

Press release

Linköping, Sweden. December 4, 2012

Sectra's interim report for the first six months 2012/2013:

Sectra increases order intake

The IT and medical technology company Sectra reports a year-on-year increase in order bookings of 13.9% to SEK 217.0 million (190.6) for the second quarter of the fiscal year. Excluding a nonrecurring item in the year-earlier period, net sales for the quarter increased 1.8% to SEK 192.7 million (189.2) and the operating profit rose by 15.6% to SEK 23.0 million (19.9). The result corresponds to an operating margin of 11.9% (10.5).

Sectra's order bookings rose in markets outside Europe. The largest increase was noted in the US, where order bookings of SEK 55 million represent a two-fold increase compared with the corresponding quarter in the preceding year. Sectra's strategy is to become stronger, primarily, in markets where the company already holds an established position, such as Northern Europe and North America, and to expand in selected markets with growth potential.

"We noted an increase in order bookings and improved earnings," says Torbjörn Kronander, CEO and President of Sectra AB. "The results of our initiatives include higher order bookings in the US as well as in the Middle East and Russia, which are new markets for us."

For the six-month period, Sectra's net sales rose 1.4% to SEK 363.6 million (358.5) and operating profit increased by 3.0% to SEK 27.1 million (26.3). The result corresponds to an operating margin of 7.5% (7.3). Profit after net financial items was SEK 25.1 million (40.3), corresponding to a profit margin of 6.9% (11.2). The comparisons relate to the result in the year-earlier period excluding a nonrecurring item attributable to the divestment of the MicroDose business in the preceding fiscal year.

When the Group's financial goals were reviewed in autumn 2010, the Board's assessment was that Sectra was well-positioned to reach the new goals within a period of about three years. Based on current market trends, the Board and Executive Management contend that Sectra's ability to achieve the growth and profitability goal has shifted forward in time.

The information in this press release is such that Sectra AB (publ) is obligated to disclose in compliance with the Swedish Securities and Clearing Operations Act. The information was submitted for publication on December 4, 2012 at 8:00 a.m. (CET).

For further information

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About the Sectra Group

Sectra conducts successful development and sales of high technology products and services in the niche segments of medical IT and secure communication. The company was founded in 1978 and grew from research carried out at Linköping University. Sectra has offices in twelve countries and sells its products through partners worldwide. Sales for the full-year 2011/2012 amounted to SEK 823 million. Sectra is listed on NASDAQ OMX Stockholm AB exchange. For more information about Sectra, visit our website at: www.sectra.com.

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INTERIM REPORT FOR THE FIRST SIX MONTHS May 1 – October 31, 2012

SEK million	The quarter			The interim period			12 months		
	Q2 2012/2013	Q2 2011/2012	Change %	Q1-2 2012/2013	Q1-2 2011/2012	Change %	October 31, 2012	Full-year 2011/2012	Change %
Order bookings	217.0	190.6	13.9	333.2	381.4	-12.6	652.9	701.1	-6.9
Net sales	192.7	219.2	-12.1	363.6	388.5	-6.4	798.2	823.1	-3.0
excl. nonrecurring item ¹	192.7	189.2	1.8	363.6	358.5	1.4	798.2	793.1	0.6
Operating profit/loss (EBIT)	23.0	44.9	-48.8	27.1	51.3	-47.2	79.3	103.5	-23.4
excl. nonrecurring item ¹	23.0	19.9	15.6	27.1	26.3	3.0	79.3	78.5	1.0
Operating margin, %	11.9	20.5		7.5	13.2		9.9	12.6	
excl. nonrecurring item ¹	11.9	10.5		7.5	7.3		9.9	9.9	
Profit/loss before tax (EBT)	24.8	49.1	-49.5	25.1	65.3	-61.6	87.6	127.9	-31.5
excl. nonrecurring item ¹	24.8	24.1	2.9	25.1	40.3	-37.7	87.6	102.9	-14.9
Profit margin, %	12.9	22.4		6.9	16.8		11.0	15.5	
excl. nonrecurring item ¹	12.9	12.7		6.9	11.2		11.0	13.0	
Profit/loss after tax	16.9	35.1	-51.9	17.1	47.0	-63.6	62.9	92.8	-32.2
Earnings per share, SEK ²	0.46	0.95	-51.6	0.46	1.28	-64.1	1.70	2.52	-32.5
Cash flow ³	3.9	82.8	-95.3	67.9	80.5	-15.7	135.9	148.6	-8.5
Profit including discontinued operations									
Earnings from discontinued operations	0	310.0		0	293.0		0	293.0	
Earnings incl. discontinued operations	16.9	345.1		17.1	340.0		62.9	385.8	
Earnings per share incl. discontinued operations, SEK ¹	0.46	9.37		0.46	9.23		1.70	10.47	

¹ Attributable to the divestment of the MicroDose business in 2011/2012 and had a positive impact on sales of SEK 30 million and operating profit of SEK 25 million for the affected periods. ² Before dilution ³ Operations after changes in working capital

SECOND QUARTER AUGUST – OCTOBER 2012

- Sales successes in markets outside Europe contributed to a year-on-year increase in order bookings of 13.9% to SEK 217.0 million.
- Net sales, excluding the nonrecurring item in the preceding year, rose by 1.8% to SEK 192.7 million.
- A larger share of license and service sales generated higher gross profit and was an underlying factor behind the increase in the operating margin, excluding the nonrecurring item, to 11.9% (10.5).
- Profit after tax amounted to SEK 16.9 million compared with SEK 345.1 million in the year-earlier period, which included a capital gain of SEK 322.6 million from the sale of the MicroDose business.
- Cash flow from operations after changes in working capital totaled SEK 3.9 million (82.8) as a result of movements in working capital, primarily accounts receivable. Comparative figures include a nonrecurring item of SEK 25 million. A stable cash flow was reported for the rolling 12-month period.

INTERIM PERIOD MAY – OCTOBER 2012

- Order bookings totaling SEK 333.2 million were lower than in the year-earlier period, which included a substantial long-term agreement with a Norwegian healthcare region.
- All business segments reported increased sales compared with the year-earlier period, excluding the nonrecurring item in the preceding year.
- Net financial items were negatively impacted by changes in exchange rates and developments in the interest-rate market. Profit before tax amounted to SEK 25.1 million (40.3); the figure for the year-earlier period excl. the nonrecurring item.

