
Redemption of shares		- 184 210	0
Cash flow from financing activity		- 173 042	- 16 898
Cash flow from continuing/remaining operations		- 55 565	
Cash flow from discontinued operations	13	449 095	
Cash flow for the year		393 530	7 407
Cash and cash equivalents at start of year		211 341	193 024
Exchange-rate difference in cash and cash equivalents		886	10 910
Cash and cash equivalents at year-end	19	605 757	211 341
Unutilized credit facilities	19	15 000	15 000

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, 2010	36 842	296 526	- 10 719	15 630	264 289	602 568
Income for the year					- 9 617	- 9 617
Other comprehensive income			- 25 834			- 25 834
Share-based payments				2 420		2 420
Equity as of April 30, 2011	36 842	296 526	- 36 553	18 050	254 672	569 537
Income for the year					385 815	385 815
Other comprehensive income			14 408			14 408
Share-based payments				1 842		1 842
Overdue incentive programs				- 16 181	16 181	0
Redemption of shares					- 184 210	- 184 210
Equity as of April 30, 2012	36 842	296 526	- 22 145	3 711	472 458	787 392

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 share-based remuneration related to convertibles and stock option programs.

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

Income statement

Amounts in SEK thousands	Note	11/12	10/11
Operating income	1		
Net sales		18 281	18 654
Operating expenses			
Personnel costs	2	-10 468	-9 030
Other external costs	3	-18 064	-18 764
Depreciation of tangible fixed assets	11	-211	-231
Operating profit		-10 462	-9 371
Result from financial investments			
Income from participations in Group companies	5	90 700	61 350
Interest income and similar items	6	324 827	22 268
Interest expenses and similar items	7	-2 031	-6 496
Profit after financial items		403 034	67 751
Appropriations	8	-14 229	1 874
Profit before tax		388 805	69 625
Tax on income for the year	9	-22 812	-18 867
Net profit for the year		365 993	50 758

Consolidated statement of comprehensive income

Amounts in SEK thousands	Note	11/12	10/11
Net profit for the year		365 993	50 758
Other comprehensive income			
Fund for fair value		12 977	-22 189
Other comprehensive income for the period		12 977	-22 189
Total comprehensive income for the period		378 970	28 569

Balance sheet

Amounts in SEK thousands	Note	30 April 2012	30 April 2011
ASSETS			
Fixed assets			
Machinery and equipment	11	347	558
Participations in Group companies	12	13 978	13 978
Receivable from Group companies	14	135 577	143 288
Long-term investments	15	1 528	1 982
Deferred tax assets	9	1 739	1 739
Total fixed assets		153 169	161 545
Current assets			
Receivable from Group companies		180 586	265 986
Current tax assets		6 795	21 412
Other receivables		1 556	1 836
Prepaid expenses and accrued income	18	2 119	1 738
Cash and cash equivalents	19	480 668	815 410
Total current assets		671 724	1 106 382
TOTAL ASSETS		824 893	1 267 927
EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted equity</i>			
Share capital		36 842	36 842
Share premium reserve		226 456	226 456
Total restricted equity		263 298	263 298
<i>Unrestricted equity</i>			
Fund for fair value		-18 465	-37 528
Share premium reserve		7 647	7 647
Retained earnings		34 712	174 250
Net profit for the year		365 993	50 758
Total unrestricted equity		389 887	195 126
Total shareholders' equity		653 184	458 424
Untaxed reserves	20	110 191	95 962
Long-term liabilities			
Other long-term liabilities	22	17 260	23 406
Total long-term liabilities		17 260	23 406
Current liabilities			
Accounts payable		912	677
Liabilities to Group companies		22 523	685 266
Other current liabilities	23	17 734	399
Accrued expenses and deferred income	24	3 089	3 793
Total current liabilities		44 258	690 135
TOTAL EQUITY AND LIABILITIES		824 893	1 267 927
Pledged assets and contingent liabilities		30 April 12	30 April 11
Pledged assets		11 000	11 000
Total pledged assets		11 000	11 000
Guarantees on behalf of group companies		283 653	332 944
Total contingent liabilities		283 653	332 944

Cash-flow statement

Amounts in SEK thousands	Note	11/12	10/11
CURRENT OPERATIONS			
Operating profit		- 10 462	- 9 371
Adjustment for non-cash items	26	188	335
Interest received		22 384	21 440
Interest paid		- 2 031	- 1 218
Income tax paid		- 8 195	- 22 625
Cash flow from current operations before changes in working capital		1 884	- 11 439
Changes in working capital			
Change in receivables		145 859	52 799
Change in current liabilities		- 422 959	76 427
Cash flow from current operations		- 275 216	117 787
INVESTMENT ACTIVITY			
Acquisitions of fixed assets		0	1 089
Payment of loans to subsidiaries	14	- 11 052	- 37 632
Repayment of loans from subsidiaries	14	31 741	15 004
Sell in investments		0	23 073
Cash flow from investment activity		20 689	1 534
FINANCING ACTIVITY			
Amortization of convertibles		0	- 22 262
Taking up convertibles	22	11 168	6 091
Group contributions received/paid	5	90 700	- 17 000
Redemption of shares		- 184 210	0
Cash flow from financing activity		- 82 342	- 33 171
Cash flow for the year		- 336 869	86 150
Cash and cash equivalents at start of year		815 410	729 260
Exchange-rate difference in cash and cash equivalents		2 127	0
Cash and cash equivalents at year-end	19	480 668	815 410
Unutilized credit facilities	19	15 000	15 000

