

Press release

Linköping, Sweden, June 27, 2011

## Sectra and Philips sign large mammography modality acquisition deal

- Sectra invites media, financial analysts and investors to an international press conference today, 11.30 a.m. CET, at Operaterassen in Stockholm, Sweden. It is also possible to participate by telephone or on the Internet, see details below.

**Sectra (NASDAQ OMX Stockholm: SECT B) and Royal Philips Electronics (AEX: PHI, NYSE: PHG) have signed an agreement under which Philips will acquire Sectra's mammography modality operations. The cash purchase consideration amounts to EUR 57.5 million on cash and debt-free basis. The agreement also includes an additional possible earn-out EUR 12.5 million in accordance with specially agreed terms and conditions.**

Through this deal Sectra's Medical Systems business area gains a distinct approach towards medical imaging IT.

"This is an excellent transaction for all parties. Sectra will free up resources and funds that can be used to develop and expand our operations in medical imaging IT, in which we are among the major companies in the world for products for the management of digital radiology images," says Jan-Olof Brüer, President and CEO of Sectra AB. "Philips will acquire a unique and competitive product and technology. The MicroDose modality operations and customers will benefit from the resources and knowledge that Philips, one of the world's leading suppliers of radiology equipment, will bring to the development of the product offering."

Sectra has developed and brought the MicroDose Mammography modality to the market. For the benefits of millions of women it provides high-quality breast cancer detection at half the radiation compared to all other mammography modalities.

"Our MicroDose technology will now save even more women lives, since it will be much faster spread around the globe through Philips' vast distribution network", adds Jan-Olof Brüer.

The transaction comprises Sectra's mammography modality operations worldwide, except for Australia and New Zealand where Sectra will continue to sell and service Sectra MicroDose Mammography under a separate distribution agreement with Philips.

The mammography modality operations include the legal entity Sectra Mamea AB and modality operations in Sectra's sales and service organizations. Approximately 110 employees are expected to transfer with the business. Sectra Mamea AB had sales in the most recent financial year of SEK 127 million. This transaction will have a positive impact on the Sectra Group's operating profit for the current financial year and the transaction, excluding the possible earn-out, is estimated to generate a capital gain in terms of earnings for Sectra of about SEK 300 million after tax.

The additional possible earn-out based purchase consideration will become due if specially agreed terms and conditions are achieved over a period of five years from the first calendar quarter after the date of closing. The transaction is subject to certain contractual and other closing conditions. The completion of the transaction is expected to occur during the third calendar quarter of 2011.

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## FOCUS ON MEDICAL IT

Sectra's Medical Systems business area has about 530 employees and reported sales of SEK 831 million for the financial year 2010/2011. Radiology IT, which is Medical Systems' largest product area, represented 85% of sales.

"Through this transaction, we will gain a more distinct approach toward medical imaging IT, the area in which we have our core competence. We will continue to work with what we are best at: providing our customers with IT solutions that enhance the efficiency of medical care, optimize production and contribute to improved quality of care," says Torbjörn Kronander, President of Sectra's Medical Systems business area.

Medical Systems will focus on continued profitable growth in medical imaging IT, in which IT systems for the management of mammography images, Sectra Breast Imaging PACS, will remain one of the core areas.

*The information in this press release is such that Sectra AB (publ) is obligated to disclose in compliance with the Swedish Financial Markets Act. The information was submitted for publication on June 27, 2011, at 08:00 am (CET).*

## QUESTIONS & ANSWERS

Further information about the transaction and how it affects Sectra's customers, operations and financial position is available on Sectra's website:

- [Q&A customers](#)
- [Q&A investors and journalists](#), available from 1:00 pm (CET) today.

## INVITATION TO PRESS CONFERENCE

Sectra invites media, analysts and investors to an international press conference today, June 27, 11.30 a.m. CET, at Operaterassen in Stockholm. To participate at Operaterassen, please visit [www.financialhearings.com](http://www.financialhearings.com) or send an email to [hearings@financialhearings.com](mailto:hearings@financialhearings.com). You can also participate in the press conference on the Internet through [www.financialhearings.com](http://www.financialhearings.com) or [www.sectra.com](http://www.sectra.com) as well as by telephone. Dial in phone numbers: SWE +46 (0)8 5051 3792, UK +44 (0)20 7136 6285, code: 3314184

Jan-Olof Brüer, CEO Sectra AB and Torbjörn Kronander, President Sectra's Medical Systems operation will attend the conference. After the presentations questions can be asked.

## ADDITIONAL INFORMATION

Contact Helena Pettersson, Chief Press and Investor Relations Officer Sectra AB, ph: +46 706 27 52 04

Pictures: <http://flickr.com/photos/sectramedicalsystems>

Press room: <http://www.sectra.com/medical/press/>

## ABOUT SECTRA

Sectra develops and sells IT systems and products for radiology, mammography and orthopedics. More than 1,100 hospitals, clinics and imaging centers worldwide use the systems daily, together performing over 55 million radiology examinations annually. This makes Sectra one of the world-leading companies within systems for handling digital radiology images. In Scandinavia, Sectra is the market leader with more than 50% of all film-free installations. Sectra's systems have been installed in North America, Scandinavia and most major countries in Europe and the Far East.

Sectra was founded in 1978 and has its roots in Linköping University in Sweden. The company's business operation includes cutting-edge products and services within the niche segments of medical systems and secure communication systems. Sectra has offices in 12 countries and operates through partners worldwide. Sales in the 2010/2011 fiscal year totaled SEK 911 million. The Sectra share is quoted on the NASDAQ OMX Stockholm AB exchange. For more information, visit [www.sectra.com](http://www.sectra.com).

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