

## Interim Report for SENSYS® Traffic AB (publ)

JANUARY – MARCH 2012

- Net sales for the period SEK 6.1m (5.2).
- Operating loss SEK -22.1m (-14.8).
- Loss after tax SEK -16.3 Mkr (-11.1).
- Earnings per share SEK -0.06 (-0.04).
- Cash flow per share SEK -0.04 (-0.09).

### OPERATIONS

*Sensys Traffic develops, markets and sells systems for traffic informatics that are primarily used for measuring and registering vehicles that exceed the speed limit or that go against a red light.*

Sales for the first quarter amounted to SEK 6.1m and were principally composed of deliveries of systems for traffic safety to the United States, and of service. Orders received in the first quarter amounted to SEK 2.5m and came from the United States and from Abu Dhabi in the United Arab Emirates. Further to the end of the period, an additional order valued at SEK 24m has been received from one of Sensys' new markets in the Middle East, as well as a small test order from China worth SEK 1m. Orders received so far this year subsequently amount to SEK 27.5m.

Sensys continues to take part in several procurement procedures, primarily in the Middle East, Eastern Europe and Africa. The Company is pre-qualified as one of four suppliers in an ongoing procurement of systems for vehicle-speed monitoring in Poland.

Sensys and Telvent reached a settlement in the first quarter regarding the discontinued project in Saudi Arabia. The settlement implies that Sensys received SEK 6.9m of the claim that the Company had vis-à-vis Telvent. The remaining SEK 9.8m were expensed in the accounts in the first quarter further to the settlement. Furthermore, the arbitration proceedings between Sensys and Telvent have now been discontinued.

The Company is implementing a rationalisation program that has implied submitting redundancy notices. The rationalisation program is expected to have full effect in the fourth quarter.

Further to the end of the quarter, the Company has completed a new share issue that has been fully subscribed. The new issue, which will provide the Company with SEK 28.8m before issue costs, was subscribed 94.7% with pre-emptive rights and 88.5% without pre-emptive rights. The new issue was thereby oversubscribed by 83.2%.

### FINANCIAL REPORTING

#### INCOME AND EARNINGS

Sales for the quarter amounted to SEK 6.1m (5.2). The write-down of inventories started in 2011 continued as planned, although a value-adjustment was not made in the period further to the receipt of new orders. The value-adjustment for the same quarter 2011 was SEK -7.5m. The gross margin for the quarter was 8 percent (43.2) further to applying aggressive prices to inventory products. The gross margin includes direct costs for contract manufacturers, as well as certain own fixed costs.

The operating loss for the period was SEK -22.1m (-14.8). The operating loss for the period before settlement with Telvent was SEK -12.3m.



## FINANCIAL POSITION AND EQUITY (COMPARATIVE FIGURES 31.12.2011)

Shareholders' equity amounted at the end of the period to SEK 97.2m (113.5), representing an equity/assets ratio of 87 percent (88).

## TAXES

The Company's total deferred tax recoverable at the end of the period amounted to SEK 46.7m (40.8).

The deferred tax recoverable has been reported as an asset since 2005. Future utilisation of this tax recoverable is dependent on taxable profits. The Company's management and board of directors continue to positively deem that the Company will have the potential to utilise this fiscal deficit in the future.

## INVESTMENTS

Investments during the quarter were SEK 0m (0.0).

## WORKFORCE

The average number of employees was 39 persons (36), and the number of employees at the end of the period was 36 (39).

## LIQUIDITY

Liquid resources amounted at the end of the period to SEK 6.0m (17.8), plus a short-term deposit of SEK 0.4m (0.4).

Cash flow from current operations for the quarter amounted to SEK -11.9m (-35.1).

## NUMBER OF SHARES

The number of shares at the end of the quarter was 287,902,734 (287,902,734).

## RISKS AND UNCERTAINTY FACTORS

It is important for the Company that capital be freed from 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 pages 13 and 33 of the Annual Report for 2011. No additional material risks are deemed to have since arisen.

## ACCOUNTING PRINCIPLES

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting principles and definitions applied in this report are essentially unchanged from the most recent annual report. The Company follows the Swedish Annual Accounts Act and Recommendation RFR 2 Reporting for Legal Entities of the Swedish Financial Reporting Board. The application of RFR 2 implies that the Company applies in this interim 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 for any relationship between accounting and taxation.

In July 2010, Sensys Traffic acquired all shares in a Swedish limited company [aktiebolag] that now has the name Sensys International AB. This company is totally dormant, and has been since it was formed. The objective of the acquisition is only to fulfil conditions in an international procurement process. Sensys does not intend to carry out any business activity through Sensys International AB within the forthcoming year.

