SECTRA

Press release Linköping, Sweden, May 24, 2011

Sectra's year-end report 2010/2011:

Sectra grows and invests for the future

The IT and medical-technology company Sectra's net sales rose 7.4% to SEK 910.9 million (848.4) for the 2010/2011 fiscal year, due to increased transactions with existing customers and breakthroughs in new countries. The most significant milestone for the fiscal year was approval of the Sectra MicroDose Mammography system by the US Food and Drug Administration (FDA).

"We will initially market and sell Sectra MicroDose Mammography in the US through our own sales organization. We then look forward to collaborating with one or more partners who can help us conquer the US market," says Jan-Olof Brüer, President and CEO of Sectra AB.

Operating profit for the fiscal year amounted to SEK 8.2 million (34.2), corresponding to an operating margin of 0.9% (4.0). After net financial items, an operating loss of SEK 8.1 million (profit: 23.5) was reported. Currency fluctuations had a negative effect of SEK 18.3 million (neg: 9.3) on the Group's financial items.

"The Mammography product division grew 35% in 2010/2011 but our earnings are still impacted by the product division's loss and the strong Swedish currency," says Jan-Olof Brüer. "In an effort to maintain and strengthen our competitiveness with a relatively highly valued Swedish currency, we are now working to reduce our production, installation and upgrading costs."

In the fourth quarter of the fiscal year, the Sectra Group's net sales were SEK 228.2 million (255.4). Operating profit amounted to SEK 6.5 million (20.2), corresponding to an operating margin of 2.8% (7.9). Operating profit after net financial items was SEK 1.7 million (16.6) for the quarter.

Sectra's strong cash balance and balance sheet enable the company to continue investing for the future. The 2010/2011 fiscal year was characterized by ongoing work to upgrade customers to the next generation of Sectra PACS, breakthroughs in the radiology IT market in Saudi Arabia and mammography market in Canada, regulatory approvals of Sectra's mammography product in new countries and the introduction of new products such as the visualization table. Sectra has also signed a framework agreement with the European Council for secure telephony and launched a new model of the secure mobile telephone, Tiger. The new products and regulatory approvals broaden Sectra's market and strengthen the company's potential for achieving the Group's earnings and growth targets.

"Our growing customer base generates continuous new transactions, and long-term customer relations are our key success factor. We are constantly expanding our offering with new products and services that make life easier for our customers and contribute to our expansion," says Jan-Olof Brüer.

The information in this press release is such that Sectra AB (publ) is obligated to disclose in accordance with the Swedish Securities and Clearing Operations Act. The information was submitted for publication on May 24, 2011, at 8:00 a.m. (CET).

Sectra AB (publ)
Teknikringen 20
SE 583 30 Linköping
Tel: +46 (0)13 23 52 00
Fax: +46 (0)13 21 21 85
info@sectra.se
www.sectra.se
Momsreg.nr SE556064830401

For further information, please contact:

Jan-Olof Brüer, President and CEO of Sectra AB, Tel: +46 (0)13-23 52 09

About the Sectra Group

Sectra was founded in 1978 and conducts successful development and sales of high-technology products in the expansive niche segments of medical systems and secure communication systems. Sectra has offices in 12 countries and sells its products through partners worldwide. The head office is in Linköping, Sweden, and the company developed from research at Linköping University. Sales for the 2010/2011 full year amounted to SEK 911 million. Sectra is listed on the NASDAQ OMX Stockholm AB exchange. For more information about Sectra, visit our website at http://www.sectra.com.

Year-end report Sectra AB (publ) for May 2010 – April 2011

The figures for the year-earlier period are shown in parentheses.

The year in brief

- Order bookings amounted to SEK 752.9 million (861.3).
- Net sales increased 7.4% to SEK 910.9 million (848.4).
- Operating profit amounted to SEK 8.2 million (34.2), corresponding to an operating margin of 0.9% (4.0).
- The result after net financial items was a loss of SEK 8.1 million (profit: 23.5), corresponding to a loss margin of 0.9% (profit: 2.8). Currency fluctuations had a negative effect of SEK 18.3 million (neg: 9.3) on the Group’s net financial items.
- Loss after tax totaled SEK 9.6 million (profit: 17.2).
- Loss per share was SEK 0.26 (earnings: 0.47).

Fourth quarter in brief

- Order bookings amounted to SEK 162.5 million (191.8).
- Net sales amounted to SEK 228.2 million (255.4).
- Operating profit amounted to SEK 6.5 million (20.2), corresponding to an operating margin of 2.8% (7.9).
- Profit after net financial items amounted to SEK 1.7 million (16.6), corresponding to a profit margin of 0.7% (6.5). Currency fluctuations had a negative impact of SEK 5.8 million (neg: 3.6) on the Group’s financial items.
- Loss after tax totaled SEK 1.9 million (profit: 10.3).
- Loss per share was SEK 0.05 (earnings: 0.28).

Significant events during the fourth quarter

- Sectra received market clearance from the US Food and Drug Administration (FDA) for its unique mammography system, Sectra MicroDose Mammography. The US approval is significant for growth in the Mammography product division in coming years.
- Sectra MicroDose Mammography was also approved by authorities in Canada and Russia.
- A chain of private clinics in Toronto, Canada were first in North America to order Sectra MicroDose. The order comprises four mammography systems.
- Sectra is taking part in a European research project on spectral imaging for mammography, or “color imaging”. The first clinical results indicate that color information can increase opportunities for physicians to correctly diagnose breast cancer.
- The Department of Defense in the Netherlands signed a three-year framework agreement with Sectra. The agreement concerns deliveries of Tiger products, which are used to protect speech and data communication from eavesdropping.
- Sectra’s voice encryption for smartphones, Panthon, was approved by Dutch security authorities.
- The Swedish Defence Materiel Administration (FMV) commissioned the development of a server solution for the wireless distribution of encryption keys in the RAKEL radio system, which is used by vital public services such as the Police, Customs and Swedish Armed Forces.