EVENTS DURING THE SECOND QUARTER

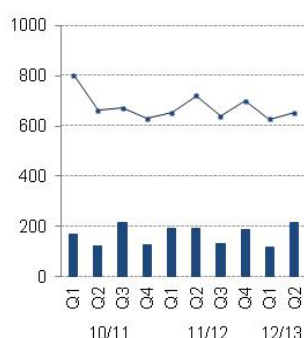
- Sectra entered into a partnership with Zimmer GmbH, a global leader in musculoskeletal care. A non-exclusive agreement allows Zimmer to provide its customers in certain European countries with Sectra's online 2D pre-operative planning system for prosthesis surgery.
- Four US healthcare providers sign an agreement to deploy Sectra's PACS at 17 outpatient imaging centers.
- Sectra's secure mobile phone Tiger enters the Danish market through an order from the Danish Defense Forces.
- Sectra transferred SEK 185.5 million to shareholders through a redemption program.
- The Board of Directors appointed Torbjörn Kronander, President of Sectra's Medical Systems business area and Executive Vice President of Sectra AB, as the new President and CEO of Sectra. He assumed his duties on November 1, 2012.
- Sectra is participating in a Swedish research program in digital pathology that could lead to more efficient and improved care for cancer patients.

EVENTS AFTER THE CLOSE OF THE REPORTING PERIOD

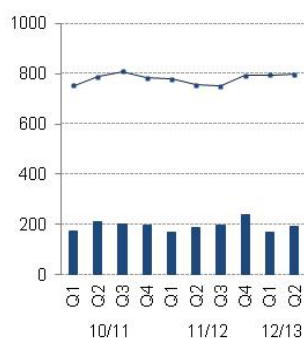
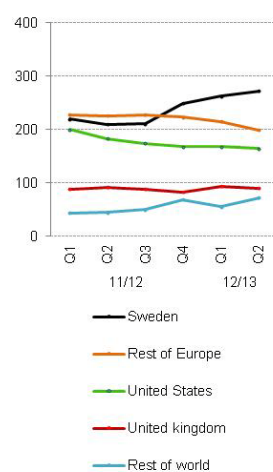
- Due to the current market trend, it is the Board's assessment that the ability to achieve the growth and profitability targets has shifted forward in time.
- A new [research study](#) conducted at the Karolinska Institute shows that Sectra's method to identify osteoporosis, Sectra OneScreen, is comparable with more expensive methods in use to predict hip fractures.
- Simo Pykälistö and Marie Ekström have been appointed Executive Vice Presidents of Sectra AB.

The reporting in this interim report pertains to remaining operations unless otherwise stated. Discontinued operations pertain to the subsidiary Sectra Mamea AB, which developed, produced and marketed the mammography modality MicroDose Mammography. Figures for the corresponding period in the preceding year are shown in parenthesis.

Order bookings, SEK million



Net sales, SEK million


 Sales by geographic market
SEK million


Results excl. nonrecurring items
Bars – per quarter
Line – rolling 12-months

THE GROUP'S ORDER BOOKINGS, SALES AND EARNINGS

Order bookings and sales

Second quarter, August – October 2012, result excl. nonrecurring items in preceding year

The Group's order bookings for the quarter increased 13.9% to SEK 217.0 million (190.6) compared with the corresponding quarter in 2011/2012. The increase is related to the successes in markets outside Europe. Medical IT systems in the US account for the largest increase, where order bookings of SEK 55 million represent a two-fold year-on-year increase. Net sales increased 1.8% to SEK 192.7 million (189.2). Sales rose predominantly in Sweden, Australia and in markets with growth potential, such as the Middle East and Russia, where Sectra markets its products via partners. Excluding the nonrecurring item, all business segments reported increased sales compared with the year-earlier period.

First six months, May – October 2012, result excl. nonrecurring item in preceding year

Order bookings for the first six months were lower than in the year-earlier period, which included a substantial long-term agreement, valued at SEK 57 million, with the Norwegian healthcare region, Helse Nord. Net sales for the first six months increased 1.4% to SEK 363.6 million (358.5). Sectra's sales growth exceeded 15% in both the Swedish and UK markets in the first six months, although growth in several of Sectra's markets was dampened by the tentative economic situation, primarily in Europe.

As of June 6, 2012, the Medical Systems business segment includes the acquired Burnbank Systems Limited in the UK. For further information and a preliminary acquisition analysis, refer to page 15.

Sales by business segment

(SEK million)	3 months Aug - Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 - Oct 2012	Full-year May - April 2011/2012
Medical Systems	167.2	193.2	319.8	344.9	706.9	732.0
excl. nonrecurring item ²	167.2	163.2	319.8	314.9	706.9	702.0
Secure Communication	28.0	26.4	49.7	45.0	106.5	101.8
Other operations ¹	15.5	12.1	30.3	23.7	57.5	50.9
Group eliminations	-18.0	-12.5	-36.2	-25.1	-72.7	-61.6
Total remaining operations	192.7	219.2	363.6	388.5	798.2	823.1
excl. nonrecurring item ²	192.7	189.2	363.6	358.5	798.2	793.1
Discontinued operations ³	0	8.5	0	23.5	0	23.5
Total	192.7	227.6	363.6	412.0	798.2	846.6

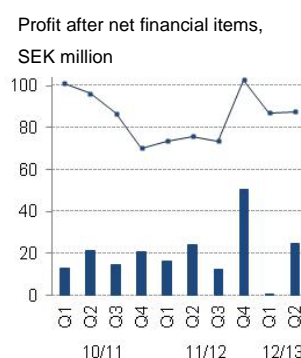
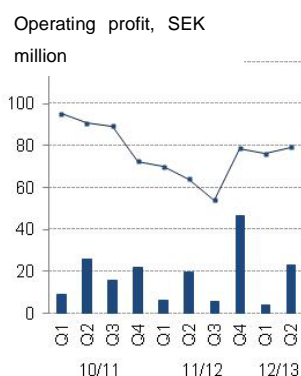
Sales by geographic market

(SEK million)	3 months Aug - Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 - Oct 2012	Full-year May - April 2011/2012
Sweden	66.6	57.6	126.9	105.3	272.1	250.5
excl. nonrecurring item ²	66.6	56.2	126.9	103.9	272.1	249.1
USA	36.5	40.0	77.4	80.8	164.7	168.1
UK	21.5	45.6	43.7	57.3	90.5	104.1
excl. nonrecurring item ²	21.5	25.1	43.7	36.8	90.5	83.6
Rest of Europe	47.2	71.7	84.4	116.8	198.7	231.1
excl. nonrecurring item ²	47.2	63.6	84.4	108.7	198.7	223.0
Rest of world	20.9	4.3	31.2	28.3	72.2	69.3
Total remaining operations ²	192.7	219.2	363.6	388.5	798.2	823.1
excl. nonrecurring item ²	192.7	189.2	363.6	358.5	798.2	793.1

¹ 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.