Changes in Parent Company equity

Amounts in SEK thousands	Share capital ¹	Statutory reserve	Fund for fair value	Share premium reserve	Unrestricted equity	Total equity
Equity as of May 1, 2010	36 842	226 456	- 15 339	7 647	231 993	487 599
Group contributions paid					- 78 350	- 78 350
Tax effect					20 606	20 606
Total changes in capital recognized directly in equity, excl. transactions with the company's owner					- 57 744	- 57 744
Total income					50 758	50 758
Other comprehensive income			- 22 189		0	- 22 189
Total changes in capital excl. transactions with the company's owner			- 22 189		- 6 987	- 29 176
Equity as of April 30, 2011	36 842	226 456	- 37 528	7 647	225 007	458 424
Group contributions paid					0	0
Tax effect					0	0
Total changes in capital recognized directly in equity, excl. transactions with the company's owner					0	0
Total income					365 993	365 993
Other comprehensive income			19 063		- 6 086	12 977
Total changes in capital excl. transactions with the company's owner			19 063		359 907	378 970
Redemption of shares					- 184 210	- 184 210
Equity as of April 30, 2012	36 842	226 456	- 18 465	7 647	400 704	653 184

¹ On 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.

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 Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 1 "Supplemental accounting rules for groups" have been applied.

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

Amended accounting policies

Accounting policies and calculation methods remain unchanged compared with those applied in the Annual Report for the 2010/2011 fiscal year, with the addition that IFRS 5 Non-current Assets Held for Sale, is now also applied. IFRS 5 states how non-current assets are disclosed.

New and amended accounting policies that become applicable from May 1, 2012

A number of new or amended standards and interpretations will apply from May 1, 2012 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 2011/2012 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 Swedish Annual Accounts Act and RFR 2 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 30.

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.

Share holdings in associated companies, in which the Group holds a significant but non-controlling influence, are recognized according to 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 current receivables and liabilities in foreign currency for which payment is planned within the foreseeable future are recognized in profit and loss. Translation differences that arise in the translation of long-term receivables in foreign currency and that constitute net investments in subsidiaries are recognized against shareholders' equity.

Discontinued operations

Profit/loss after tax for discontinued operations is recognized as a single amount in profit and loss. The amount is specified particularly in Note 13. Net cash flow pertaining to discontinued operations is recognized as a single amount in the Group's cash flow statements. In the note for discontinued operations, net cash flow is specified for operating activities, investment activities and financing activities.

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 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

Acquired 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, premises, 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 net selling price. 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 no longer is in control over the assets. Market-listed shares are measured at market value and changes are recognized in profit and loss. Cash and cash equivalents and short-term investments of surplus liquidity are measured on a continuous basis at amortized cost and value changes are recognized in profit and loss. Loan receivables and accounts receivable are recognized at amortized cost. A provision for doubtful receivables is posted when there is proof 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 in so far as the interest paid on the convertible is not adjusted to market terms. If so, the liability portion is recognized 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. The interest paid on convertible loans on the balance-sheet date is considered market-based, which is why the convertible loan is recognized in its entirety as a liability.

Derivative instruments

Derivative instruments in the form of futures contracts are used within the Group to reduce risks associated with changes in exchange rates. 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. Regarding the geographic distribution, the basis for distribution is the customer's billing address.

Medical Systems develops and sells IT systems, services and medical equipment. The largest product area in the segment is IT solutions for processing and

archiving radiology images and patient information. Development is primarily carried out in Sweden, and sales are conducted through Sectra's own sales company and through external distributors.

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		Secure Communication Systems		Other operations ²		Eliminations ³		Total Group ⁴	
	11/12 ¹	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11
Net sales	732 023	703 698	101 783	111 800	50 878	59 270	- 61 594	- 91 077	823 090	783 691
Depreciation	26 845	25 978	391	479	16 153	14 831	0	0	43 389	41 288
Operating profit	97 506	68 008	15 275	16 807	- 9 036	- 7 570	- 280	- 4 701	103 465	72 544
Assets	796 644	692 112	106 577	96 950	872 770	1 307 072	- 641 917	- 1 162 411	1 134 074	933 723
Liabilities	431 989	637 665	99 595	90 398	123 045	763 413	- 307 947	- 1 127 290	346 682	364 186
Investments	19 633	31 264	3 697	902	7 773	10 735	0	0	31 103	42 901

Geographic areas

	Sweden		Rest of Europe		US		Rest of world		Total	
	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11
Net sales	250 547	259 367	335 228	275 110	168 065	209 862	69 250	39 352	823 090	783 691
Assets	838 190	646 717	159 971	141 934	100 140	112 785	35 773	32 287	1 134 074	933 723
Investments	22 712	21 499	6 272	19 290	1 720	1 017	399	1 095	31 103	42 901

¹ Refers to continuing operations, including a nonrecurring item of SEK 30 M in sales and SEK 25 M in operating profit, which pertains to sale of assets attributable to the divestment of low-dose mammography operations. For information about discontinued operations, refer to Note 13.