Events after the balance-sheet date

- Sectra signed a four-year agreement with the Norwegian healthcare region Helse Nord. The value of the order was SEK 57 million.
- For 2010/2011, the Board of Directors proposes a dividend of SEK 0.

SECTRA

THE GROUP'S ORDER BOOKINGS, SALES AND EARNINGS

Fiscal year, May 2010 - April 2011

The Group's order bookings amounted to SEK 752.9 million (861.3) for the fiscal year. The lower figure was mainly due to Scandinavia. Sectra signed a number of multi-year agreements in the Scandinavian market, although not to the same extent as in the preceding fiscal year. Sectra's operations in the Netherlands, the UK and Australia showed a rise in order bookings compared with preceding fiscal year.

The Group's net sales for the fiscal year rose 7.4% to SEK 910.9 million (848.4). Sectra's growing customer base generates continuous new transactions, and long agreements for service, support and upgrading provide a stable financial platform for the company. Both of Sectra's business areas, Secure Communication Systems and Medical Systems, showed sales growth. The increase was mainly related to Sectra's operations in Northern Europe and Australia.

Operating profit amounted to SEK 8.2 million (34.2), corresponding to an operating margin of 0.9% (4.0). Earnings are still impacted by the loss in the Mammography product division and the strong Swedish currency, which also affected the price trend in Sectra's markets for medical systems. The Secure Communication Systems business area showed an operating margin of 15%.

The Group reported a loss after net financial items of SEK 8.1 million (profit: 23.5). Currency fluctuations had a negative effect of SEK 18.3 million (neg: 9.3) on the Group's net financial items, which was mainly attributable to a strengthening of the SEK against the USD and GBP during the fiscal year. Despite the adverse effect of the strong Swedish currency on order bookings, sales and earnings, Sectra increased its cash balance and maintained a strong balance sheet.

Loss after tax totaled SEK 9.6 million (profit:17.2). Loss per share was SEK 0.26 (earnings: 0.47).

Fourth quarter, February 2011 - April 2011

The Group's order bookings for the quarter amounted to SEK 162.5 million (191.8). The variation in order volume in terms of individual quarters can be considerable and major projects were not secured to the same extent as in the year-earlier quarter.

Consolidated net sales for the quarter amounted to SEK 228.2 million (255.4). The change was mainly attributable to the strong Swedish currency, weak markets in Southern Europe and ongoing work to upgrade the existing customer base to the next-generation Sectra PACS.

Operating profit for the quarter was SEK 6.5 million (20.2), corresponding to an operating margin of 2.8% (7.9). Earnings were charged with a loss in the Mammography product division and, compared with the year-earlier quarter, impacted by lower sales of medical systems and increased depreciation/amortization.

Profit after net financial items amounted to SEK 1.7 million (16.6). Currency fluctuations had a negative impact of SEK 5.8 million (neg: 3.6) on the Group's financial items, mainly due to a strengthening of the SEK against the USD and GBP.

Loss after tax amounted to SEK 1.9 million (profit: 10.3). Loss per share was SEK 0.05 (earnings: 0.28).

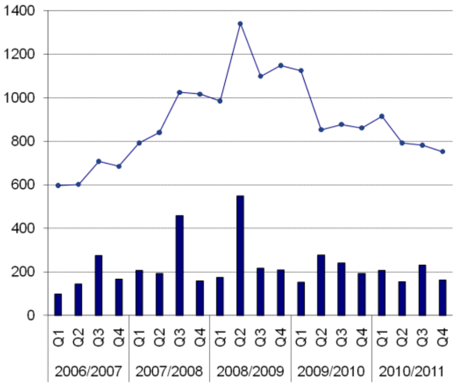
Seasonal variations

Sectra is affected by seasonal variations, entailing that most invoicing and earnings are traditionally generated at the end of the fiscal year. Variations in order volume in terms of individual quarters can be considerable, since Sectra has many large customers that sign comprehensive long-term agreements with the company for medical IT projects, for example, or the development of crypto systems.