² The nonrecurring item is attributable to the discontinuation of the Sectra MicroDose business in 2011 and had a positive effect on sales of SEK 30 million and on operating profit of SEK 25 million for the relevant periods.

³ See Note 1 on page 15.



Results excl. nonrecurring items
Bars – per quarter
Line – rolling 12-months

Earnings

Second quarter, August – October 2012, result excl. nonrecurring item in preceding year

The Group's operating profit increased 15.6% to SEK 23.0 million (19.9) compared with the corresponding quarter in 2011/2012. The result corresponds to an operating margin of 11.9% (10.5). A larger share of license and service sales, a lower proportion of hardware and efficiency enhancements in the supply organization generated a higher operating margin.

Net financial items amounted to SEK 3.0 million (5.4). Exchange-rate changes had an impact of SEK 0.9 million (neg: 1.1) on consolidated financial items. Profit after net financial items increased 2.9% to SEK 24.8 million (24.1), corresponding to a profit margin of 12.9% (12.7).

First six months, May – October 2012, result excl. nonrecurring item in preceding year

The operating profit increased 3.0% to SEK 27.1 million (26.3) compared with the corresponding quarter in 2011/2012. The result corresponds to an operating margin of 7.5% (7.3). The higher share of license sales contributed to the increase in the operating margin.

Net financial items were a negative SEK 2.0 million (pos: 14 0) and were negatively impacted by changes in exchange rates and developments in the interest-rate market. The comparative period included interest-rate effects from discontinued operations in an amount of SEK 6.4 million. Exchange-rate changes had a negative impact on consolidated financial items of SEK 3.2 million (pos: 3.4). Profit after net financial items was SEK 25.1 million (40.3), corresponding to a profit margin of 6.9% (11.2).

Profit including discontinued operations

On August 31, 2011, Sectra finalized the transaction with Royal Philips Electronics, which thus took over the operations involving development and sales of the digital mammography system, Sectra MicroDose Mammography. The sale generated a capital gain based on carrying amounts of SEK 322.6 million after tax in the preceding fiscal year. Refer to Note 1 on page 15 for further information regarding discontinued operations.

Consolidated profit after tax and including discontinued operations amounted to SEK 16.9 million (345.1) for the quarter, corresponding to earnings per share before dilution of SEK 0.46 (9.37). For the six-month period, profit after tax and including discontinued operations amounted to SEK 17.1 million (340.0), corresponding to earnings per share of SEK 0.46 (9.23).

Operating profit by business segment

(SEK million)	3 months Aug - Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 - Oct 2012	Full-year May - April 2011/2012
Medical Systems	19.7	44.8	23.9	47.8	73.6	97.5
excl. nonrecurring item ²	19.7	19.8	23.9	22.8	73.6	72.5
Secure Communication	4.7	4.7	5.6	4.9	16.0	15.3
Other operations ¹	-0.7	-1.9	-4.3	-3.8	-9.5	-9.0
Group eliminations	-0.7	-2.7	1.9	2.4	-0.8	-0.3
Total remaining operations	23.0	44.9	27.1	51.3	79.3	103.5
excl. nonrecurring item ²	23.0	19.9	27.1	26.3	79.3	78.5
Discontinued operations ³	0	-4.9	0	-23.8	0	-23.8
Total	23.0	40.0	27.1	27.5	79.3	79.7

¹ 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.

² The nonrecurring item is attributable to the discontinuation of the Sectra MicroDose business and had a positive effect on sales of SEK 30 million and on operating profit of SEK 25 million for the relevant periods.

³ See Note 1 on page 15.

Medical Systems
accounts for **87%**
of consolidated sales
on an annual basis

Increased order
bookings for
Radiology IT, the
business area's largest
product area

Seasonal variations

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

MEDICAL SYSTEMS

Sales and earnings

Second quarter, August – October 2012, result excl. nonrecurring item

Medical Systems' sales increased 2.5% to SEK 167.2 million (163.2) compared with the corresponding quarter in 2011/2012. The operating profit totaled SEK 19.7 million (19.8), which corresponded to an operating margin of 11.8% (12.1).

First six months, May – October 2012, result excluding nonrecurring item

Medical Systems' sales for the period increased 1.6% to SEK 319.8 million (314.9). Operating profit increased 4.8% to SEK 23.9 million (22.8), corresponding to an operating margin of 7.4% (7.2). The earnings improvement is largely due to a higher share of license and services sales and, to a lesser extent, to the efficiency improvements in the supply organization.

Market

Sectra provides radiology, mammography, orthopaedic and rheumatology clinics with IT systems and services to enable care providers to use resources more efficiently and to coordinate geographically dispersed operations. More than 1,400 customers use Sectra's IT systems and services, including some of the world's largest care providers. The bulk of the business area's revenues derive from commitments to existing customers, both in the form of additional sales and long-term agreements for products and services.

The market for medical IT systems and services continues to expand as a result of the considerable need for systems that enhance efficiency for healthcare providers. Scandinavia, North America and the UK are Sectra's largest markets for Medical Systems. In the domestic market in Scandinavia, Sectra is by far the largest provider of radiology IT systems (PACS and RIS).

Increased order bookings

The Radiology IT business line accounts for more than 90% of Medical Systems' sales. In the markets for radiology IT systems, Sectra's strategy is to grow primarily where the company already holds an established position, such as in Northern Europe and North America, and through partners in selected markets with growth potential. During the quarter, the business line's successes in markets outside Europe contributed to the year-on-year increase in order bookings for Medical Systems. The US accounted for the largest increase in order bookings, where, for example, four healthcare providers in Washington state signed a multi-year agreement to deploy Sectra's PACS at 17 outpatient imaging centers. In many European markets, the uncertain economic trend and the need for government austerity measures have dampened growth. Despite the economic climate, Medical Systems continued to expand sales in Northern Europe in countries including Norway, Sweden and the UK in the first six months of the year.

