

Press release

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Linköping-based Sectra sues CNS

Sectra, the medical-technology and communications company based in Linköping, Sweden has sued CNS Systems AB in Linköping for SEK 7.8 million (EUR 850,841). In addition, Sectra has demanded the return of loaned equipment that the former cooperation partner has refused to hand back.

Several years ago the two companies entered into cooperation regarding development of a completely new technology for communications, supervision and navigation in the aviation field. The Swedish Aviation Administration (Luftfartsverket) in Norrköping also participated in the cooperation.

The cooperation has involved development of radio technology for a new communications system that facilitates an increase in traffic capacity in the airspace and enhanced flight safety. As part of this project, Sectra has developed a number of transponders for use on the ground and in aircraft. The development is based on Sectras more than 15 years of extensive experience of operations within radio and data communications.

CNS has refused to pay approximately SEK 8 million, corresponding to one third of the total value of the goods ordered, despite final delivery being made at the beginning of this year. CNS is considered to have approved the deliveries thereafter.

"As with many development projects, this one has also involved supplemental orders and revised timetables. We have completed all deliverables in the order agreement and also agreed on compensation for revised timetables," relates Jan-Olof Brüer, President of Sectra. "This situation with a partner who refuses to pay has never happened before during Sectra's 24 years of business development. The reason for the unwillingness or inability to pay is difficult to understand."

The issue will be settled in the Linköping district court.

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Sectra's operations

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 250 employees. Sales for the fiscal year May 2001-April 2002 reached SEK 426 million. Since March 1999, Sectra's shares have been quoted on the O list of the Stockholm Exchange.

Sectra AB

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