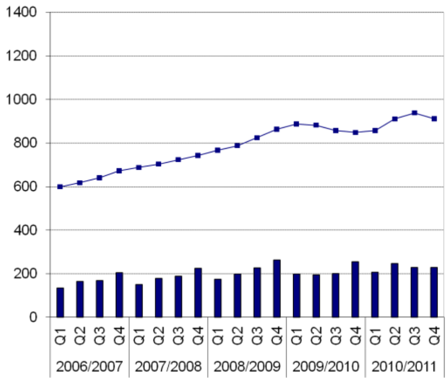
Diagram

Bars - per quarter
Line – 12-months rolling

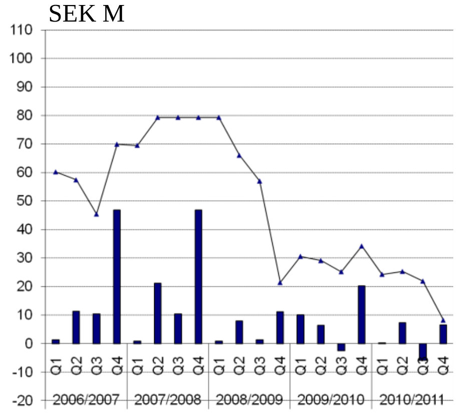
Order bookings
SEK M



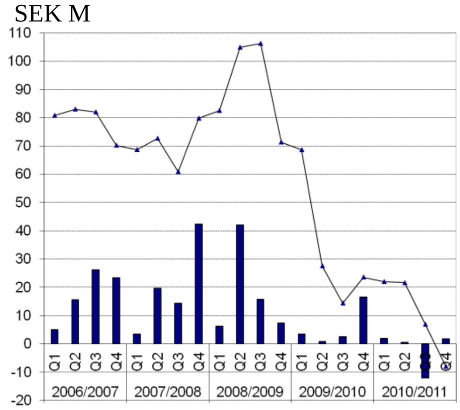
Net sales
SEK M



Operating profit/loss
SEK M



Profit/loss after net financial items
SEK M



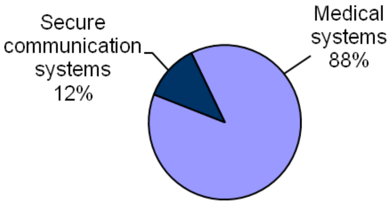
Comments on the diagrams

In recent years, operating profit has been affected by an extensive build-out of the proprietary international sales and support organization, and the development and launch of the Sectra MicroDose Mammography system. The mammography investment entails an increase in production operations. The current business mix, with a higher share of hardware-product deliveries, generated a lower operating margin than the previous mix, which to higher extent was dominated by IT-system deliveries.

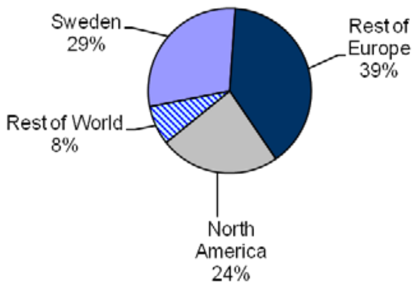
Since Sectra has chosen not to hedge currency flows, exchange-rate fluctuations have a direct impact on order bookings, net sales and profit. The stronger Swedish krona has had a negative effect on these items for the current fiscal year.

SECTRA

Net sales by business area, 12-months rolling



Net sales by geographic market, 12-months rolling



SEGMENT REPORTING

Net sales by business segment

(SEK M)	3 months Feb - April 2011	3 months Feb - April 2010	Full-year May - April 2010/2011	Full-year May - April 2009/2010
Medical Systems	210.4	244.0	830.9	810.1
Secure Communication Systems	31.3	27.1	111.8	99.6
Other operations [1)]	13.5	17.2	59.3	81.5
Group eliminations	-27.0	-32.9	-91.1	-142.8
Total	228.2	255.4	910.9	848.4

Operating profit/loss by business segment

(SEK M)	3 months Feb - April 2011	3 months Feb - April 2010	Full-year May - April 2010/2011	Full-year May - April 2009/2010
Medical Systems	8.0	20.6	3.7	26.5
Secure Communication Systems	4.7	4.3	16.8	15.1
Other operations [1)]	-3.8	-1.7	-7.6	-3.7
Group eliminations	-2.4	-3.0	-4.7	-3.7
Total	6.5	20.2	8.2	34.2

Net sales by geographic market

(SEK M)	3 months Feb - April 2011	3 months Feb - April 2010	Full-year May - April 2010/2011	Full-year May - April 2009/2010
Sweden	46.6	62.1	269.0	234.3
Rest of Europe	117.6	112.8	356.3	354.8
North America	52.1	60.7	215.6	224.6
Rest of world	11.9	19.8	70.0	34.7
Total	228.2	255.4	910.9	848.4

1) Other operations refer to Sectra’s financing activities regarding customer projects and asset management, and to the Parent Company’s internal debiting of Group-wide costs.

SECTRA

Medical Systems

The market
The market for medical systems continues to grow due to the major need for systems that increase efficiency in healthcare. Sectra offers products and services that enable healthcare providers to use existing resources more efficiently and to coordinate geographically dispersed operations. Around 55 million radiology examinations are conducted annually using Sectra's systems, making Sectra one of the five largest suppliers of radiology image management systems worldwide.

Markets in Southern Europe are adversely affected since many countries in that area are experiencing major socio-economic problems, which are currently limiting any new sales of Sectra's products in the region. Sectra has thus adapted its costs, particularly in Spain, to prevailing market conditions.

Sectra's main markets for Medical Systems are Scandinavia and the US. A growing portion of the business segment's revenues is derived from commitments to existing customers in the form of both additional sales and long-term agreements for products, services, maintenance, support and upgrading. The company's strategy is to grow in the locations where Sectra already holds a strong position, such as northern Europe and North America. Sectra intends to expand its customer base and continue supporting existing customers in their endeavor to become more efficient by offering product and service offerings that simplify image reviews, surgery planning and medication choices, and enable mammography examinations with half the radiation dose.

Provision of online services increases
One of Medical Systems' future areas is the provision of medical imaging services via the Internet. Sectra offers cost-efficient online services for osteoporosis and rheumatism analysis, orthopaedic surgery planning and PACS. Demand for these types of services is growing.

The FDA opens the door to the US mammography market
One of Sectra's prioritized investments is to improve profitability in the Mammography product division. These efforts comprise increasing the geographical diversification of sales of Sectra MicroDose Mammography. In 2011, Sectra received regulatory approval from Canada Health followed by the Food and Drug Administration (FDA) in the US, which finally opens the largest mammography market in the world to Sectra's low-dose system.