Collaboration with major prosthesis supplier

During the second quarter, the Orthopaedics business line entered into a partnership with Zimmer GmbH, a global leader in musculoskeletal care. A non-exclusive agreement allows Zimmer to provide its customers in certain European countries with Sectra's online 2D pre-operative planning system for prosthesis surgery. The agreement with Zimmer is an important step in Sectra's strategy for expanding its online services offering for orthopaedists, but is expected to have limited financial impact on Sectra's medical operation for the current fiscal year.

Research and Development

Sectra has extensive experience of commercially developing innovative technology so that it benefits customers. The Sectra Group invests a total of 10-14% of sales in research and development.

During the second quarter, Sectra initiated several new research collaborations that may lead to more efficient and enhanced care. The largest of these research collaborations is a Swedish program aimed at developing diagnostics pathology, which is a cornerstone in cancer care. The research project is lead by the Center for Medical Image Science and Visualization (CMIV) at Linköping University. The county councils in Gävleborg, Jönköping, Kalmar, Västerbotten, Östergötland and Västra Götaland are also participating through Sahlgrenska University Hospital, the Swerea IVF research institute and Sectra. The program has a budget of SEK 18 million and has been allocated a grant of SEK 9 million from VINNOVA's program for Challenge-driven innovation.

SECURE COMMUNICATION SYSTEMS

Secure communication accounts for 13% of consolidated sales on an annual basis

Sales and earnings

Second quarter, August – October 2012

Sales for the quarter increased 6.1% to SEK 28.0 million (26.4) compared with the corresponding quarter in 2011/2012. The operating profit totaled SEK 4.7 million (4.7), which corresponded to an operating margin of 16.8% (17.8).

First six months, May – October 2012

Sales for the period increased 10.4% to SEK 49.7 million (45.0) compared with the corresponding quarter in 2011/2012. The operating profit totaled SEK 5.6 million (4.9), which corresponded to an operating margin of 11.3% (10.9).

Market

Sectra's crypto products are deployed by decision makers, government officials and defense forces in the majority of European countries to protect telephone calls from eavesdropping. This makes Sectra the leading supplier of encrypted telephony to European authorities and defense forces. During the second quarter, Sectra entered the Danish market with the secure Tiger 7401 mobile phone through an order from the Danish Defense Acquisition and Logistics Organization.

Sweden and the Netherlands comprise Sectra's largest markets for crypto products. Growth in the market for Secure Communications Systems is driven by it being easier than ever to eavesdrop on phone calls, changes in regulations governing the handling of classified information and the fact that increasing numbers of authorities are choosing to protect their confidential, though unclassified, information. Due to growing collaboration between authorities in European countries, customers are increasingly calling for products that support cross-border collaboration. Sectra offers products that are approved by the EU, NATO and several national security agencies.

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

Second quarter, August – October 2012

Sales from Other operations increased 28.1% to SEK 15.5 million (12.1) compared with the corresponding quarter in 2011/2012. The increase was attributable to Sectra's operations for the financing of customer projects. An operating loss of SEK 0.7 million (loss: 1.9) was reported.

First six months, May – October 2012

Sales from Other operations increased 27.9% to SEK 30.3 million (23.7) compared with the corresponding period in 2011/2012. The increase was attributable to Sectra's operations for the financing of customer projects. An operating loss of SEK -4.3 million (loss: 3.8) was reported.

COMMENTS ON THE FINANCIAL POSITION AND KEY FIGURES

Financial position

Sectra has a strong cash balance and balance sheet. The Group's cash flow from operations after changes in working capital for the six-month period amounted to SEK 67.9 million (80.5) for the period. The comparative figure includes a nonrecurring item of SEK 25 million. Cash flow from investment operations amounted to a negative SEK 53.8 million (neg: 13.0) for the period, of which a negative SEK 46.8 million related to the acquisition of the Burnbank Systems Limited in the first quarter. Cash flow from financing operations amounted to a negative SEK 199.9 million (pos: 4.6) for the period, of which a negative SEK 185.5 related to the repayment to Sectra's shareholders through a redemption process and a negative SEK 17.3 million related to the repayment of a convertible debenture.

The Group's total cash flow for the period, including acquired and discontinued operations, amounted to a negative SEK 185.8 million (475.4). Comparative figures in the preceding year include SEK 421 million relating to cash flow from the divestment of the MicroDose business. The total cash flow for the year includes such outflows as the repayment to Sectra's shareholders via a redemption process in the amount of SEK 185.5 million, the repayment of a convertible debenture of SEK 17.3 million and the acquisition of Burnbank Systems Limited of SEK 46.8 million. After adjustment for exchange-rate differences in cash and cash equivalents, the Group's cash and cash equivalents amounted to SEK 418.8 million (687.9).

The equity/assets ratio was 64.7% (75.0) at the close of the period and liquidity amounted to a multiple of 3.0 (4.1). The change is primarily attributable to the repayment of SEK 185.5 million to Sectra's shareholders through a redemption process. At the close of the period, the Group's interest-bearing liabilities amounted to SEK 20.5 million (32.6) and pertained to convertible debentures.

Investments

Group investments during the period amounted to SEK 53.8 million (13.0), of which SEK 46.8 million related to the acquisition of Burnbank Systems Limited in the first quarter. Otherwise, investments pertained principally to customer projects in the Group's financing activities and capitalized development costs.

Investments in Group-financed customer projects during the period amounted to SEK 2.0 million (5.1), of which SEK 0.2 million (0.2) was attributable to the second quarter. At the close of the period, the Group's carrying amount for Group-financed customer projects totaled SEK 35.6 million (41.9).

During the period, development costs amounted to SEK 4.6 million (6.4), of which SEK 4.4 million (5.7) was attributable to the second quarter. At the close of the period, capitalized development costs totaled SEK 53.1 million (59.0).

Depreciation/amortization during the period amounted to SEK 22.3 million (20.8), of which SEK 11.0 million (10.6) was attributable to the second quarter.

Employees

The number of full-time employees in Sectra's remaining operations increased by 35 during the period, of whom 11 were attributable to the second quarter. Most of the increase in the current fiscal year relates to the acquisition of Burnbank Systems Limited. At the close of the period, the number of full-time employees totaled 537 (498).

THE PARENT COMPANY SECTRA AB

New President and CEO

In September 2012, the Board of Directors appointed Torbjörn Kronander, President of Sectra's Medical Systems business area and Executive Vice President of Sectra AB, as the new President and CEO of Sectra. He assumed his duties on November 1, 2012.

