

Press release

Linköping, Sweden December 5, 2001

Sectra's best six-month figures

During the first six months of the financial year, Sectra improved its profits by 35 % to SEK 15.9 million (9.9) compared with the year-earlier period. Sales increased by 35 % to SEK 144.2 million (106.6). Order bookings amounted to SEK 171.5 million (195.1).

Sales during the most recent three-month period increased by 62 % to SEK 93.9 million (58.1). During the quarter, profits improved by 151 % to SEK 13.8 million (5.5).

"The significantly improved profit and the increased sales are a direct consequence of the growth in sales figures we have experienced during the past two years," says Jan-Olof Brüer, President of Sectra.

Sectra has a strong technology platform. The products and systems solutions developed by Sectra target market niches with extensive growth potential both in the Swedish domestic market and internationally. It is the assessment of the Board of Directors that Sectra will continue to expand with favorable profitability.

During the quarter, Sectra's new digital mammography system Sectra MicroDose Mammography, has advanced to the stage of tests in a clinical environment at Stockholm's St Görän Hospital. A collaboration regarding corresponding tests in the US have been initiated with Professor Etta Pisano at the University of North Carolina School of Medicine, in Chapel Hill, North Carolina. It is expected that the first mammography systems will be brought into use during 2002.

Sectra's workforce has continued to grow. During the second quarter the number of employees increased by 23 persons and currently amounts to 218.

For further information, please contact:

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Visit Sectras website <http://www.sectra.com>

About Sectra

Sectra has its roots in Linköping Technical University and is one of Sweden's fastest growing high-tech companies in the IT area. Since the mid-1980s, Sectra has successfully conducted development and sales of high-technology medical IT and telecommunications products. Today, the business includes products in medical systems, secure communication systems and wireless information systems.

Business is conducted in six countries with a total of 218 employees. Sales for the fiscal year May 2000–April 2001 reached SEK 292 million. Since March 1999, Sectra's shares have been quoted on the O list of the OM Stockholm Exchange.

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Interim Report from Sectra AB (publ), for the period May - October 2001

Since the mid-1980s, Sectra AB has successfully conducted development and sales of high-technology medical IT and telecommunications products. Today, the business includes products in medical systems, secure communication systems and wireless information systems.

Sectra's shares have been quoted on the O list of the OM Stockholm Exchange since March 3, 1999.

More information about Sectra's operations is available at www.sectra.se

The period in brief (May-October 2000 in parentheses)

- Sales increased by 35 % to SEK 144.2 million (106.6).
- Profit before tax rose to SEK 15.9 million (9.9), up 61 %.
- Earnings per share equaled SEK 0.34 (0.22).
- Order bookings amounted to SEK 171.5 million (195.1).

The second quarter in brief (August-October 2000 in parentheses)

- Sales increased by 62 % to SEK 93.9 million (58.1).
- Profit before tax rose to SEK 13.8 million (5.5), up 151%.
- Earnings per share equaled SEK 0.30 (0.12).
- Order bookings amounted to SEK 77.7 million (109.9)

Significant events during the second quarter

- Sectra was contracted for digitizing the radiology operations at the Diakonhjemmet Hospital in Oslo and Ängelholm Hospital in Sweden.
- Sectra's digital radiology system received top overall rating in an American customer survey. This highly favorable survey result is important for Sectra in its continuing sales.
- The first pilot study in clinical environment of Sectra's digital mammography system, Sectra MicroDose Mammography™, has been initiated at St. Göran Hospital in Stockholm, Sweden.
- In cooperation with the Örebro Innovation Center and a group of Swedish radiologists, Sectra formed a teleradiology company, Paxlink AB. The business concept is to receive and read X-ray images from Swedish and Norwegian hospitals where it is hard to manage to read all incoming X-rays due to a shortage of radiologists.
- Sectra signed an agreement with its Norwegian partner Kongsberg Defence Communications AS to supply 1,000 Tiger telephones with accessories. This is the largest order received by the company to date for the NATO version of Sectra Tiger®.

Significant events after the end of the quarter

- Sectra is cooperating with SIX, the leading supplier of financial information in the Nordic region, in the launch of a new mobile financial service based on Sectra's CitySurfer. The new service provide real-time updates of share prices and financial news to financial and stock market participants.

Market

The market for **medical systems** is in a strong growth phase and an increasing number of hospitals are choosing to enhance the efficiency of their radiology operations by installing digital systems. The countries that have advanced furthest in the transition to digital radiology systems are Norway, Sweden, the US and Germany. Sectra currently has its largest share of installations in Scandinavia and the US (via partners), and a project to also cultivate the market in the rest of Western Europe is now under way.