Gaining access to the North American mammography market entails that Sectra can continue increasing its sales volume of Sectra MicroDose in coming years. To date, the digital mammography system used in North America has only entailed a marginal reduction of the radiation dose compared with film-based mammography systems. The introduction of Sectra's system gives mammography clinics access to an outstanding cancer detection system with only half the radiation dose.

Sectra will initially market and sell Sectra MicroDose through its own sales organization in the US. The company will then be open to collaboration with one or more partners, in line with Sectra's strategy of selling through distributors in new markets. In Canada, Sectra has initiated collaboration with Xtron Imaging Inc, which now sells Sectra MicroDose. Trillium Imaging Associates, a chain of private clinics in Toronto, was the first customer from North America to place an order for Sectra MicroDose.

Activities to increase profitability

Measures that contribute to increasing the business segment's profitability and competitiveness have high priority. Sectra conducts a number of activities that aim to reduce costs, increase sales volumes and broaden the product offering to existing customers. These include:

- work to increase the efficiency of installations and upgrading of Sectra's medical IT systems. This is made possible by upgrading customers' existing installations of digital image management systems to the next-generation Sectra PACS, which also contributes to reducing the customer costs associated with upgrades.

- making production of the Sectra MicroDose mammography system more cost-efficient. Such as relocating some of the manufacturing process to sub-contractors in Asia.
- investment in online medical imaging services, a delivery model that is very scalable and offers major cost and operational benefits for both Sectra and customers.
- initiatives to increase sales volumes through additional sales to existing customers, sales in more markets and new product and service offerings.
- greater coordination of internal IT systems and resources, and quality enhancements in internal processes for sales and IT security.

Sales and earnings for the fiscal year, May 2010 – April 2011
Sales for Medical Systems increased 2.6% to SEK 830.9 million (810.1) for the fiscal year. Revenues from Medical IT products and services accounted for 84.7% of Medical Systems' sales and amounted to SEK 703.7 million (715.6). The Mammography product division accounted for SEK 127.2 million (94.5) of the business segment's sales, an increase of 34.6% compared with the year-earlier period. In total, 88 units (55) of Sectra MicroDose Mammography were delivered during the fiscal year.

Operating profit for the period amounted to SEK 3.7 million (26.5), corresponding to an operating margin of 0.5% (3.3). The Mammography product division reported an operating loss of SEK 64.3 million (loss: 79.0). Adjusted for the loss in the Mammography division, the business segment's operating profit was SEK 68.0 million (105.5), corresponding to an operating margin of 9.7% (14.7).

Earnings were charged with the loss in the Mammography product division as well as increased depreciation/amortization and costs associated with capitalized development projects and Group-financed customer projects that were completed and are now operational. During a transition period, earnings are also impacted by ongoing work to upgrade existing PACS installations to Sectra's next-generation PACS, which is a completely new platform for medical imaging management. When this generational shift is complete, future upgrades will become faster and more cost-efficient. Most of Sectra's customers will be using the next generation by the end of the 2011/2012 fiscal year.

Sales and earnings for the fourth quarter, February – April 2011
Sales for Medical Systems amounted to SEK 210.4 million (244.0) for the fourth quarter. The change was mainly attributable to the strong Swedish currency, weak markets in Southern Europe, lower market prices in the mammography area and, to a certain extent, the ongoing work to upgrade existing customers to the next generation of Sectra PACS. Revenues from Medical IT products and services amounted to SEK 179.5 million (211.7). The Mammography product division accounted for SEK 30.9 million (32.3) of the business segment's sales. In total, 25 units (22) of Sectra MicroDose Mammography were delivered during the quarter, an increase of 13.6% compared with the year-earlier quarter.

Operating profit amounted to SEK 8.0 million (20.6) for the quarter, corresponding to an operating margin of 3.8% (8.4). The Mammography product division reported an operating loss of SEK 16.3 million (loss: 18.6). Adjusted for the loss in the Mammography division, the business segment's operating profit was SEK 24.3 million (39.2), corresponding to an operating margin of 13.5% (18.5).

Secure Communications Systems

Market
Policy makers, government officials and the military in 17 European countries use Sectra's crypto products to protect their telephone calls from eavesdropping. This makes Sectra the leading supplier of products for secure telephony to European authorities and defense.

Sweden and the Netherlands are Sectra's main markets for Secure Communication Systems. During the fourth quarter, the Swedish Defence Material Administration (FMV) commissioned the development of a server solution for the wireless distribution of encryption keys for the Swedish TETRA network, RAKEL. In the Netherlands, security authorities approved Sectra's voice encryption for smartphones, Panthon.

Growth in the Secure Communication Systems market is driven by the relative simplicity of eavesdropping telephone calls. Growing numbers of government agencies are choosing to protect their telephony. Due to increasing collaboration between government agencies in European countries, customers now require products that support cross-border collaboration. Sectra offers products that are approved by both the EU, NATO and several national security authorities.

Sales and earnings for the fiscal year, May 2010 – April 2011
Secure Communication Systems showed continued favorable growth and earnings due to the increased sales of Tiger products. Sales for the fiscal year totaled SEK 111.8 million (99.6), an increase of 12.3% compared with the year-earlier period. Operating profit rose 11.3% to SEK 16.8 million (15.1), corresponding to an operating margin of 15.0% (15.2).