² For other operations, 64.1% (68.5) of sales pertain to operations for financing customer projects and 35.9% (31.5) 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 3.3% (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

	11/12		10/11	
	Total	of whom women	Total	of whom women
Parent Company				
Sweden	13	11	13	11
Group				
Australia	12	2	11	4
Canada	3	0	6	0
Denmark	4	1	5	1
Germany	19	6	19	8
Japan	1	0	1	0
Netherlands	25	8	19	5
New Zealand	2	0	2	0
Norway	13	5	12	4
Portugal	6	3	6	3
Spain	3	1	5	3
Sweden	277	74	273	74
Switzerland	1	0	1	0
UK	45	16	45	18
US	89	27	91	25
Group total	500	143	496	145

The proportion of female Board members, including employee representatives on the Boards of Directors of all Group companies, amounted to 11% (12), and on the Parent Company's Board of Directors to 22% (29). The proportion of women in the Group's management groups, including company presidents, amounted to 20% (23), and in Group management to 25% (25).

Salaries and other remuneration

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Board of Directors and President	16 285	19 898	2 570	1 821
Other employees	266 663	278 662	4 331	3 687
Total	282 948	298 560	6 901	5 508

Social costs

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Board and President				
Social costs	2 673	2 834	756	583
Pension costs	1 616	1 743	340	263
Total Board and President	4 289	4 577	1 096	846
Other employees				
Social costs	66 002	64 273	1 405	1 192
Pension costs	19 160	19 000	427	388
Total other employees	85 162	83 273	1 832	1 580

Remuneration to the Board, President and other senior executives 2011/2012

	Board fee	Basic salary	Variable remuneration	Other benefits	Pension premiums	Total
Carl-Erik Ridderstråle, Board Chairman	300	0	0	0	0	300
Erika Söderberg Johnson	190	0	0	0	0	190
Torbjörn Kronander	0	1 200	257	0	334	1 791
Anders Persson	170	0	0	0	0	170
Christer Nilsson	170	0	0	0	0	170
Jakob Svårdström	150	0	0	0	0	150
Total remuneration to the Board	980	1 200	257	0	334	2 771
President/CEO	0	1 320	270	0	340	1 930
Other senior executives (3 persons)	0	1 893	94	0	422	2 409
Total remuneration to the President and other senior executives	0	3 213	364	0	762	4 339
Total	980	4 413	621	0	1 096	7 110

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 by the Remuneration Committee and decided by the Board of directors. 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 2011/2012 and SEK 300,000 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 competence, 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 and external board members 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 1,842 thousand (2,420), of which SEK 387 thousand (475) pertained to senior executives, including the President/CEO.

Issued incentive programs

Convertibles programs	2009/2012	2010/2014	2011/2015	2011/2016
Number of underlying Series B shares	403 608	145 727	183 019	42 071
Conversion rate, SEK	42.90	41.80	49.00	52.30
Exercise period	21 - 25 May 2012	26 - 30 May 2014	25 - 29 May 2015	23 - 27 May 2016
Time to expiration	30 Oct 2009 - 15 June 2012	30 Oct 2010 - 15 June 2014	28 Oct 2011 - 15 June 2015	28 Oct 2011 - 15 June 2016
Interest rate during time to expiration	4 %	Stibor +2.25 %	Stibor +2.25 %	Stibor +2.25 %
Dilution upon full conversion, capital	1.1 %	0.4 %	0.5 %	0.1 %
Employee stock option programs	2009/2012	2010/2013	2011/2014	
Number of underlying Series B shares	100 000	100 000	100 000	
Exercise price, SEK	42.90	41.80	49.00	
Exercise period	19 - 25 Aug 2012	20 - 26 Sept 2013	13 - 17 Oct 2014	
Number of options exercised at April 30, 2012	0	0	0	
Dilution at full exercise, capital	0.3 %	0.3 %	0.3 %	

At the beginning of the fiscal year, the total number of convertibles and options outstanding amounted to 791,400. During the year, three new incentive programs were issued: two new convertible debenture programs with a total of 225,090 convertibles, and one share option program with 100,000 options. Translation of the convertible price due to the share redemption increased the initial number of convertibles by 47,935. In addition, a program with a total of 90,000 options matured during the year. At year-end, the number of convertibles and options totaled 1,074,425.

Note 3 Fees to auditors

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Grant Thornton				
Audit fees	1 567	1 221	487	238
Audit business in addition to the audit assignment	759	593	400	140
Tax advisory services	368	101	129	10
Other fees	196	528	60	66
Audit fees to others				
Audit fees	65	27	0	0
Other fees	31	441	0	0
Total	2 986	2 911	1 076	454

Audit assignments involve examination of the annual report and consolidated financial statements, 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. Audit business in addition to the audit assignment pertains to quality-assurance services.