Sectra's sales success continued during the quarter, both in Sweden and internationally. New agreements were signed for the digitization of radiology operations at Ängelholms Hospital in Sweden and the Diakonhjemmet Hospital in Oslo, among other institutions. Increased demand was noted in the US, partly as a result of an American customer survey that assigned the highest ranking to Sectra's digital imaging system, which is sold by Philips Medical Systems under its own brand on the North American market. The survey evaluated systems from eight leading suppliers in the US. It is a significant factor for Sectra's sales that the company has, on several occasions, achieved top ranking in international evaluations of systems from leading suppliers. Sectra has formed a teleradiology company, Paxlink AB, in cooperation with Örebro Innovation Center and a group of Swedish radiologists. The business concept is to receive and read X-rays

from Swedish and Norwegian hospitals where it is hard to manage to read all incoming X-rays due to a shortage of radiologists. Sectra is a part owner of the new company, whose services increase the benefits customers obtain from digital radiology systems.

During the quarter, the first pilot study of Sectra's new digital mammography system, Sectra MicroDose Mammography™, has been initiated at the St. Göran Hospital in Stockholm. Preliminary tests indicate that Sectra MicroDose Mammography™ deliver high quality images with a five-fold reduction of the radiation dose. The radiation dose is an important consideration for mammography screening. Research institutes in the US will also participate in the early clinical analyses of Sectra's system. Sectra plans to deliver the first series-produced units to mammography departments in Europe during 2002.

The market for **secure communications systems** is characterized by the discernible trend in the defense sector, both in Sweden and international markets, towards increased investment in IT-systems, in parallel with a decline in more traditional defense investments. There is considerable demand for eavesdrop-secure systems and an increased number of inquiries were noted during the quarter as a result of the changed world situation. Sectra signed an agreement with its Norwegian partner Kongsberg Defence Communications AS during

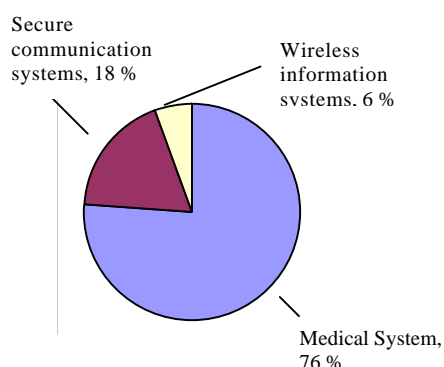
the quarter to supply 1,000 Tiger telephones for the NATO market. This is Sectra's largest order to date for the NATO version of Tiger®.

The market for **wireless information systems** is in an early growth phase. Increased mobility among people is driving developments in mobile information services. However, a restrained investment climate was noted during the quarter in those segments that are affected by the economic downturn.

As part of Sectra's new development project in the area of aviation communications, the first functional tests in a real airport environment were conducted, with highly satisfactory results. Commercialization of the system may be delayed, however, due to the current trend in the air travel market.

Sales and earnings

The Group's net sales for the reporting period increased by 35 % to SEK 144.2 M (106.6), of which SEK 93.9 M (58.1) relate to the second quarter. Profit before tax rose to SEK 15.9 M (9.9), which indicates that profit for the second quarter amounted to SEK 13.8 M (5.5). Order bookings during the second quarter amounted to SEK 77.7 M (109.9), bringing total order bookings for the first six months of the fiscal year to SEK 171.5 M (195.1). The reduction in order bookings is believed to be mainly attributable to the postponement of order confirmations due to the temporary uncertainty, and is not regarded as a sign of that the demand is falling off.



The chart shows sales during the first six months of the fiscal year, distributed by business area.

Financial position

Sectra's equity ratio at October 31, 2001 was 64.3 % (61.7) and liquidity was a multiple of 3.0 (3.0). Interest-bearing liabilities amounted to SEK 37.3 M (9.9), of which SEK 33.7 M (33.0) pertained to convertible debentures.

Investments

Investments in the Group during the period amounted to SEK 2.0 M (5.9) and pertained mainly to computer equipment and fixtures and fittings.

Personnel

The number of employees increased by 23 persons during the second quarter, bringing the total number of employees at October 31, 2001 to 218.

Convertible debentures and personnel options

In accordance with the decision at Sectra's Annual General Meeting in

June, employees of the Sectra Group were offered to subscribe for convertible debentures during the second quarter. Approximately 34 % of the employees signed for convertible debentures in a total nominal amount of SEK 18.1 M. At full conversion, the number of series B shares in Sectra increases to 308,200, corresponding to 0.9 % of the share capital and 0.6 % of the votes. The term of the convertible debentures is from November 1, 2001 to July 1, 2004 and the conversion price is SEK 57.70.

The Annual General Meeting in June 2001 also approved the Board's proposal to issue an additional maximum of 80,000 personnel options for the Group's employees in the US. If these personnel options are fully exercised, employees in the Group will acquire shares in the company corresponding to 0.3 % of the share capital and 0.1 % of the votes.

