

Year-End Report for SENSYS® Traffic AB (publ)

JANUARY – DECEMBER 2009

- Net income for the period SEK 72.4m (126.9)
- Operating loss SEK -32.9m (+27.3) after provision in the Saudi project for SEK 11.7m.
- Loss after tax SEK -24.0m (+20.8)
- Earnings per share SEK -0.11 (+0.09)
- Cash flow per share SEK -0.15 (+0.15)

GENERAL

Sensys Traffic develops, produces and markets sensors that are integrated into systems for traffic informatics. The systems are used primarily for the monitoring and registration of speed and red-light infringements.

The year was marked by delays in decision-making processes within ongoing projects and in procurement procedures. None of the major procurements where Sensys is taking part were finalised during the year.

In conjunction with procurement projects, Sensys has carried out several tests with excellent results, including systems with new functionality – thus enabling the Company to be well-positioned when customers start again to take purchase decisions.

In the fourth quarter, Sensys became involved with a number of new procurements within various markets.

A cost-savings program was implemented in the fourth quarter, including a reduction in the workforce. The program will trim operating costs by SEK 4.0 million on an annual basis, and is expected to have full impact in the second quarter 2010.

The Saudi project

Sensys believes that the Company has fulfilled all undertakings in the contract. The business model for the Saudi project is complex insofar that Sensys, as subcontractor to Telvent, does not have any direct contact with the end-customer. In view of the drawn-out process, combined with incomplete information, the board of directors of Sensys has resolved to make a provision against the net assets of SEK 11.7m pertaining to the project. The related charge has had a subsequent impact on the net results for Q4.

Total costs regarding the Saudi project debited in 2009 amount to SEK 18.5m. The inventory of SEK 66.1m pertaining to the Saudi project is, without qualification, usable for other orders.

Dividend

The Board of Directors will propose to the Annual General Meeting of Shareholders that no dividend be declared for 2009.

FINANCIAL REPORTING

SALES AND PROFIT

Income for the full-year amounted to SEK 72.4m (126.9) and the gross margin to 34.7 percent (53.8). In accordance with IAS 34, the currency effect on the Saudi receivable has been reported as SEK 17.4m gross income and SEK 20.6m as cost of goods sold. The net effect of SEK -3.2m has been charged to the Company's gross operating results. Excluding currency effects, the gross margin was 51.4 percent.

Net income for the fourth quarter amounted to SEK 7.9m (74.1) and the gross margin to 12.2 percent (54.8). The gross margin includes direct costs for subcontractors and certain own costs.

The operating loss for the full-year was SEK -32.9m (profit: 27.3) and for the quarter the operating loss amounted to SEK -22.4m (profit: 24.9).

The loss after tax amounted to SEK -24.0m (profit: 20.8).

All non-order-specific development costs have been charged to current operations.



FINANCIAL POSITION AND EQUITY RATIO (COMPARATIVE FIGURES 2008-12-31)

Shareholders' equity at the end of the period amounted to SEK 111.1m (145.9), representing an equity-assets ratio of 80,5 percent (73,3).

Inventories amounted to SEK 82.8m, of which SEK 66.1m pertained to the order from Saudi Arabia. Of the trade accounts receivable total of SEK 115.9m, the Saudi order represented SEK 107m.

TAX

The Company's total deferred tax recoverable at the end of the year was SEK 24.7m (16.1).

INVESTMENTS

Investments during the year amounted to SEK 0.6m (0.2), which primarily pertained to protecting the brand name.

WORKFORCE

The average number of employees was 43 (38). The number of employees at the end of the period was 42.

LIQUIDITY

Liquid resources amounted at year-end to SEK 15.0m (54.9). The Company also has a short-term deposit of SEK 2.7m.

Cash flow from operations for the fourth quarter was SEK 17.0m (-36.0), and for the year SEK -37.2m (-33.5).

NUMBER OF SHARES

The number of shares at year-end was 215,927,051 (215,927,051). The average number of shares during 2009 was 215,927,051 (215,927,051).

RISKS AND UNCERTAINTY FACTORS

It is important for continued operations that capital be liberated from stocks and inventories.

The Company's significant risk and uncertainty factors include business risks related to customers, suppliers and general global conditions. There are also financial risks associated with fluctuations in exchange rates and interest levels.

A summary of the Company's significant financial and business risks is set out on page 12 of the Annual Report for 2008. No significant risks are deemed to have arisen since then.