Note 4 Costs for operational leases

Annual leasing fees paid for operational leases totaled SEK 19,903 thousand (21,435). Agreed future leasing fees for operational leases are payable as shown below:

Group	12/13	13/14	14/15	15/16
Rent	16 723	14 903	13 615	13 412
Cars	2 407	2 012	1 211	554
Other	218	191	129	42
Subleased objects	0	0	0	0
Total	19 348	17 106	14 955	14 008

Revenues during the 2011/2012 fiscal year pertaining to leasing items leased onward amounted to SEK 1,021 thousand.

Note 5 Income from participations in Group companies

	Parent Company	
	11/12	10/11
Group contributions	90 700	61 350
Total	90 700	61 350

Note 6 Interest income and similar profit/loss items

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Other interest income	12 350	1 999	9 964	813
Interest income from Group companies	0	0	12 399	20 612
Interest effect from discontinued operations ¹	6 359	0	0	0
Dividend	21	16	21	16
Revaluation, securities	- 454	563	- 454	563
Capital gain on shares	0	264	0	264
Exchange difference, net	7 502	0	2 897	0
Anticipated dividend from Group companies	0	0	300 000	0
Total	25 778	2 842	324 827	22 268

Monetary assets and liabilities are recognized at the closing day rate in profit and loss.

¹ Counter item is recognized in Note 13 Discontinued operations.

Note 7 Interest expenses and similar expense items

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Interest expenses	1 388	1 118	1 305	953
Interest expenses from Group companies	0	0	726	265
Interest effect from discontinued operations ¹	0	- 11 994		
Exchange difference, net	0	16 089	0	5 278
Total	1 388	5 213	2 031	6 496

Monetary assets and liabilities are recognized at the closing day rate in profit and loss.

¹ Counter item is recognized in Note 13 Discontinued operations.

Note 8 Appropriations

	Parent Company	
	11/12	10/11
Change in accrual fund	- 14 435	1 648
Change in excess depreciation	206	225
Total	- 14 229	1 874

Note 9 Tax on net profit for the year

	Group		Parent Company	
	11/12	10/11	11/12	10/11
<i>Tax expenses</i>				
Current tax expense	- 29 317	- 4 086	- 22 812	0
Tax on Group contributions			0	- 20 606
Deferred tax	- 5 690	- 17 788	0	1 739
Total tax expense	- 35 007	- 21 874	- 22 812	- 18 867

Relationship between Group tax and recognized tax per applicable tax rate

Earnings before tax	420 822	70 172	388 805	69 624
Tax per applicable tax rate for the Parent Company (26.3%)	- 110 676	- 18 455	- 102 256	- 18 311

Adjustment of tax for previous years	863	0	829	0
Tax effect of nondeductible expenses	- 800	- 808	- 320	- 557
Tax effect of nontaxable income	75 848	3	78 935	1
Change in temporary differences	- 1 067	649	0	0
Adjustment for tax in foreign subsidiaries	825	- 3 263	0	0
Tax on net profit for the year	- 35 007	- 21 874	- 22 812	- 18 867

Deferred tax liability

Deferred tax liability on untaxed reserves	29 611	25 613		
Deferred tax receivable on unutilized loss carryforwards (nettable)	- 1 739	- 1 739		
Net deferred tax liability	27 872	23 874¹		

Deferred tax assets

Deferred tax receivable on current assets	9 164	10 285		
Deferred tax receivable on unutilized loss carryforwards	-	-	1 739	1 739
Total deferred tax assets	9 164	10 285¹	1 739	1 739

Unutilized loss carryforwards for which deferred tax assets are not recognized refer to foreign subsidiaries and amount to SEK 10,353 thousand (14,725) at April 30, 2012 and correspond to a tax value of SEK 1,639 thousand (2,357). There is no time limit to use the foreign loss carryforwards.

¹ The preceding year's non-offsettable deferred tax asset was reclassified. Items in the preceding year's balance sheet were deferred tax asset SEK 1,739 thousand, and deferred tax liability SEK 15,328 thousand. Refer also to Note 21.

Note 10 Intangible assets

Group

	Capitalized development ¹	Patents ²	Customer relations ³	Brand	Total
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, 2011 ⁵	360 155	28 162	22 848	4 762	415 927
Opening depreciation/amortization ⁴	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 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
Historical cost at start of year	360 155	28 162	22 848	4 762	415 927
Translation differences	151	327	974	0	1 452
Investments for the year	10 916	0	0	0	10 916
Discontinued operations	- 282 433	- 24 301	0	0	- 306 734
Cumulative historical cost at April 30, 2012 ⁵	88 789	4 188	23 822	4 762	121 561
Opening depreciation /amortization	184 151	19 115	12 826	4 762	220 854
Translation differences	0	54	163	0	217
Amortization for the year	14 606	481	1 517	0	16 604
Discontinued operations	- 165 863	- 16 035	0	0	- 181 898
Cumulative amortization at April 30, 2012	32 894	3 615	14 506	4 762	55 777
Closing residual value at April 30, 2012	55 895	573	9 316	0	65 784

¹ Capitalized development pertains to internally generated intangible assets in proprietary software and equipment for medical imaging management and secure communications. Earlier major projects in capitalized development pertained to systems for digital mammography in discontinued operations. The remaining amortization period on larger projects is five years. The largest remaining project pertains to the development of IT systems in Medical Systems.