Share data

Sectra's share capital at October 31, 2001 was SEK 32,760,945 (32,760,945), distributed among 32,760,945 shares. Assuming full conversion and exercise of issued convertible debentures and personnel options, the number of shares increases to 33,493,645.

Outlook

Sectra has a strong technology platform that has brought the company major successes in

international evaluations involving comparison with its competitors. The products and system solutions developed by Sectra are aimed at markets with a high growth potential. The company's strong position in its domestic market constitutes an excellent platform for continued international expansion. The Board's assessment that Sectra will continue to expand with favorable profitability remains valid.

Accounting principles

This report was prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20. The accounting principles presented in the 2000/2001 Annual Report are unchanged.

Future financial reports

Interim report, nine months ended January 31, 2002:
March 5, 2002

Preliminary year-end report 2001/02:
May 22, 2002

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Summary Income Statement for the Group

SEK Thousands	3 month Aug – Oct 2001	3 month Aug – Oct 2000	6 month May – Oct 2001	6 month May – Oct 2000	12 month Nov – Oct 2000/2001	Full year May-Apr 2000/2001
Net sales	93 937	58 054	144 160	106 550	329 253	291 643
Other operating income		427		427	-347	80
Change in work in progress	-4 213	3 914	-872	4 666	-32 272	- 26 734
Operating expenses	-74 500	- 55 498	-124 570	- 99 016	-245 379	- 219 825
Depreciation	-1 574	- 1 788	-3 281	- 3 124	-6 491	- 6 334
Operating profit	13 650	5 109	15 437	9 503	44 764	38 830
Net financial items	154	367	445	391	563	509
Earnings before tax	13 804	5 476	15 882	9 894	45 327	39 339
Tax on earnings for the period	-3 979	-1 533	-4 613	- 2 770	-13 444	-11 601
Net earnings	9 825	3 943	11 269	7 124	31 883	27 738

Profit per share

Before dilution	0.30	0.12	0.34	0.22	0.97	0.85
Assuming full conversion	0.29	0.12	0.34	0.22	0.96	0.83

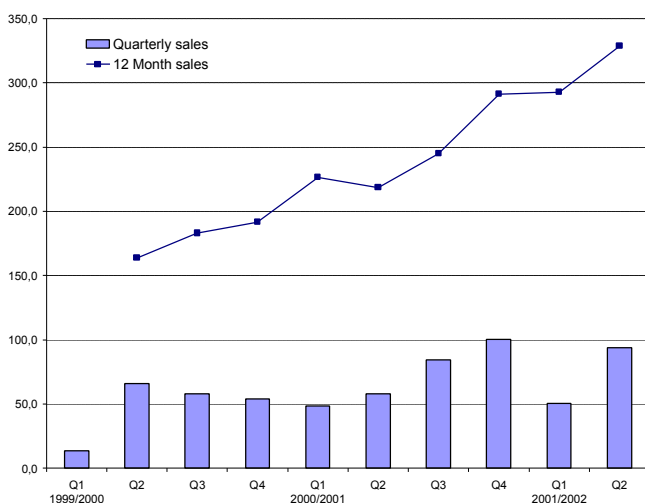
No. of shares

At end of period	32 760 945	32 760 945	32 760 945	32 760 945	32 760 945	32 760 945
Assuming full conversion of issued convertible debentures and personnel options ¹⁾	33 493 645	33 075 945	33 493 645	33 075 945	33 493 645	33 493 645
Average, before dilution ²⁾	32 760 945	32 760 945	32 760 945	32 760 945	32 760 945	32 760 945
Average, assuming full conversion ²⁾	33 493 645	33 075 945	33 493 645	33 075 945	33 284 795	33 284 795

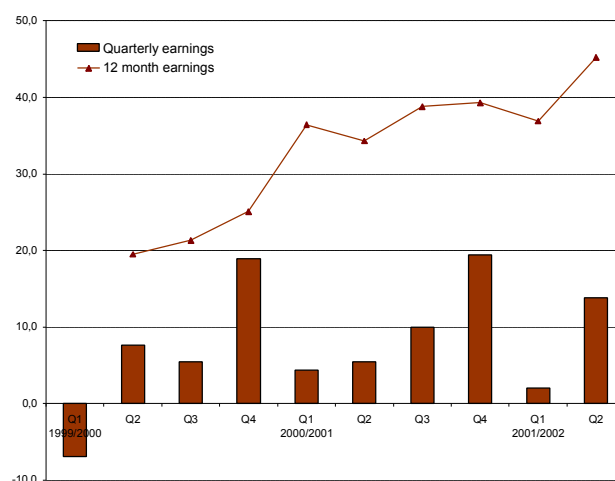
1) Issued convertible debentures 315,000 (1999/00) and 327,700 (2000/01) and personnel options 90,000 (2000/01).