Sales and earnings

The Parent Company includes the head office's functions for Group finances, as well as stock exchange, share and investor-relations activities. The Parent Company's income statement and balance sheet are reported on page 14.

Net sales in the Parent Company Sectra AB amounted to SEK 4.8 million (4.5) for the quarter. After net financial items, a profit of SEK 1.2 million (3.2) was reported. Sales for the period amounted to SEK 10.0 million (9.4). Loss after financial items for the period amounted to SEK -1.6 million (profit: 8.6). Net financial items amounted to SEK 4.6 million (13.1). The comparative period included interest-rate effects from discontinued operations in an amount of SEK 6.4 million. Exchange-rate changes had a negative impact on the Parent Company's financial items of SEK 1.8 million (pos: 1.6).

THE SHARE

Sectra's 2012 redemption program and the Swedish Tax Agency's general recommendations

On June 28, 2012, the Annual General Meeting (AGM) resolved to transfer SEK 5 per share, a total of SEK 185.5 million, to shareholders through a 2:1 share split, combined with a mandatory redemption process and stock dividend to restore the share capital. The redemption process took place in July and August 2012. For additional information, refer to the brochure regarding the redemption program on Sectra's website.

The redemption of redemption shares (designated SECT IL B) is declared as sales of shares on Form K4 for the 2013 tax assessment. In September 2012, the Swedish Tax Agency submitted general recommendations on how the acquisition fees should be distributed between remaining shares and redemption shares. According to the Swedish Tax Agency's general recommendations, SKV A 2012:22, 90% of the acquisition fee for an original class A or B share in Sectra AB should be assigned to a remaining share and 10% to the redemption share.

Share capital

Sectra's share capital increased during the period by SEK 252,890 subsequent to the conversion of debentures from the 2009/2012 convertible program, see below, and at the close of the period, amounted to SEK 37,094,978.

At future full conversion and exercise of the implemented incentive programs, the number of shares will increase by a maximum of 714,417, corresponding to 1.9% of the share capital and 1.2% of the voting rights. After dilution, the share capital will amount to SEK 37,809,395.

Incentive programs

Convertible program and employee stock options 2009/2012

During the first quarter, employees and Board members exercised convertibles corresponding to 252,890 shares at a nominal amount of SEK 10.8 million. The conversion price was SEK 42.90. Convertibles outstanding in the 2009/2012 program amounted to a nominal value of SEK 6.5 million following the conversion this amount was repaid to the holders on the maturity date June 15.

No conversion took place in the share option program for employees in the US with a redemption period from August 19 to 25, 2012. 2009/2012 employee stock options expired in October 2012

New convertible programs

In June, the 2012 AGM resolved to issue new convertibles to the Group's employees and external Board members. The convertibles were subscribed during the September 26 – October 5, 2012 period. The conversion price for employees amounts to SEK 63.30. The duration is November 1, 2012 – June 15, 2016 and conversion is permitted from May 23 – 27, 2016. The conversion price for external Board members is SEK 67.50. The duration is November 1, 2012 – June 15, 2017 and conversion is permitted from May 22 – 26, 2017. At full exercise, the dilution effect of both convertible programs may not exceed 1% of the share capital. Subscription took place for a total of 143,600 convertibles for a total nominal value of SEK 9.2 million, of which SEK 3.2 million has been paid in by October 31, 2012.

New employee stock options

The 2012 AGM resolved to issue an additional 100,000 employee stock options for the Group's employees in North America. If these employee stock options are fully exercised, employees will acquire shares in the company corresponding to approximately 0.3% of the share capital and 0.2% of the voting rights.

Authorization

The 2012 AGM authorized the Board, for the period until the next AGM, to decide on the issue of not more than 3,700,000 Series B shares for consideration in the form of cash payment, offsetting of debt or contribution in kind whereby offsetting of debt and contribution in kind may deviate from shareholders' preferential rights. If the authorization is fully exercised, the dilution effect will be approximately 10% of the share capital and approximately 6% of the voting rights.

The AGM also resolved to authorize the Board, on one or more occasions, during the period until the next AGM, to make decisions on the acquisition and transfer of Series B treasury shares. A condition for the authorization is that the company's holding of treasury shares at no time exceeds 10% of all shares in the company.

At the time of the publication of this interim report, the Board had not utilized these possibilities.

Nomination Committee

The 2012 AGM resolved to appoint a Nomination Committee comprising four members, of whom the Chairman of the Board and three members are to represent the largest shareholders in the company. The composition of the Nomination Committee is based on known shareholdings in the company as of September 30, 2012. In accordance with the resolution of the Annual General Meeting, a Nomination Committee was appointed following consultations with the company's major shareholders. The following members have been appointed to the Nomination Committee:

- Carl-Erik Ridderstråle, Chairman of the Board (convenor)
- Torbjörn Kronander (Chairman)
- Jan-Olof Brüer
- Thomas Ehlin, representing Nordea Funds

The Nomination Committee will prepare and submit proposals to the AGM on June 27, 2013 regarding the:

- Election of and fees to be paid to the Chairman of the Board and other Board members
- Election of and fees to be paid to auditors and deputy auditors
- Resolution on principles governing the composition of the Nomination Committee
- Chairman of the General Meeting

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

FUTURE

Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of exchange rates on pricing in the markets in which the Group is active, and property and liability risks. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit 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 2011/2012 fiscal year, Note 30, page 44. No significant events have occurred that would alter the conditions reported therein.

Outlook and financial targets

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 the Scandinavian home market provides a solid platform for ongoing international expansion.

Sectra's long-term financial targets are:

- An operating margin of at least 15%
- An average annual growth rate of 15% measured over a seven-year period
- An equity/assets ratio of at least 30%.

The Group's financial targets were revised by the Board in autumn 2010. At that time, the Board's assessment was that Sectra was well-positioned to reach the new targets within a period of about three years based on expected market developments. Sectra's products and services enhance the efficiency of and reduce costs for customers' operations, which, in the long-term, means continued growth in our markets.

Because of the weak growth in the global economy, and Europe in particular, the markets for Sectra's products are not growing in line with previous expectations. Sectra's ability to reach the growth and profitability goal of 15% has shifted forward in time compared with the predictions that were made when the goals were established two years ago.