² Patents mainly pertained 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 pertained 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, 2012, 10.6% (2.9) pertains to ongoing development projects and 89.4% (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 development project. The value in use is based on the cash flows expected to be generated from the assets.

The future cash flows used in the calculation of each unit's value in use are based on a detailed review of each development project. The present value of the forecast future cash flows for all development projects is calculated using a cost of capital of 10% (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 12% (15). Assessment of the growth pace is based on market trend and the growth goals of the business areas.

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, 2012.

Note 11 Machinery and equipment

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Historical cost at start of year	137 705	129 325	11 016	12 833
Translation differences	7 866	- 10 490	0	0
Investments for the year	20 187	21 607	0	0
Sales/disposals for the year	- 1 855	- 2 737	0	- 1 817
Discontinued operations	- 13 537	0	0	0
Cumulative historical cost at year-end	150 366	137 705	11 016	11 016
Depreciation at start of year	77 530	56 545	10 458	10 955
Translation differences	3 097	- 4 756	0	0
Depreciation for the year	26 785	27 805	211	231
Sales/disposals for the year	- 823	- 2 064	0	- 728
Discontinued operations	- 9 870	0	0	0
Cumulative depreciation at year-end	96 719	77 530	10 669	10 458
Residual value according to plan	53 647	60 175	347	558
Total carrying amount	53 647	60 175	347	558

Note 12 Participations in Group companies

	Corp. Reg. No.	Reg. office	No. of shares	Share of capital, %	Nominal value	30 April 2012 Carrying amount	30 April 2011 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 376190	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	0	0	0	0	152 161
Sectra imaXperts BV	39069257	Almere, NL	500	100%	EUR 22.5	4 664	4 664
Total carrying amount						30 307	182 468
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
Totalt						164	164

¹ Sectra Mamea AB was divested on August 31, 2011, refer to Note 13 Discontinued operations.

Note 13 Discontinued operations

In June 2011, Sectra and Royal Philips Electronics signed an agreement entailing that Philips would acquire Sectra's operations for development and sales of the mammography modality Sectra MicroDose Mammography. Philips took over the operations in conjunction with the finalization of the transaction on August 31, 2011. The operation includes the company Sectra Mamea AB and related operations in Sectra's global sales and service organization, excluding Australia and New Zealand, where Sectra continues to sell MicroDose Mammography through a separate distribution agreement with Philips. The operation had approximately 110 employees. Sectra Mamea AB reported sales of SEK 127 million for the 2010/2011 fiscal year, corresponding to 14% of Sectra's Group sales. Operations that were conducted in Sectra Mamea AB are reported as operations being discontinued. The operations were previously a part of the Medical Systems operating segment.

The cash purchase consideration, on a debt-free basis, amounted to EUR 57.5 million, including the sale of assets attributable to the discontinuation of the

MicroDose business. The agreement includes an additional purchase consideration of EUR 12.5 million, which will fall due in five years if specific agreement conditions are fulfilled.

In the current fiscal year, excluding a possible additional purchase price, the transaction generated an estimated capital gain for Sectra of SEK 322.6 million after tax, based on carrying amounts.

Revenues and profit

For the 2011/2012 fiscal year (May 1, 2011 to August 31, 2011), revenues from discontinued operations amounted to SEK 26.9 million (138.9). The operating result was a loss of SEK 23.8 million (loss: 64.3). The operation was impacted substantially by the transfer to Philips. Ongoing transactions were disposed of in order to facilitate and simplify the transition, which involved postponing business events until after the Philips' acquisition had been finalized.

Earnings from discontinued operations

Amounts in SEK thousands	11/12	10/11
Net sales	23 484	127 196
Capitalized work for own use	3 425	11 752
Goods for resale	- 16 421	- 82 993
Personnel costs	- 19 883	- 55 033
Other external expenses	- 14 398	- 43 216
Depreciation/amortization of fixed assets	-	- 22 011
Operating loss	- 23 793	- 64 305
Net financial items	- 5 804	- 13 933
Loss before tax	- 29 597	- 78 238
Taxes	-	20 322
Loss for the period	- 29 597	- 57 916
Capital gain on divestment	322 564	-
Taxes	-	-
Total profit/loss from discontinued operations	292 967	- 57 916
Cash flow statement	11/12	10/11
Current operations	- 17 620	- 141 256
Investing activities	466 715	- 12 268
Financing activities	0	152 211
Cash flow for the period	449 095	- 1 313

Note 14 Long-term receivables in Group Companies

	Parent Company	
	30 April 2012	30 April 2011
Historical cost	143 288	152 465
New receivables	11 053	37 632
Amortized loans	- 31 741	- 15 004
Exchange-rate difference	12 977	- 22 189
Reclassified to/from short-term receivables	0	- 9 616
Total	135 577	143 288

Note 15 Long-term investments

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Other shares and participations	3 639	4 335	1 528	1 982
Total	3 639	4 335	1 528	1 982

Securities holdings with maturities of less than one year are classified as short-term. See Note 29 for valuation of securities holdings.