2) Average number of shares adjusted for issues and split.

Sales



Earnings before tax



Summary Balance Sheet for the Group

SEK Thousands	6 Month October 31, 2001	6 Month October 31, 2000	Full Year April 30, 2001
Assets			
Intangible assets	11 821	16 540	12 609
Tangible assets	28 622	20 647	29 405
Total fixed assets	40 443	37 187	42 014
Other current assets	158 639	100 272	119 431
Cash and bank balances	58 847	41 519	87 401
Total current assets	217 486	141 791	206 832
Total assets	257 929	178 978	248 846
Equity and liabilities			
Equity (including profit for the period)	135 810	110 495	134 702
Provisions	8 439	6 558	8 439
Long-term liabilities	37 302	9 930	37 966
Current liabilities	76 378	51 995	67 739
Total equity and liabilities	257 929	178 978	248 846

Change in Equity

SEK Thousands	6 Month May - Oct 2001	6 Month May - Oct 2000	Full Year May - Apr 2001
Equity at end of period	134 702	109 923	109 923
Dividend	-9 828	-6 552	- 6 552
Change in share of equity	-333	-	3 593
Net earnings for the period	11 269	7 124	27 738
Equity at end of period	135 810	110 495	134 702

Summary Cash Flow Statement for the Group

SEK Thousands	6 Month May - Oct 2001	6 Month May - Oct 2000	Full Year May-Apr 2000/2001
Cash flow from operations before changes in working capital	14 550	10 248	34 072
Cash flow from operations after changes in working capital	-16 020	14 722	37 012
Investing activities	-2 042	-5 897	- 10 341
Financing activities	-10 492	- 9 756	18 280
Change in cash and bank balances	-28 554	- 931	44 951
Cash and bank balances, opening balance	87 401	42 450	42 450
Cash and bank balances, closing balance	58 847	41 519	87 401

Key Figures

	6 Month May-Oct 2001	6 Month May-Oct 2000	12 month Nov 2000 – Oct 2001	Full year May-Apr 2000/2001
Solvency %	64.3	61.7	61.7	54.1
Liquidity, ratio	3.0	3.0	3.0	3.3
Profit margin %	11.0	9.3	13.8	13.5
Earning capacity of equity	-	-	25.8	22.7
Earning capacity of working capital	-	-	23.8	26.7
Average number of employees	209	175	192	182
Equity per share	4.15	3.37	4.15	4.12
Equity per share assuming full conversion of issued convertible debentures and personnel options	4.05	3.36	4.05	4.04
Cash flow per share	0.45	0.31	1.17	1.04
P/E ratio	-	-	37.8	50.0
Share price	37.00	64.50	37.00	42.50

Quarterly Income Statements for the Group

	2001/2002		2000/2001				1999/2000			
SEK million	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	93.9	50.2	100.2	84.4	58.1	48.5	54.0	58.0	66.0	13.6
Other operating income	-	-	0.1	-	0.4	-	0.3	0.2	0.4	-
Change in work in progress	-4.2	3.3	-18.5	-12.9	3.9	0.8	7.5	7.7	-15.0	21.0
Operating expenses	-74.5	-50.4	-60.4	-60.4	-55.5	-43.6	-41.5	-55.6	-42.7	-40.7
Depreciation	-1.6	-1.7	-1.9	-1.3	-1.8	-1.3	-1.5	-2.9	-0.9	-0.9
Operating profit	13.6	1.4	19.5	9.8	5.1	4.4	18.8	7.4	7.8	-7.0
Net financial items	0.2	0.6	-0.1	0.2	0.4	0.0	0.1	1.7	-0.2	0.1
Earnings after financial items	13.8	2.0	19.4	10.0	5.5	4.4	18.9	9.1	7.6	-6.9
Items affecting comparability	-	-	-	-	-	-	-	-3.6	-	-
Earnings before tax	13.8	2.0	19.4	10.0	5.5	4.4	18.9	5.5	7.6	-6.9
Tax on earnings for the period	-4.0	-0.6	-5.8	-3.0	-1.6	-1.2	-6.3	-1.7	-2.1	-
Net earnings	9.8	1.4	13.6	7.0	3.9	3.2	12.6	3.8	5.5	-6.9

Solvency: Equity as a percentage of total assets.

Liquidity: Current assets divided by current liabilities.

Profit margin: Profit before tax as a percentage of sales.

Earning capacity of equity: Profit after tax as a percentage of average adjusted equity.

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

Earning capacity of working capital: Profit before tax plus financial expenses as a percentage of average working capital.

Profit per share: Profit before tax reduced by actual tax divided by the average number of shares.

Equity per share: Equity divided by the number of shares at the end of the period.

Cash flow per share: Cash flow divided by the number of shares at the end of the period.