FOR MORE INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 13 - 23 52 27

Financial calendar

Nine-month report	March 5, 2013
Year-end report	May 28, 2013
Annual General Meeting 2013	June 27, 2013

Operating margin
rolling 12 months
9.9%

Average growth over a
seven-year period
7.3%

Equity/assets ratio
64.7%

At the end of the period
including nonrecurring item

Consolidated income statements

SEK thousands	3 months Aug -Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 – Oct 2012 ¹⁾	Full-year May - Apr 2011/2012 ¹⁾
Net sales	192,694	219,185	363,649	388,505	798,234	823,090
Capitalized work for own use	4,357	5,696	4,620	6,405	8,801	10,586
Goods for resale	-28,361	-39,633	-45,895	-70,539	-133,737	-158,381
Personnel costs	-102,880	-96,528	-201,865	-187,885	-399,447	-385,467
Other external costs	-31,772	-33,262	-71,032	-64,362	-149,644	-142,974
Depreciation/amortization	-11,036	-10,603	-22,335	-20,812	-44,912	-43,389
Operating profit	23,002	44,855	27,142	51,312	79,295	103,465
Net financial items	1,822	4,276	-2,046	14,030	8,314	24,390
Profit after net financial items	24,824	49,131	25,096	65,342	87,609	127,855
Taxes	-7,942	-14,035	-8,023	-18,305	-24,725	-35,007
Earnings for the period from remaining operations	16,882	35,096	17,073	47,037	62,884	92,848
Profit/loss from discontinued operations <small>Note 1</small>	0	310,007	0	292,967	0	292,967
Earnings/loss for the period	16,882	345,103	17,073	340,004	62,884	385,815
Earnings/loss for the period attributable to:						
Parent Company owners	16,882	345,103	17,073	340,004	62,884	385,815
Non-controlling interest	0	0	0	0	0	0
Earnings per share remaining operations						
Before dilution, SEK	0.46	0.95	0.46	1.28	1.70	2.52
After dilution, SEK	0.45	0.93	0.45	1.25	1.66	2.46
Earnings/loss per share including operations held for sale						
Before dilution, SEK	0.46	9.37	0.46	9.23	1.70	10.47
After dilution, SEK	0.45	9.18	0.45	9.05	1.66	10.43
No. of shares						
Before dilution	37,094,978	36,842,088	37,094,978	36,842,088	37,094,978	36,842,088
After dilution ²⁾	37,809,395	37,748,888	37,809,395	37,748,888	37,809,395	37,916,513
Average, before dilution	37,094,978	36,842,088	37,010,681	36,842,088	36,926,385	36,842,088
Average, after dilution ²⁾	37,713,662	37,611,955	37,773,301	37,577,721	37,805,699	37,707,909

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

2) Dilution is based on the convertible debentures programs issued in 2010/2011 (145,727), 2011/2012 (225,090) and 2012/2013 (143,600) and on employee stock options issued in 2010/2011 (100,000) and 2011/2012 (100,000).

Consolidated Statement of Comprehensive Income

SEK thousands	3 months Aug -Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 – Oct 2012	Full-year May - Apr 2011/2012
Earnings for the period	16,882	345,103	17,073	340,004	62,884	385,815
Other comprehensive income						
Change in translation differences from translating foreign subsidiaries	-2,399	553	-2,145	8,410	3,853	14,408
Total other comprehensive income for the period	-2,399	553	-2,145	8,410	3,853	14,408
Total comprehensive income for the period	14,483	345,656	14,928	348,414	66,737	400,223

Consolidated Balance Sheets

SEK thousands	Oct 31, 2012	Oct 31, 2011	Apr 30, 2012
Assets			
Intangible assets	139,783	69,520	65,784
Tangible assets	48,925	52,253	53,647
Financial assets	3,628	4,775	3,639
Deferred tax assets	7,758	8,412	9,164
Total fixed assets	200,094	134,960	132,234
Other current assets	352,953	402,968	396,083
Cash and cash equivalents	418,814	687,867	605,757
Total current assets	771,767	1,090,835	1,001,840
Total assets	971,861	1,225,795	1,134,074
Equity and liabilities			
Equity (including total comprehensive income for the period)	628,363	918,776	787,392
Provisions	33,805	671	594
Deferred tax liabilities	27,872	23,499	27,872
Long-term liabilities	20,450	15,319	17,260
Current liabilities	261,371	267,530	300,956
Total equity and liabilities	971,861	1,225,795	1,134,074

No changes have occurred in pledged assets and contingent liabilities since the 2011/2012 Annual Report.

Consolidated Statement of Changes in Equity

SEK thousands	6 months May 2012 - Oct 2012	6 months May 2011 - Oct 2011	Full-year May - Apr 2011/2012
Equity at start of period	787,392	569,537	569,537
Comprehensive income for the period	14,928	348,414	400,223
Share-related payments	669	825	1,842
Redemption of shares	-185,475	0	-184,210
Conversion to shares	10,849	0	0
Equity at the end of the period	628,363	918,776	787,392

Consolidated Cash-flow Statements

SEK thousands	6 months May 2012 - Oct 2012	6 months May 2011 - Oct 2011	Full-year May - Apr 2011/2012
Cash flow from operations before changes in working capital	43,525	67,152	153,545
Cash flow from operations after changes in working capital	67,876	80,518	148,580
Investing activities	-53,843	-12,990	-31,103
Financing activities	-199,864	4,579	-173,042
Cash flow for the period	-185,831	72,107	-55,565
<i>Cash flow from discontinued operations:</i>			
Current operations	0	-17,620	-17,620
Investing activities	0	420,958	466,715
Financing activities	0	0	0
Cash flow for the period from discontinued operations Note 1	0	403,338	449,095
Total cash flow for the period	-185,831	475,445	393,530
Change in cash and cash equivalents			
Cash and cash equivalents, opening balance	605,757	211,341	211,341
Exchange-rate difference in cash and cash equivalents	-1,112	1,081	886
Cash and cash equivalents, closing balance	418,814	687,867	605,757
Unutilized credit facilities	15,000	15,000	15,000