Sales and earnings for the fourth quarter, February – April 2011
Sales for the fourth quarter amounted to SEK 31.3 million (27.1). Operating profit was 4.7 million (4.3), corresponding to an operating margin of 15.0% (15.9).

Other operations

Other operations pertain to Sectra's operations for the financing of customer projects, asset management, and the Parent Company's functions for Group finances and stock-exchange, share and investor relations activities.

Sales and earnings for the fiscal year, May 2010 – April 2011
Sales from Other operations amounted to SEK 59.3 million (81.5) for the fiscal year. The change pertains partly to the Group's financing operations, which showed lower sales in connection with medical customer projects, and partly to the internal invoicing of Group-wide service functions. Operating loss for the period amounted to SEK 7.6 million (loss: 3.7) and the change was mainly due to the Parent Company's earnings that decreased SEK 2.8 million compared with the year-earlier period.

Sales and earnings for the fourth quarter, February – April 2011

Net sales from Other operations amounted to SEK 13.5 million (17.2) for the fourth quarter. Operating loss for the quarter totaled SEK 3.8 million (loss: 1.7).

FINANCIAL TARGETS

The Board regularly addresses issues concerning the company's targets, strategies, structure and focus areas. Due to changes in Sectra's operations and niche markets, the Board revised the Sectra Group's long-term profitability and growth goals in September 2010. The new financial target levels are:

- To achieve an EBIT margin of not less than 15%. (Up from 10%)
- To grow an average of 15% annually during a seven-year period. (Down from 30%).
- To maintain an equity/assets ratio of at least 30%. (Unchanged)

The new profitability targets are on a par with the profit levels in sectors in which Sectra is active. The growth target is three times as high as the underlying average market growth in the niches in which Sectra operates. Based on the expected market development, Sectra's Board deems that the company is favorably positioned to achieve the new target levels over a three-year horizon.

OTHER INFORMATION

Financial position

Sectra has a strong cash balance and balance sheet. The Group's cash flow from operations after changes in working capital amounted to SEK 44.9 million (47.8) for the fiscal year. Total cash flow for the fiscal year amounted to SEK 7.4 million (neg: 5.8). After adjustment for exchange rate differences in cash and cash equivalents, the Group's cash and cash equivalents amounted to SEK 211.3 million (193.0).

The equity/assets ratio was 61.0% (62.2) at the end of the fiscal year, and liquidity amounted to a multiple of 2.1 (2.1).

At the end of the fiscal year, the Group's interest-bearing liabilities amounted to SEK 23.4 million (39.6) and pertained to convertible debentures.

Investments

The Group's investments amounted to SEK 42.9 million (66.8) during the fiscal year, of which SEK 5.5 million (22.8) pertained to the fourth quarter. The investments were primarily attributable to customer projects in the Group's financing operations and to capitalized development.

Investments in Group-financed customer projects amounted to SEK 17.8 million (41.6) during the fiscal year, of which SEK 1.1 million (15.0) was attributable to the fourth quarter. At the end of the period, the Group's carrying amount in customer projects totaled SEK 47.0 million (55.9).

Capitalized work for own use was SEK 20.3 million (16.1) during the fiscal year, of which SEK 3.5 million (1.8) was attributable to the fourth quarter. At the end of the period, capitalized development totaled SEK 176.4 million (187.0).

Depreciation/amortization amounted to SEK 63.3 million (49.8) during the fiscal year, of which SEK 17.0 million (13.0) was attributable to the fourth quarter. The increase was related to depreciation of Group-financed customer projects that became operational and to capitalized development projects that were completed and entered the delivery phase.

Employees

The number of full-time employees at Sectra decreased by five people during the fourth quarter. At the end of the period, the number of employees totaled 606 (601).

The share

Sectra's share capital at fiscal year-end amounted to SEK 36,842,088. At future full conversion and an exercise of the implemented incentive programs, the number of shares will increase by a maximum of 791,400, corresponding to 2.1% of the share capital and 1.3% of the voting rights. After dilution, the share capital will amount to SEK 37,633,488.

Incentive programs

In accordance with the Annual General Meeting's resolution in June 2010, Sectra issued convertibles to Group employees during the fiscal year. The subscription period was September 27 – October 8, 2010. The conversion price was SEK 45.80, which corresponded to 135% of the average volume weighted mean of the listed price for the company's share on

NASDAQ OMX Stockholm for each trading day during the period August 3 – August 18, 2010. The conversion to Series B shares may occur during May 26 – 30, 2014. In total, Group employees have subscribed for 133,000 convertibles, corresponding to 0.4% of the share capital and 0.2% of the voting rights.

During the fiscal year, pursuant to the Annual General Meeting's resolution, the Board also issued additional employee stock options for the Group's employees in the US. If these employee stock options are fully exercised, employees will acquire 100,000 Series B shares in the company corresponding to approximately 0.3% of the share capital and 0.2% of the voting rights. Options can be exercised three years from the date on which they were issued and have a conversion price of SEK 45.80.

Annual General Meeting 2011

The Annual General Meeting of Sectra AB will be held on Thursday, June 30, 2011, at Collegium Konferens, Teknikringen 7 in Linköping, Sweden. Notice of the meeting will be given by way of a press release and an advertisement in *Post och Inrikes Tidningar*, and will be available on the company's website not later than four weeks prior to the meeting. Information that notice has been given will be published in *Svenska Dagbladet*.

Dividend proposal

For the 2010/2011 fiscal year, the Board proposes a dividend of SEK 0.