In view of that Sensys International AB is dormant, and has never carried out any business, no consolidated accounts have been prepared. Due to the business having only one operating segment, the company is not affected by the changes regarding financial reporting introduced in 2009 (IAS 1 and IFRS 8). The change in shareholders' equity corresponds fully with the reported profit/loss (IAS 1).

## FORTHCOMING FINANCIAL REPORTS

April – June, 2012	30 Aug 2012
July – Sept, 2012	25 Oct 2011
Year-end report, 2012	24 Jan 2013
Annual General Meeting 2012	16 April, 2013

Jönköping, 24 April 2012

Johan Frilund, CEO

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Sensys Traffic is obliged to publish the information contained in this interim report pursuant to the Swedish Securities Market Act. The information was submitted for publication at 14.00 am/pm on 24 April 2012.

INCOME STATEMENT - SUMMARY SEK 000	Jan - March 2012	Jan - March 2011	Jan - Dec 2011
Net sales	6 104	5 239	43 371
Cost of goods sold	-5 615	-2 976	-17 930
Change in value, Stock	0	-7500	-28 800
<b>Gross profit</b>	<b>489</b>	<b>-5 237</b>	<b>-3 359</b>
Selling expenses <sup>1</sup>	-16 800	-3 901	-23 671
Administrative expenses	-1 623	-1 368	-5 878
Development costs	-4 592	-4 269	-19 021
Other operating income/expenses	405	0	0
<b>Operating profit/loss</b>	<b>-22 121</b>	<b>-14 775</b>	<b>-51 929</b>
Net financial items	-16	-257	109
<b>Profit/loss after financial items</b>	<b>-22 137</b>	<b>-15 032</b>	<b>-51 820</b>
Tax	5 844	3 953	13 532
<b>Net profit/loss for the period</b>	<b>-16 293</b>	<b>-11 079</b>	<b>-38 288</b>
Earnings per share, SEK	-0.06	-0.04	-0.13

1) Non-recurring cost of SEK 11.4m related to Telvent.

BALANCE SHEET - SUMMARY SEK 000	2012-03-31	2011-03-31	2011-12-31
<b>Assets</b>			
Intangible fixed assets	254	346	277
Tangible fixed assets	117	376	157
Financial assets <sup>2</sup>	53 599	47 993	57 571
Accounts receivables	4 483	5 390	4 944
Stock	44 146	70 586	45 079
Other current assets	3 293	1 867	2 973
Cash and bank (incl. shortterm investm)	5 969	28 075	17 847
<b>Total assets</b>	<b>111 861</b>	<b>154 633</b>	<b>128 848</b>
<b>Equity and liabilities</b>			
Shareholders' equity	97 209	140 711	113 502
Trade creditors	3 099	3 381	2 525
Other Short-term liabilities	11 553	10 541	12 821
<b>Total equity and liabilities</b>	<b>111 861</b>	<b>154 633</b>	<b>128 848</b>

1) Tax recoverable 46.7m (40.8)

Amount due by Telvent 6.9m (16.7) . Payment was received on 12 April.

CASH FLOW STATEMENT SEK000	Jan - March 2012	Jan - March 2011	Jan - Dec 2011
<b>Profit/loss after net financial items</b>	<b>-22 137</b>	<b>-15 032</b>	<b>-51 820</b>
Adjustments for non-cash items	9 880	7 604	29 192
Changes in working capital	379	-17 501	-12 529
<b>Operating Cash flow</b>	<b>-11 878</b>	<b>-24 929</b>	<b>-35 157</b>
Net investments in intangible assets	0	0	0
<b>Changes in net cash position</b>	<b>-11 878</b>	<b>-24 929</b>	<b>-35 157</b>

CHANGES IN SHAREHOLDERS' EQUITY SEK000	Jan - March 2012	Jan - March 2011	Jan - Dec 2011
<b>Opening balance</b>	<b>113 502</b>	<b>151 790</b>	<b>151 790</b>
Profit/loss for the period	-16 293	-11 079	-38 288
<b>Closing balance</b>	<b>97 209</b>	<b>140 711</b>	<b>113 502</b>



KEYFIGURES AND RATIOS, SEK 000	Jan - March 2012	Jan - March 2011	Jan - Dec 2011
Gross margin, %	8 %	Neg	Neg
Operating margin, %	Neg	Neg	Neg
Depreciation	63	104	392
Inventory write-down	0	7 500	28 800
Investments	0	0	0
Equity-assets ratio, %	86.9	90.1	88.1
Earnings per share, SEK <sup>1</sup>	-0.06	-0.04	-0.13
Equity per share, SEK <sup>1</sup>	0.34	0.49	0.39
Number of shares <sup>2</sup>	287 903	287 903	287 903
Average numbers of shares <sup>2</sup>	287 903	287 903	287 903

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

<sup>2</sup>) Sensys has no ongoing incentive program involving the dilution effect.