Key figures

	6 months Oct 31, 2012	6 months Oct 31, 2011	12 months Oct 31, 2012	Full-year Apr 30, 2012
Order bookings, SEK M	333.2	381.4	652.9	701.1
Operating margin, %	7.5	13.2	9.9	12.6
Operating margin excluding nonrecurring items, %	n/a	7.3	7.1	9.9
Profit margin, %	6.9	16.8	11.0	15.5
Profit margin excluding nonrecurring items, %	n/a	11.2	8.2	13.0
Average number of employees	519	491	510	500
Cash flow per share, SEK	1.17	1.82	3.50	4.17
Cash flow per share after full dilution, SEK	1.15	1.78	3.44	4.05
Value added, SEK M	229.0	239.2	478.7	488.9
P/E ratio, multiple	n/a	n/a	24.0	17.1
Share price at end of period, SEK	40.9	42.8	40.9	43.0
Including discontinued operations:				
Return on equity, %	2.4	45.7	8.1	58.0
Return on capital employed, %	3.5	46.5	11.1	59.7
Return on total capital, %	2.4	33.2	8.1	40.8
Equity/assets ratio, %	64.7	75.0	64.7	69.4
Liquidity, multiple	3.0	4.1	3.0	3.4
Cash flow per share, SEK	1.17	1.12	3.38	3.34
Cash flow per share after full dilution, SEK	1.15	1.10	3.32	3.24
Equity per share, SEK	16.94	24.94	16.94	21.37
Equity per share after full dilution, SEK	16.62	24.34	16.62	20.77

Quarterly consolidated income statement and key figures

SEK M	2012/2013		2011/2012				2010/2011			
	Q2	Q1	Q4	Q3	Q2 ¹⁾	Q1	Q4	Q3	Q2	Q1
Net sales	192.7	171.0	238.5	196.1	219.2	169.3	197.3	200.7	212.9	172.8
Capitalized work for own use	4.4	0.3	1.6	2.6	5.7	0.7	0.4	2.2	2.4	3.5
Operating expenses	-163.1	-155.9	-181.6	-182.4	-169.4	-153.4	-163.5	-176.0	-179.6	-159.3
Depreciation/amortization	-11.0	-11.3	-11.7	-10.9	-10.6	-10.2	-12.0	-11.2	-10.0	-8.0
Operating profit	23.0	4.1	46.8	5.4	44.9	6.5	22.1	15.7	25.7	9.0
Net financial items	1.8	-3.8	3.5	6.9	4.2	9.8	-1.1	-1.0	-4.1	3.9
Earnings after net financial items	24.8	0.3	50.3	12.3	49.1	16.2	21.0	14.7	21.6	12.9
Tax on earnings for the period	-7.9	-0.1	-13.4	-3.3	-14.0	-4.3	-8.4	-4.9	-5.7	-2.9
Earnings for the period from remaining operations	16.9	0.2	36.8	9.0	35.1	11.9	12.6	9.8	15.9	10.0
Profit/loss from discontinued operations	0	0	0	0	310.0	-17.0	-14.5	-19.5	-15.7	-8.2
Earnings for the period	16.9	0.2	36.8	9.0	345.1	-5.1	-1.9	-9.7	0.2	1.8
Order bookings, SEK M	217.0	116.2	188.2	131.5	190.6	190.8	126.5	213.6	123.1	167.7
Operating margin, %	11.9	2.4	19.6	2.8	20.5	3.8	11.2	7.8	12.1	5.2
Cash flow per share, SEK	0.65	0.52	1.38	0.97	1.48	0.35	0.81	0.41	0.58	0.43
Cash flow per share after full dilution, SEK	0.64	0.51	1.34	0.94	1.44	0.34	0.80	0.41	0.57	0.42
Earnings per share, SEK	0.46	0.01	1.00	0.24	0.95	0.32	0.34	0.27	0.43	0.27
Including discontinued operations:										
Return on equity, %	2.4	0.0	5.8	1.1	46.3	-0.9	-0.3	-1.6	0.0	0.3
Return on capital employed, %	3.4	0.1	6.3	1.5	47.8	-1.1	0.3	-2.0	0.1	0.3
Equity/assets ratio, %	64.7	71.2	69.4	68.2	75.0	64.1	61.0	63.5	63.6	64.7
Cash flow per share, SEK	0.65	0.52	1.25	0.97	1.25	-0.13	0.12	0.13	0.16	0.28
Equity per share, SEK	16.94	21.54	21.37	20.34	24.94	15.55	15.46	15.78	16.16	16.40

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

Five-year summary

	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008
Order bookings, SEK M	701.1	631.0	766.7	1,080.6	947.6
Net sales, SEK M	823.1	783.7	753.9	777.0	688.0
Operating profit, SEK M	103.5	72.5	115.7	120.4	150.6
Earnings after net financial items, SEK M	127.9	70.2	113.0	200.0	183.2
Earnings after tax from remaining operations, SEK M	92.8	48.3	84.0	143.9	125.7
Operating margin, %	12.6	9.3	15.3	15.5	21.9
Profit margin, %	15.5	9.0	15.0	25.7	26.6
Earnings per share before dilution, SEK	2.52	1.31	2.28	3.90	3.41
Earnings per share after dilution, SEK	2.46	1.29	2.24	3.84	3.34
Dividend per share, SEK	5.00	5.00	0.00	0.00	0.50
Share price at year end, SEK	43.0	34.0	37.3	38.8	58.5
P/E ratio, multiple	17.1	26.0	16.4	9.9	17.2
Including discontinued operations:					
Earnings for the period, SEK M	385.8	-9.6	17.2	50.5	50.5
Return on equity, %	58.0	-1.6	2.9	8.7	9.3
Return on capital employed, %	59.7	-1.1	3.9	11.6	13.8
Return on total capital, %	40.8	-0.7	2.5	7.4	8.9
Equity per share before dilution, SEK	21.37	15.46	16.36	16.26	15.22
Equity per share after dilution, SEK	20.77	15.13	16.11	16.06	14.93
Equity/assets ratio, %	69.4	61.0	62.2	59.4	56.9

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 policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish 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) as approved by the EU Commission for application within the EU. The accounting policies and calculation methods are unchanged compared with those applied in the 2011/2012 Annual Report with the exception that IFRS 3, Business Combinations has now been applied. New policies and amendments that have come into effect as of the 2012/2013 fiscal year have had no impact on the financial statements.