Nomination Committee

The 2010 Annual General Meeting resolved to appoint a Nomination Committee consisting of four members – one of the members to be the Chairman of the Board of Directors and three members to be representatives of the Company's major shareholders. In accordance with the Annual General Meeting's resolution, a Nomination Committee was appointed following consultations with the Company's major shareholders. The Nomination Committee includes the following members:

- Carl-Erik Ridderstråle, Board Chairman (convener)
- Jan-Olof Brüer, CEO of Sectra AB and representative of the Company's largest shareholder (Chairman)
- Gündor Rentsch, representing Frithjof Qvigstad
- Thomas Ehlin, representing Nordea Funds

The Nomination Committee will prepare and present the following proposals to the Annual General Meeting:

- Election of and fees for the Chairman of the Board and other Board members
- Election of and fees for the auditor and deputy auditor (where applicable)
- Decisions regarding principles for the appointment of the Nomination Committee
- Chairman of the Meeting

The Nominating Committee's proposal will be presented in the notice of the Annual General Meeting and be available on the company's website.

Annual Report

The Annual Report will be available on the company's website www.sectra.se on June 9, 2011. It will be distributed by post in week 24 to new shareholders and those shareholders who have registered an interest in receiving financial reports. The printed version can be ordered at the following address:

Sectra AB
Teknikringen 20
SE-583 30 Linköping
Telephone +46 (0)13 - 23 52 00
E-mail info@sectra.se

Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of exchange-rate fluctuations on pricing in the markets in which the Group is active, and property and liability risks. In addition, Sectra is exposed to various types of financial risks, such as currency, interest, loan and liquidity risks.

A detailed description of the risks and uncertainties, as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects, is provided in the Group's Annual Report for the 2009/2010 fiscal year, Note 30, Page 52. No significant events have occurred that would alter the conditions reported therein.

Outlook

Sectra has a strong technical platform. The products and system solutions that Sectra develop are aimed at markets with high growth potential. The Company's strong position in the home market provides a solid platform for ongoing international expansion.

PARENT COMPANY

The Parent Company Sectra AB

The Parent Company includes the head office's functions for Group finances, as well as stock exchange, share and investor relations activities.

Net sales in the Parent Company Sectra AB for the fiscal year amounted to SEK 18.7 SEK (25.8). Profit after net financial items was SEK 67.8 million (100.2).

For the fourth quarter, net sales in the Parent Company were SEK 4.4 million (6.4) Profit after net financial items amounted to SEK 63.4 million (95.4).

The Parent Company's income statement and balance sheet are reported on page 14.

SECTRA

Consolidated Income Statements

SEK thousands	3 months Feb 2011 - Apr 2011	3 months Feb 2010 - Apr 2010	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Net sales	**228,244**	**255,436**	**910,887**	**848,357**
Capitalized work for own use	3,541	1,814	20,349	16,149
Goods for resale	-41,698	-58,574	-197,070	-167,527
Personnel costs	-111,958	-111,492	-457,940	-444,345
Other external costs	-54,618	-54,039	-204,688	-168,678
Depreciation/amortization	-17,031	-12,987	-63,299	-49,758
Operating profit	**6,480**	**20,158**	**8,239**	**34,198**
Net financial items	-4,828	-3,597	-16,304	-10,660
Profit after net financial items	**1,652**	**16,561**	**-8,065**	**23,538**
Taxes	-3,524	-6,288	-1,552	-6,331
Earnings for the period	**-1,872**	**10,273**	**-9,617**	**17,207**
Of which, attributable to:				
Parent Company owners	-1,872	10,273	-9,617	17,207
Non-controlling interest	0	0	0	0
Earnings per share				
Before dilution, SEK	-0.05	0.28	-0.26	0.47
After dilution, SEK	-0.05	0.27	-0.26	0.46
No. of shares				
Before dilution	36,842,088	36,842,088	36,842,088	36,842,088
After dilution [1)]	37,633,488	37,400,488	37,633,488	37,400,488
Average, before dilution	36,842,088	36,842,088	36,842,088	36,842,088
Average, after dilution [1)]	37,633,488	37,647,488	37,536,405	37,544,946

1) Dilution is based on the convertible debentures programs issued in 2009/2010 (368,400) and 2010/2011 (133,000) and on employee stock options issued in 2008/2009 (90,000), 2009/2010 (100,000) and 2010/2011 (100,000).

Consolidated Statement of Comprehensive Income

SEK thousands	3 months Feb 2011 - Apr 2011	3 months Feb 2010 - Apr 2010	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Earnings for the period	**-1,872**	**10,273**	**-9,617**	**17,207**
Other comprehensive income				
Change in translation differences from translating foreign subsidiaries	-10,575	-6,900	-25,834	-16,244
Total other comprehensive income for the period	**-10,575**	**-6,900**	**-25,834**	**-16,244**
Total comprehensive income for the period	**-12,447**	**3,373**	**-35,451**	**963**

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Consolidated Balance Sheets

SEK thousands	Apr 30, 2011	Apr 30, 2010
Assets		
Intangible assets	195,073	211,079
Tangible assets	60,175	72,780
Financial assets	6,812	3,931
Total fixed assets	**262,060**	**287,790**
Other current assets	460,323	487,861
Cash and cash equivalents	211,341	193,024
Total current assets	**671,664**	**680,885**
Total assets	**933,724**	**968,675**
Equity and liabilities		
Equity (including total comprehensive income for the period)	569,537	602,568
Provisions	5,627	6,354
Deferred tax liabilities	15,328	16,141
Long-term liabilities	23,406	17,315
Current liabilities	319,826	326,297
Total equity and liabilities	**933,724**	**968,675**

No changes have occurred in pledged assets and contingent liabilities since the 2009/2010 Annual Report.

