

Interim Report for SENSYS® Traffic AB (publ)

JANUARY – MARCH 2010

- Net income for the period SEK 8.3m (4.5).
- Operating profit/loss SEK 0.9m (-10.0).
- Profit/loss after tax SEK 0.8m (-7.2).
- Earnings per share SEK 0.05 (-0.03).
- Cash flow per share SEK 0.02 (-0.01).

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.

Net income in the first quarter of SEK 8.3m was composed primarily of deliveries to existing customers in Sweden and Dubai.

Orders worth SEK 6m were received during the quarter, primarily from a new customer in the United Arab Emirates. An order of SEK 18m from the Swedish Transport Administration regarding systems for monitoring train pantographs has been received since the end of the quarter.

Sensys continues its global market cultivation, including through constant negotiations for new business in new markets across the world. An exclusive distribution agreement has been signed for the US market, whereby the distributor will pursue the development of Sensys' business activities in the United States based on the long-established networks of the distributor's key staff.

Sensys' projects in Saudi Arabia have been halted further to a commercial dispute between Sensys and Telvent and their end-customer. In conjun-

tion with the annual accounts for 2009, Sensys wrote off all net assets related to the project. Negotiations between Telvent and the end-customer are continuing, but Sensys has no knowledge of when such negotiations will be completed nor the subsequent outcome.

FINANCIAL REPORTING

INCOME AND EARNINGS

Net income for the first quarter amounted to SEK 8.3m (4.5) and the gross margin was 41 percent (48). The gross margin includes direct costs for subcontractors as well as certain fixed costs.

The operating profit for the quarter was SEK 0.9m (loss: -10.0). A large part of the currency forward contract in euros was settled during the quarter, resulting in a foreign-exchange gain of SEK 6.8m. This has been reported under sundry operating income.

The profit after tax amounted to SEK 0.8m (loss: -7.2).

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



FINANCIAL POSITION AND EQUITY (COMPARATIVE FIGURES 31-12-2009)

Shareholders' equity amounted at the end of the period to SEK 111.9m (111.1), representing an equity-assets ratio of 83.7 percent (80.5).

TAX

The Company's total deferred tax recoverable amounted to SEK 24.4m (24.7) at the end of the period.

INVESTMENTS

Investments during the period were SEK 0m (0.6).

WORKFORCE

The average number of employees for the period was 36 (43), and the number of employees at the end of the period was 36.

LIQUIDITY

Liquid resources amounted at period-end to SEK 16.9m (15.0). The Company also has a short-term deposit of SEK 5.8m (2.7). Despite significant capital being tied-up in inventories, Sensys believes that its liquidity, even without future orders, is secured at least for the rest of the year.

Cash flow from current operations in the first quarter amounted to SEK 5.0m (-25.9).

NUMBER OF SHARES

The number of shares at period-end was 215,927,051 (215,927,051).

RISKS AND UNCERTAINTY FACTORS

It is important for the continued operations that capital be released from inventory.

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 2009. No additional significant risks are deemed to have arisen since then.

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 2.2 Reporting for Legal Entities of the Swedish Financial Reporting Board. The application of RFR 2.2 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 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 FINANCIAL REPORTS

Second quarter, 2010	26 Aug 2010
Third quarter, 2010	28 Oct 2010
Year-end report, 2010	27 Jan 2011

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

Jönköping, 29 April 2010

Johan Frilund, CEO

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INCOME STATEMENT - SUMMARY SEK 000	Jan - March 2010	Jan - March 2009	Jan - Dec 2009
Net sales	8 255	4 524	72 379
Cost of goods sold	-4 836	-2 342	-47 294
Gross profit	3 419	2 182	25 085
Selling expenses	-3 876	-4 680	-28 459
Administrative expenses	-1 364	-1 514	-5 605
Development costs	-4 034	-6 008	-23 967
Other operating income/expenses	6 778	0	0
Operating profit/loss	923	-10 020	-32 946
Net financial items	255	292	347
Profit/loss after financial items	1 178	-9 728	-32 599
Tax	-310	2 558	8 619
Net profit/loss for the period	868	-7 170	-23 980

BALANCE SHEET - SUMMARY SEK 000	2010-03-31	2009-03-31	2009-12-31
Assets			
Intangible fixed assets	482	0	462
Tangible fixed assets	718	1 001	810
Financial assets	24 403	18 652	24 713
Stock	81 200	88 940	82 798
Accounts receivables	2 687	103 884	8 906
Other current assets	1 556	1 974	2 636
Cash and bank (incl. shortterm investm)	22 661	51 977	17 687
Total assets	133 707	266 428	138 012
Equity and liabilities			
Shareholders' equity	111 970	138 708	111 102
Liabilities to customer	134	107 269	574
Longterm depts	7 168	0	7 545
Trade creditors	1 424	6 316	5 696
Short-term liabilities	13 011	14 135	13 095
Total equity and liabilities	133 707	266 428	138 012

CASH FLOW STATEMENT SEK 000	Jan - March 2010	Jan - March 2009	Jan - Dec 2009
Profit/loss after net financial items	1 178	-9 728	-32 599
Adjustments for non-cash items	92	112	418
Changes in working capital	3 725	6 676	6 324
Operating Cash flow	4 995	-2 940	-25 857
Dividend	0	0	-10 796
Net investments in intangible assets	-21	0	-462
Net investments in fixed assets	0	-20	-135
Changes in net cash position	4 974	-2 960	-37 250

CHANGES IN SHAREHOLDERS' EQUITY SEK 000	Jan - March 2010	Jan - March 2009	Jan - Dec 2009
Opening balance	111 102	145 878	145 878
Dividend	0	0	-10 796
Profit/loss for the period	868	-7 170	-23 980
Closing balance	111 970	138 708	111 102



KEYFIGURES AND RATIOS	Jan - March 2010	Jan - March 2009	Jan - Dec 2009
Gross margin, %	41,4	48,2	34,7
Operating margin, %	11,2	Neg	Neg
Depreciation SEK 000	92	112	418
Investments SEK 000	21	20	597
Equity-assets ratio, %	83,7	52,0	80,5
Earnings per share, SEK ¹	0,00	-0,03	-0,11
Equity per share, SEK kr ¹	0,52	0,64	0,51
Number of shares ² Thousands	215 927	215 927	215 927
Average numbers of shares ² Thousands	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.