Note 16 Inventories

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Component stocks	11 867	43 220	0	0
Products in progress	0	3 595	0	0
Finished products	2 860	10 369	0	0
Total carrying amount	14 727	57 184	0	0

An impairment loss amounting to SEK 1,429 thousand (409) was recognized in profit and loss for 2011/2012.

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 17 Accounts receivable

Accounts receivable per currency

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
SEK	73 269	48 222	0	0
USD	44 087	44 362	0	0
EUR	67 109	73 753	0	0
GBP	26 873	18 565	0	0
Other currencies	29 964	25 471	0	0
Total	241 302	210 373	0	0

Change for the year in the reserve for doubtful accounts receivable

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Opening balance	4 794	4 233	0	0
Realized losses	- 108	- 553	0	0
Reversal of unutilized amounts	- 169	- 770	0	0
Reserve for doubtful accounts receivable	5 212	1 884	0	0
Exchange-rate effect	0	0	0	0
Total	9 729	4 794	0	0

See Note 30 for an age analysis.

Note 18 Prepaid expenses and accrued income

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Prepaid rent	2 765	3 437	1 277	1 262
Accrued interest income	509	129	492	113
Prepaid support agreements	2 666	3 253	93	78
Other items	14 418	16 529	257	285
Recognized non-invoiced income	101 124	122 271	0	0
Total	121 482	145 619	2 119	1 738

Note 19 Cash and cash equivalents

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Bank balances	152 904	188 249	50 897	815 400
Short-term securities	429 771	10	429 771	10
Blocked funds for guarantees	23 082	23 082	0	0
Total	605 757	211 341	480 668	815 410

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 2012	30 April 2011	30 April 2012	30 April 2011
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 Untaxed reserves

	Parent Company	
	30 April 2012	30 April 2011
Tax allocation reserves:		
Allocated to taxes 07	-	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
Allocated to taxes 13	29 950	-
Excess depreciation	337	543
Total	110 191	95 962

Of the total untaxed reserves, SEK 28,980 thousand (25,238) is recognized as deferred Group tax.

Note 21 Appropriations

	Group			
	Taxes		Guarantee commitments	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Carrying amount at start of period	15 328	16 141	5 627	6 354
Reclassification to deferred tax asset	10 285	-	-	-
Reclassification from deferred tax asset	- 1 739	-	-	-
Provisions made during period	8 508	3 902	0	2 633
Amount appropriated	- 4 510	- 4 715	- 5 033	- 3 360
Carrying amount at end of period	27 872	15 328	594	5 627
of which, total long-term portion of provisions	22 338	8 458	0	0
of which, total short-term portion of provisions	5 534	6 870	594	5 627

The carrying amount at the end of the period is expected to be settled within 6 years pertaining to taxes, and within 1 years pertaining to guarantee commitments.

Note 22 Other long-term liabilities

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Convertible debentures 09/12 reclassification to current liabilities	0	17 315	0	17 315
Convertible debentures 10/14	6 091	6 091	6 091	6 091
Convertible debentures 11/15	8 968	0	8 968	0
Convertible debentures 11/16	2 201	0	2 201	0
Total	17 260	23 406	17 260	23 406

During the year, two new convertible programs were issued, comprising a total of 225,090 convertibles. The assessment of whether the interest rate for convertibles is market-based, is based on Sectra's current costs for borrowing. Refer to Note 30 for information concerning maturities and terms of interest, and Note 2 for more information about the convertible programs.

Note 23 Other current liabilities

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Convertible debentures 09/12 reclassification from long-term liabilities	17 315	0	17 315	0
Value-added tax	21 479	23 207	0	0
Employee withholding taxes	6 926	6 412	403	380
Other liabilities	5 354	7 688	16	19
Total	51 074	37 307	17 734	399

Conditions

For information about the terms for the convertible subordinated loans, see Note 2 Salaries and other remuneration and The Sectra Share on page 26 of the Administration Report.

Note 24 Accrued expenses and deferred income

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Accrued social security	22 038	27 058	1 032	1 072
Accrued vacation pay	29 812	37 660	1 153	1 178
Prepaid support agreements	36 989	46 878	0	0
Accrued accounts payable	24 945	7 243	633	623
Invoiced non-recognized income	44 367	40 355	0	0
Other items	59 971	77 592	271	921
Total	218 122	236 786	3 089	3 794

Note 25 Pledged assets and contingent liabilities

	Group		Parent Company	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
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	283 653	332 944
Total contingent liabilities	0	0	283 653	332 944

Note 26 Cash flow

Adjustment for non-cash items

	Group		Parent Company	
	11/12	10/11	11/12	10/11
Depreciation/amortization	43 389	63 299	211	231
Exchange-rate difference	- 795	- 18 492	- 23	104
Revaluation, securities	0	827	0	0
Provisions for personnel costs	1 842	2 420	0	0
Total	44 436	48 054	188	335

Note 27 Related parties

Financial liabilities and receivables bearing market interest exist between the Parent Company and its subsidiaries; refer to Note 14. No other related-party transactions exist.

Note 28 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 10% is applied and growth is set at a level consistent with the market trend and the growth goals of the business areas.