Consolidated Statement of Changes in Equity

SEK thousands	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Equity at start of period	602,568	599,114
Comprehensive income for the period	-35,451	963
Share-related payments	2,420	2,491
Equity at the end of the period	**569,537**	**602,568**

Consolidated Cash-flow Statements

SEK thousands	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Cash flow from operations before changes in working capital	25,623	37,631
Cash flow from operations after changes in working capital	**44,852**	**47,780**
Investing activities	-42,901	-66,807
Financing activities	5,456	13,196
Change in cash and cash equivalents	**7,407**	**-5,831**
Cash and cash equivalents, opening balance	193,024	184,282
Exchange-rate difference in cash and cash equivalents	10,910	14,573
Cash and cash equivalents, closing balance	211,341	193,024
Unutilized credit facilities	15,000	15,000

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Key Figures

	Full-year Apr 30, 2011	Full-year Apr 30, 2010
Order bookings, SEK M	752.9	861.3
Equity/assets ratio, %	61.0	62.2
Liquidity, multiple	2.1	2.1
Operating margin, %	0.9	4.0
Profit margin, %	-0.9	2.8
Return on equity, %	-1.6	2.9
Return on capital employed, %	-1.1	3.9
Return on total capital, %	-0.7	2.5
Value added, SEK M	466.2	478.5
Average number of employees	597	584
Equity per share, SEK	15.46	16.36
Equity per share after full dilution, SEK	15.13	16.11
Cash flow per share, SEK	0.70	1.02
Cash flow per share after full dilution, SEK	0.68	1.01
P/E ratio, multiple	n/a	79.9
Share price at end of period, SEK	34.0	37.3

Quarterly consolidated income statements and key figures

	2010/2011				2009/2010				2008/2009			
SEK M	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	228.2	229.1	246.9	206.7	255.4	201.2	193.9	197.8	263.7	226.1	199.4	174.0
Capitalized work for own use	3.5	7.1	5.3	4.4	1.8	3.6	6.0	4.7	13.7	9.5	11.6	4.3
Operating expenses	-208.3	-225.9	-228.7	-196.8	224.0	-193.3	-180.9	-182.2	-247.3	-225.2	-194.4	168.9
Depreciation/amortization	-17.0	-16.1	-16.1	-14.1	-13.0	-14.0	-12.6	-10.2	-18.9	-9.0	-8.7	-8.5
Operating profit	**6.4**	**-5.9**	**7.4**	**0.2**	**20.2**	**-2.5**	**6.4**	**10.1**	**11.2**	**1.4**	**7.9**	**0.9**
Net financial items	-4.8	-6.2	-6.9	1.7	-3.6	5.1	-5.5	-6.6	-3.8	14.4	34.1	5.3
Earnings after net financial items	**1.7**	**-12.1**	**0.5**	**1.9**	**16.6**	**2.6**	**0.9**	**3.5**	**7.4**	**15.8**	**42.0**	**6.2**
Tax on earnings for the period	-3.5	2.4	-0.3	-0.1	-6.3	-0.9	1.8	-0.9	-3.4	-3.8	-11.9	-1.8
Earnings for the period	**-1.9**	**9.7**	**0.2**	**1.8**	**10.3**	**1.7**	**2.7**	**2.6**	**4.0**	**12.0**	**30.1**	**4.4**
Equity/assets ratio, %	61.0	63.5	63.6	64.7	62.2	62.6	65.6	65.1	59.4	60.7	61.5	60.4
Operating margin, %	2.8	-2.6	3.0	0.1	7.9	-1.2	3.3	5.1	4.2	0.6	4.0	0.5
Return on equity, %	-0.3	-1.6	0.0	0.3	1.7	0.3	0.1	0.4	0.7	2.0	5.3	0.8
Return on capital employed, %	0.3	-2.0	0.1	0.3	2.6	0.5	0.2	1.6	1.2	2.6	7.1	1.1
Equity per share, SEK	15.46	15.78	16.16	16.40	16.36	16.24	16.09	16.20	16.26	16.06	15.74	14.94
Earnings per share, SEK	-0.05	-0.26	0.0	0.05	0.28	0.05	0.07	0.07	0.11	0.32	0.82	0.12
Cash flow per share, SEK	-0.11	0.13	0.16	0.28	0.49	0.37	0.10	0.06	1.36	0.87	0.93	0.27

Five-year summary

	2010/2011	2009/2010	2008/2009	2007/2008	2006/2007
Order bookings, SEK M	752.9	861.3	1,149.7	1,016.6	684.7
Net sales, SEK M	910.9	848.4	863.3	742.9	672.5
Operating profit	8.2	34.2	21.4	79.7	61.2
Earnings after net financial items, SEK M	-8.1	23.5	71.4	79.8	70.2
Earnings after tax, SEK M	-9.6	17.2	50.5	50.5	47.2
Operating margin, %	0.9	4.0	2.5	10.7	9.1
Profit margin, %	-0.9	2.8	8.3	10.7	10.4
Return on equity, %	-1.6	2.9	8.7	9.3	9.4
Return on capital employed, %	-1.1	3.9	11.6	13.8	13.0
Return on total capital, %	-0.7	2.5	7.4	8.9	8.6
Earnings per share before dilution, SEK	-0.26	0.47	1.37	1.37	1.28
Earnings per share after dilution, SEK	-0.26	0.46	1.35	1.34	1.26
Equity per share before dilution, SEK	15.46	16.36	16.26	15.22	14.12
Equity per share after dilution, SEK	15.13	16.11	16.06	14.93	13.84
Equity/assets ratio, %	61.0	62.2	59.4	56.9	60.8
Dividend per share, SEK	0.00	0.00	0.00	0.50	0.50
Share price at year end, SEK	34.0	37.3	38.8	58.5	76.0
P/E ratio, multiple	n/a	79.9	28.3	42.7	59.2