ACCOUNTING PRINCIPLES

This year-end report has been prepared in compliance with IAS 34 "Interim Financial Reporting" and the Swedish Annual Accounts Act. The same accounting principles and definitions have been applied in all significant aspects as in the last annual report. The Company follows the Swedish Annual Accounts Act and Recommendation RFR 2.2 "Reporting for Legal Entities" of the Swedish Financial Reporting Board. The application of RFR 2.2 implies that the Company applies in this year-end report all IFRS items and statements made as far as possible within the framework of the Swedish Annual Accounts Act approved by the EU, with consideration being taken into account for any relationship between accounting and taxation.

In view of that there is no Group structure and that business activities have only one operational segment, the Company is not affected by the amendments regarding financial reporting applicable as of 2009 (IAS 1 and IFRS 8). The change in equity corresponds in its entirety with the reported results (IAS 1).

FORTHCOMING REPORTS AND AGM

First quarter, 2010	29 apr 2010
AGM, 2009	29 apr 2010
Second quarter, 2010	26 aug 2010
Third quarter, 2010	28 oct 2010

This report has not been examined by the Company's auditor.

Jönköping, 21 January 2010

On behalf of the Board of Directors

Johan Frilund, CEO

Further information is available from Johan Frilund, CEO +46 (0)73 274 28 23.

INCOME STATEMENT - SUMMARY, SEK 000	Jan - Dec 2009	Jan - Dec 2008	Oct - Dec 2009	Oct - Dec 2008
Net sales	72 379	126 904	7 929	74 121
Cost of goods sold	-47 294	-58 596	-6 966	-33 534
Gross profit	25 085	68 308	963	40 587
Selling expenses	-28 459	-16 616	-14 601	-6 708
Administrative expenses	-5 605	-4 069	-1 305	-1 298
Development costs	-23 967	-20 278	-7 472	-7 723
Other operating income/expenses	0	0	0	0
Operating profit/loss	-32 946	27 345	-22 415	24 858
Net financial items	347	3 044	451	1 697
Profit/loss after financial items	-32 599	30 389	-21 964	26 555
Tax	8 619	-9 588	5 822	-8 515
Net profit/loss for the period	-23 980	20 801	-16 142	18 040

BALANCE SHEET - SUMMARY, SEK 000	2009-12-31	2008-12-31
Assets		
Intangible fixed assets	462	0
Tangible fixed assets	810	1 093
Financial assets	24 713	16 094
Other accounts receivables	8 906	37 866
Accounts receivables Telvent	107 047	
Liabilities to Telvent	- 107 047	
Stock	82 798	83 358
Other current assets	2 636	5 671
Cash and bank (incl. shortterm investm)	17 687	54 937
Total assets	138 012	199 019
Equity and liabilities		
Shareholders' equity	111 102	145 878
Liabilities to customer	574	248
Longterm depts	7 545	0
Trade creditors	5 696	38 692
Short-term liabilities	13 095	14 201
Total equity and liabilities	138 012	199 019

CASH FLOW STATEMENT, SEK 000	Jan - Dec 2009	Jan - Dec 2008	Oct - Dec 2009	Oct - Dec 2008
Profit/loss after net financial items	-32 599	30 389	-21 964	26 555
Adjustments for non-cash items	418	2 645	70	604
Changes in working capital	6 324	-66 365	39 039	-63 106
Operating Cash flow	-25 857	-33 331	17 145	-35 947
Dividend	-10 796	0	0	0
Net investments in fixed assets	-597	-211	-136	-32
Changes in net cash position	-37 250	-33 542	17 009	-35 979

CHANGES IN SHAREHOLDERS' EQUITY, SEK 000	Jan - Dec 2009	Jan - Dec 2008	Oct - Dec 2009	Oct - Dec 2008
Opening balance	145 878	125 077	127 244	127 838
Dividend	-10 796	0	0	0
Profit/loss for the period	-23 980	20 801	-16 142	18 040
Closing balance	111 102	145 878	111 102	145 878



KEYFIGURES AND RATIOS, SEK 000	Jan - Dec 2009	Jan - Dec 2008	Oct - Dec 2009	Oct - Dec 2008
Gross margin, %	34.7	53.8	12.2	54.8
Operating margin, %	Neg	21.5	Neg	33.5
Depreciation	418	2 645	70	604
Investments	597	211	136	32
Equity-assets ratio, %	80,5	73,3	N/A	N/A
Earnings per share, SEK ¹	-0.11	0.1	-0.07	0.08
Equity per share, SEK ¹	0.51	0.68	N/A	N/A
Number of shares ²	215 927	215 927	215 927	215 927
Average numbers of shares ²	215 927	215 927	215 927	215 927

¹⁾ Profit/loss per share before and after dilution.

²⁾ Sensys has no ongoing incentive program involving the dilution effect.