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 29 Financial assets and liabilities

	Accounts receivable and loan receivables	Financial assets available for sale	Other financial assets and liabilities	Total carrying amount	Fair value	Non-financial assets and liabilities	Total balance sheet
Group 2012							
Investments held as fixed assets	0	3 639	0	3 639	3 639	0	3 639
Accounts receivable	241 302	0	0	241 302	241 302	0	241 302
Other short-term receivables	0	0	0	0	0	4 301	4 301
Cash and bank balances	0	0	605 757	605 757	605 757	0	605 757
Total financial assets	241 302	3 639	605 757	850 698	850 698	4 301	854 999
Other long-term liabilities	0	0	17 260	17 260	17 260	0	17 260
Other current liabilities	0	0	17 315	17 315	17 315	33 759	51 074
Accounts payable	0	0	30 436	30 436	30 436	0	30 436
Total financial liabilities	0	0	65 011	65 011	65 011	33 759	98 770

	Accounts receivable and loan receivables	Financial assets available for sale	Other financial assets and liabilities	Total carrying amount	Fair value	Non-financial assets and liabilities	Total balance sheet
Group 2011							
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	0	0	211 341	211 341	211 341	0	211 341
Total financial assets	210 373	4 335	211 341	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

Revaluation of accounts receivable recognized in profit and loss amounted to SEK 5,212 thousand (1,884). 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 3,639 thousand (4,335).
- 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 30 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 21.4% (22.4) 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. 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 a positive impact of SEK 1,768 thousand (loss: 5,750) and SEK 8,050 thousand (loss: 18,282) 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	269.2	- 318.5	- 49.3
USD	175.5	- 152.1	23.4
EUR	161.8	- 105.0	56.8
GBP	88.9	- 66.4	22.5
Other currencies	127.7	- 91.0	36.7
Total	823.1	- 733.0	90.1

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

MSEK	Group	
	30 April 2012	30 April 2011
Accounts receivable not due for payment	161.1	111.1
Accounts receivable overdue 0 - 60 days	38.6	59.8
Accounts receivable overdue 60 days	9.3	8.1
Accounts receivable overdue 120 days	32.3	31.4
Total	241.3	210.4

Reserves amounted to SEK 9.7 million (4.8) 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, SEK 17,315 thousand, are payable in June 2012 and carry a fixed interest rate of 4%. Convertible loans 2010/2014, SEK 6,091 thousand, are payable in June 2014 and carry floating rates, Stibor +2.25%. Convertible loans 2011/2015, SEK 8,968 thousand, and 2011/2016, SEK 2,200 thousand, are payable in June 2015 and 2016, and carry a variable interest rate, 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 and 22 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 2011/2012 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%	+/- 6.8 MSEK
Cost of materials	+/- 1%	+/- 1.7 MSEK
Personnel costs	+/- 1%	+/- 4.1 MSEK
Interest rate level	+/- 1%	+/- 4.1 MSEK
Exchange-rate changes:		
USD exchange rate	+/- 1%	+/- 1.3 MSEK
EUR exchange rate	+/- 1%	+/- 1.0 MSEK
GBP exchange rate	+/- 1%	+/- 1.0 MSEK

In the event that the SEK weakens by 1% against the USD, GBP or EUR, profit after net financial items would improve by SEK 3.3 million.

Note 31 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 any positive unrealized value changes and amounted to SEK 787,392 thousand (569,537) at April 30, 2012. The Group's equity ratio at the closing date was 69.4% (61.0). Sectra's operations have large seasonal variations during the operating year and, accordingly, it is the Board's ambition to retain a sound capital structure with a low debt/equity ratio.

Note 32 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, 2012 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 389.9 million and SEK 472.5 million, respectively, at the end of the 2011/2012 fiscal year.

The Annual Report states that the debt/equity ratio is 69.4%. 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 33 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 before changes in working capital 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 on the balance-sheet date.

Auditor's report

To the annual meeting of the shareholders of Sectra AB (publ), corporate identity number 556064-8304

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Sectra AB (publ) for the financial year 2011-05-01 – 2012-04-30. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 24-45.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of April 30, 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of April 30 2012 and of their financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Sectra AB (publ) for the financial year 2011-05-01 – 2012-04-30.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated 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 4, 2012
Grant Thornton Sweden AB

Peter Bodin
Approved Public Accountant

BOARD OF DIRECTORS



Carl-Erik Ridderstråle

Chairman of the Board since 2007. Elected 2001. Tech. lic. Born 1942. Other posts: Chairman of the Hultdin System AB and Board member of DIAB International AB. Sectra holdings: 56,500 B shares and convertibles corresponding to 53,464 B shares.



Torbjörn Kronander

President Sectra Imtec AB and vice President Sectra AB. Employee since 1985. Elected 1988. PhD, MBA. Born 1957. Other posts: Board member of Center for Medical Image Science and Visualization (CMIV), Cellavision AB, et al. and member of the Royal Swedish Academy of Engineering Sciences. Sectra holdings: 765,439 A shares, 2,585,484 B shares and convertibles corresponding to 62,457 B shares.