Parent Company Income Statements

SEK thousands	3 months Aug -Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 – Oct 2012	Full-year May - Apr 2011/2012
Net sales	4,816	4,527	10,007	9,397	18,891	18,281
Personnel costs	-2,685	-2,502	-5,697	-5,016	-11,149	-10,468
Operating expenses	-3,908	-4,226	-10,368	-8,753	-19,679	-18,064
Depreciation/amortization	-53	-53	-105	-107	-209	-211
Operating loss	-1,830	-2,254	-6,163	-4,479	-12,146	-10,462
Net financial items	2,990	5,418	4,570	13,088	404,978	413,496
Profit after net financial items	1,160	3,164	-1,593	8,609	392,832	403,034
Appropriations	0	0	0	0	-14,229	-14,229
Profit before tax	1,160	3,164	-1,593	8,609	378,603	388,805
Tax on earnings for the period	-305	-833	419	-2,264	-20,129	-22,812
Earnings for the period	855	2,331	-1,174	6,345	358,474	365,993

Parent Company Statement of Comprehensive Income

SEK thousands	3 months Aug - Oct 2012	3 months Aug - Oct 2011	6 months May - Oct 2012	6 months May - Oct 2011	12 months Nov 2011 – Oct 2012	Full-year May - Apr 2011/2012
Earnings for the period	855	2,331	-1,174	6,345	358,474	365,993
Other comprehensive income						
Fund for fair value	-2,489	244	-1,265	7,922	3,790	12,977
Total other comprehensive income for the period	-2,489	244	-1,265	7,922	3,790	12,977
Total comprehensive income for the period	-1,634	2,575	-2,439	14,267	362,264	378,970

Parent Company Balance Sheets

SEK thousands	Oct 31, 2012	Oct 31, 2011	Apr 30, 2012
Assets			
Tangible assets	299	451	347
Financial assets	116,742	146,832	152,822
Total fixed assets	117,041	147,283	153,169
Other current assets	150,731	118,916	191,056
Cash and cash equivalents	360,388	520,988	480,668
Total current assets	511,119	639,904	671,724
Total assets	628,160	787,187	824,893
Equity and liabilities			
Equity (including earnings for the period)	476,120	472,691	653,184
Deferred tax liabilities	110,191	95,962	110,191
Long-term liabilities	21,856	16,777	17,260
Current liabilities	19,993	201,757	44,258
Total equity and liabilities	628,160	787,187	824,893

Pledged assets and contingent liabilities

SEK thousands	Oct 31, 2012	Oct 31, 2011	Apr 30, 2012
Pledged, assets	11,000	11,000	11,000
Total pledged assets	11,000	11,000	11,000
Guarantees on behalf of group companies	257,347	319,627	283,653
Total contingent liabilities	257,347	319,627	283,653

Note 1 Discontinued operations

In June 2011, Sectra and Royal Philips Electronics signed an agreement entailing that Philips had acquired 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 transaction included 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. Operations that were conducted in Sectra Mamea AB are reported as discontinued operations.

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 after five years if specific agreement conditions are fulfilled. For the 2011/2012 fiscal year, the transaction generated, excluding the contingent additional purchase consideration, an accounting capital gain for Sectra totaling SEK 322.6 million after tax.

Profit from discontinued operations

SEK thousands	3 months Aug - Oct 2012	3 months Aug - Oct 2011	6 months May -Oct 2012	6 months May - Oct 2011	12 months Nov 2011 – Oct 2012	Full-year May - Apr 2011/2012
Net sales	-	8,458	-	23,484	-	23,484
Capitalized work for own use	-	1,187	-	3,425	-	3,425
Goods for resale	-	-5,894	-	-16,421	-	-16,421
Personnel costs	-	-4,360	-	-19,883	-	-19,883
Other external expenses	-	-4,262	-	-14,398	-	-14,398
Operating loss	-	-4,871	-	-23,793	-	-23,793
Net financial items	-	-1,606	-	-5,804	-	-5,804
Loss before tax	-	-6,477	-	-29,597	-	-29,597
Taxes	-	-6,080	-	0	-	0
Loss for the period	-	-12,557	-	-29,597	-	-29,597
Capital gain on divestment	-	322,564	-	322,564	-	322,564
Taxes	-	0	-	0	-	0
Total profit/loss from discontinued operations	-	310,007	-	292,967	-	292,967

Note 2 Acquisition of Burnbank

On June 6, 2012, the Sectra Group acquired 100% of the shares in Burnbank Systems Limited, which markets IT services to the healthcare sector in the UK. The acquisition comprises the three companies Burnbank Systems Limited, Burnbank Healthsystems Limited and Burnbank Dataconnect Limited. The company has a total of 25 employees and posted sales of GBP 2.4 million (about SEK 26 million) and an operating margin of 25% for the December 2010 – November 2011 fiscal year.

The total consideration transferred totaled SEK 88.5 million, of which SEK 55.0 million comprises a cash purchase consideration and SEK 33.5 million comprises a contingent purchase consideration recognized as a provision at Group level. Estimates of the fair value of the contingent purchase consideration are based on the likelihood of the stipulated targets for growth and earnings until May 31, 2015 being realized. The acquisition was financed to 100% from existing funds.

Acquired net assets and goodwill (preliminary)

SEK million	Recognized amounts for identifiable net assets
Tangible assets	7.6
Current receivables	8.2
Cash and cash equivalents	8.2
Current liabilities	-13.3
Total acquired net assets	10.7
Fair value of purchase consideration	88.5
Goodwill	77.8
Net outflow of cash and cash equivalents arising from the acquisition ¹⁾	
Cash and cash equivalents paid for the acquisition	55.0
Cash and cash equivalents in the acquisition at the date of acquisition	- 8.2
Total	46.8

¹⁾ Excluding acquisition-related expenses of SEK 0.6 Million.

Goodwill that arose in conjunction with the acquisition is attributable to expected growth opportunities for sales in the UK market for Medical Systems and to the experience and competence of the employees. Since the analysis of identifiable intangible assets has not been completed, the allocation of the purchase consideration is preliminary and may be changed.

The operations are included in the Sectra Group as of June 6, 2012, when Sectra obtained controlling influence over the acquired units. In the period, the acquired operations were included in the Sectra Group's reporting with sales of SEK 11.3 million and operating profit of SEK 0.8 million. Acquisition-related expenses amounted to SEK 0.6 million and were recognized under other external costs in the consolidated income statement.

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the period May - October 2012 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 interim report has not been reviewed by the company's auditors.

Linköping, Sweden. December 4, 2012

Sectra AB (publ)

Torbjörn Kronander
President and CEO
as well as Board member

Carl-Erik Ridderstråle
Chairman of the Board

Erika Söderberg Johnson
Board member

Anders Persson
Board member

Christer Nilsson
Board member

Jakob Svärdström
Board member

Stein Norheim
Employee representative.

Per Elmhester
Deputy Employee representative

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 December 4, 2012 at 8:00 a.m. (CET).

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