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

Parent Company Income Statements

SEK thousands	3 months Feb 2011 - Apr 2011	3 months Feb 2010 - Apr 2010	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Net sales	**4,396**	**6,425**	**18,654**	**25,804**
Personnel costs	-3,282	-3,636	-9,030	-12,302
Operating expenses	-4,510	-4,972	-18,764	-19,505
Depreciation/amortization	-55	-148	-231	-558
Operating loss	**-3,451**	**-2,331**	**-9,371**	**-6,561**
Net financial items	66,810	97,692	77,121	106,739
Profit after net financial items	**63,359**	**95,361**	**67,750**	**100,178**
Appropriations	1,874	15,700	1,874	15,700
Profit before tax	**65,233**	**111,061**	**69,624**	**115,878**
Tax on earnings for the period	-17,712	-30,421	-18,867	-31,433
Earnings for the period	**47,521**	**80,640**	**50,757**	**84,445**

Parent Company Statement of Comprehensive Income

SEK thousands	3 months Feb 2011 - Apr 2011	3 months Feb 2010 - Apr 2010	Full-year May - Apr 2010/2011	Full-year May - Apr 2009/2010
Earnings for the period	**47,521**	**80,640**	**50,757**	**84,445**
Other comprehensive income				
Fund for fair value	-8,197	-6,287	-22,189	-15,339
Total other comprehensive income for the period	**-8,197**	**-6,287**	**-22,189**	**-15,339**
Total comprehensive income for the period	**39,324**	**74,353**	**28,568**	**69,106**

Parent Company Balance Sheets

SEK thousands	Apr 30, 2011	Apr 30, 2010
Assets		
Tangible assets	558	1,878
Financial assets	161,725	167,862
Total fixed assets	**162,283**	**169,740**
Other current assets	290,234	340,934
Cash and cash equivalents	815,410	729,260
Total current assets	**1,105,644**	**1,070,194**
Total assets	**1,267,927**	**1,239,934**
Equity and liabilities		
Equity (including earnings for the period)	458,424	487,599
Deferred tax liabilities	95,962	97,836
Long-term liabilities	23,406	17,315
Current liabilities	690,135	637,184
Total equity and liabilities	**1,267,927**	**1,239,934**

Pledged assets and contingent liabilities

SEK thousands	Apr 30, 2011	Apr 30, 2010
Pledged, assets	11,000	11,000
Total pledged assets	**11,000**	**11,000**
Guarantees on behalf of group companies	291,523	308,047
Total contingent liabilities	**291,523**	**308,047**

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Definition of key figures

Adjusted equity	Reported shareholders' equity increased by 73.7% of untaxed reserves.
Capital employed	Total assets reduced by non interest-bearing liabilities.
Cash flow per share	Cash flow divided by the number of shares at the end of the period.
Earnings per share	Profit/loss after tax divided by the average number of shares.
Equity/assets ratio	Equity as a percentage of total assets.
Equity per share	Equity divided by the number of shares at the end of the period.
Liquidity	Current assets divided by current liabilities.
P/E ratio	Share price at the end of the period in relation to the 12-month period's earnings per share.
Profit margin	Profit after net financial items as a percentage of net sales.
Return on equity	Profit after tax as a percentage of average adjusted equity.
Return on capital employed (ROCE)	Profit before tax plus financial expenses as a percentage of average capital employed.
Return on total capital	Profit after net financial items plus financial expenses as a percentage of average total assets.
Value added	Operating profit plus labor costs.

Accounting principles

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Securities Markets Act. The consolidated accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) and statements from the International Financial Reporting Interpretations Committee (IFRIC) that were approved by the EU Commission for application within the EU.

The accounting policies and calculation methods are unchanged compared with those applied in the 2009/2010 Annual Report with the following exceptions. From the first quarter of the 2010/2011 fiscal year, revised IFRS 3, Business Combinations, and IAS 27, Consolidated and Separate Financial Statements, are applicable. New policies and amendments that have come into effect as of the 2010/2011 fiscal have had no impact on the financial statements.

Financial calendar

Annual General Meeting	June 30, 2011
Three-month report	September 6, 2011
Six-month report	December 6, 2011
Nine-month report	March 6, 2012
Year-end report	May 22, 2012

For further information, please contact:

CEO Jan-Olof Brüer Telephone +46 13 - 23 52 09

The Board of Directors and the President of Sectra AB (publ) hereby assure that the year-end report for the period May 2010 - April 2011 provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

This year-end report has not been reviewed by the company's auditors.

Linköping May 24, 2011
Board of Directors
Sectra AB (publ)

The information in this report is such that Sectra AB (publ) is obligated to disclose in compliance with the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. This information was released to the media for public disclosure on May 24, 2011 at 8:00 a.m. (CET).

Sectra AB (publ)
Teknikringen 20
SE 583 30 Linköping
Tel: +46 (0)13 23 52 00
Fax: +46 (0)13 21 21 85
info@sectra.se
www.sectra.se
Momsreg.nr SE556064830401