Anders Persson

Director of Center for Medical Image Science and Visualization and senior physician in radiology. Elected 2004. MD, PhD, Associate Professor and senior physician. Born 1953. Other posts: Board member of Center for Medical Imaging and Visualization and National Supercomputer Center at Linköping University, Sweden. Sectra holdings: 2,470 B shares and convertibles corresponding to 20,596 B shares.



Erika Söderberg Johnson

Chief Financial Officer Biotage AB. Elected 2007. M.Sc. BA. Born 1970. Other posts: - Sectra holdings: Convertibles corresponding to 657 B shares.



Christer Nilsson

President Vestadil AB. Elected 2008. MSc. Eng. Born 1952. Other posts: Board member of HTC Sweden AB and HTC Cleaning Technology AB, et al. Sectra holdings: Convertibles corresponding to 5,477 B shares.

GROUP EXECUTIVE BOARD



Jan-Olof Brüer

CEO and President Sectra AB since 1985. Ph D. Born 1951. Sectra holdings: 765,441 A shares, 2,582,304 B shares and convertibles corresponding to 62,457 B shares.



Torbjörn Kronander

President Sectra Imtec AB and vice President Sectra AB.



Michael Bertilsson

President Sectra Communications AB. Employee since 1989. Ph D. Born 1962. Sectra holdings: 6,000 B shares and convertibles corresponding to 28,484 B shares.



Simo Pykälistö

Chief Financial Officer Sectra AB, employee since 2003. M.Sc. BA. Born 1972. Sectra holdings: 1,000 B shares and convertibles corresponding to 32,871 B shares.



Helena Pettersson

Chief Investor and Press Relations Officer Sectra AB, employee since 1993. Born 1970. Sectra holdings: 9,239 B shares and convertibles corresponding to 219 B shares.

BOARD OF DIRECTORS EMPLOYEE REPRESENTATIVES



Jakob Svärdröm

Managing Partner KTH Seed Capital and KTH Chalmers Kapital. Elected 2011.

M.Sc. BA. Born 1964.

Other posts: Board member of several companies related to KTH-Chalmers Capitals and the Swedish Venture Capital Association.

Sectra holdings: Convertibles corresponding to 2,191 B shares.



Regina Rosander

Project manager, Sectra Sverige AB. Elected 2011.

M.Sc. Born 1975.

Sectra holdings: 72 B shares.



Stein Norheim

Radiology IT Chief Software Architect, Sectra Imtec AB. Elected 2009.

M.Sc. Born 1977.

Sectra holdings: 1,500 B shares.



Per Elmhester

Deputy employee representative.

Product Manager Clinical Solutions, Sectra Imtec AB. Elected 2011.

PhD, M.Sc. Born 1972.

Sectra holdings: Convertibles corresponding to 2,191 B shares.

Stefan Melin

Deputy employee representative. Support engineer, Sectra Sverige AB. Elected 2009. B.Sc Eng. and B.Sc BA. Born 1977.

Sectra holdings: 600 B shares and convertibles corresponding to 2,190 B shares.

AUDITOR



Grant Thornton Sweden AB

Chief Coordinating Auditor
Peter Bodin, Authorized Public Accountant.

Other posts: President Grant Thornton Sweden AB, Chairman of the Board of Grant Thornton International Ltd and Chief Coordinating Auditor of Switzer Sverige AB and Stockholm School of Economics.

Annual general meeting

Date: June 28, 2012
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 30, 2012. The notice was published in the Official Swedish Post och Inrikes Tidningar on May 31 and issuance of the notice was also announced in Svenska Dagbladet on the same date.

Dividend and redemption process

For the 2011/2012 fiscal year, the Board of Directors and the President propose no ordinary dividend. Instead they propose that SEK 5 per share be transferred to the shareholders through a redemption process.

Complete proposals

Full notice, complete proposals, registration form and proxy form are available on the company's website www.sectra.se and at the company's offices in Linköping. 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 2012/2013

Three-month report	September 4, 2012
Six-month report	December 4, 2012
Nine-month report	March 5, 2013
Year-end report	May 21, 2013

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.

This Annual Report was published on the company's website on June 7, 2012. It was distributed by mail to new shareholders and those shareholders who have registered an interest in continuing to receive it by mail.

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.

Glossary

Android

An operating system and a software platform, primarily for mobile phones.

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.

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.

Mammography

Mammography is an examination procedure used to detect breast cancer at an early stage in asymptomatic women.

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

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

PACS (Picture Archiving and Communication System)

A system for managing and archiving digital radiology images.

Radiology

A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

Rheumatism

An inflammatory disease that affects women more often than men.

RIS (Radiology Information System)

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

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.

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INNOVATIONS THAT GENERATE CUSTOMER VALUE

1978 Security solution for the ATMs of a Swedish bank.	1993 Digitization of Swedish radiology department, among the first in the world to offer entirely film-free radiology.	1999 Digitized prosthesis modeling, facilitating operation planning for orthopaedists.	1999 Secure mobile telephone for Swedish Defense, becoming first in the world to use eavesdrop-protected mobile phone communications.	2001 Participation in establishing CMIV - a research center for medical image science and visualization.
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