

Half-year interim report for SENSYS® Traffic AB (publ)

JANUARY–JUNE 2010

- Net income for the period SEK 17.8m (34.0 – of which sale of goods 16.6)
- Operating loss SEK -1.4m (-17.4)
- Loss after tax SEK -0.7m (-12.6)
- Earnings per share SEK 0.00 (-0.06)
- Cash flow per share SEK 0.01 (-0.19)

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.

Income in the second quarter was primarily composed of deliveries within Sweden and to the United Arab Emirates.

Orders received in the second quarter amounted to SEK 22m and came principally from Sweden where an order for the monitoring of train pantographs represented SEK 18m.

Sensys continues to establish new partners across the world. The most intensive efforts have been made in Eastern Europe and Asia, where agreements have been signed with a number of new distributors.

Investments together with the Company's new partner in the United States, Sensys America Inc., have generated initial orders in two states in the current third quarter. The partnership was initiated in April.

With regard to the order to Saudi Arabia, Sensys is of the opinion that it will not be delivered. Sensys maintains however its demand for compensation vis-à-vis its contracting party, Telvent. The value of outstanding receivables related to the order was written down to SEK 0 in the year-end accounts for 2009.

FINANCIAL REPORTING

INCOME AND EARNINGS

Net income for the first half-year amounted to SEK 17.8m (34.0 – of which sale of goods 16.6), and the gross margin was 42 percent (21). The gross margin includes direct costs for subcontractors as well as certain fixed costs.

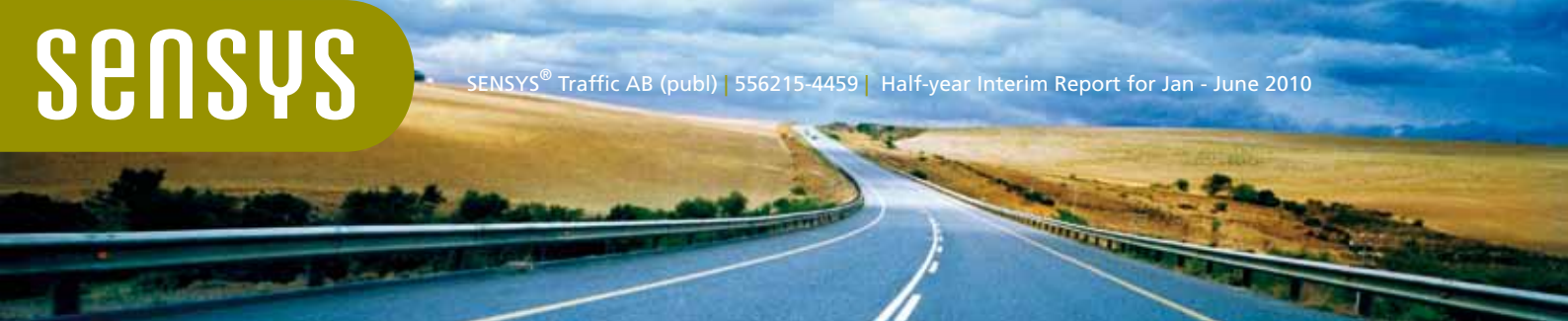
Net income for the second quarter was SEK 9.4m (29.5), and the gross margin 42 percent (17).

The comparative figures for 2009 include currency effects related to an extended forward cover of customer receivables, where SEK 17.4m was reported as income and SEK 20.6m as cost of goods sold. The net effect of SEK -3.2m burdened the gross profit. The gross margin for the half-year 2009, without taking this transaction into consideration, was 62 percent.

The entire currency forward contract in euros was settled during the first half-year 2010, resulting in a currency gain of SEK 11.4m of which SEK 4.7m in the second quarter. This amount has been reported under sundry operating income.

The operating loss for the half-year amounted to SEK -1.4m (-17.4), and the loss after tax for the half-year was SEK -0.7m (-12.6).

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 period-end to SEK 110.4m (111.1), representing an equity-assets ratio of 82.6 percent (80.5).

TAX

The Company's total deferred tax recoverable amounted to SEK 25.0m (24.7).

INVESTMENTS

Investments during the first half-year were SEK 0m (0.6).

WORKFORCE

The average number of employees was 36 (42), and the number of employees at the end of the period was 36.

LIQUIDITY

Liquid resources amounted at period-end to SEK 14.9m (15.0). The Company also has a short-term deposit of SEK 5.0m (2.7). Despite considerable capital being tied up in inventories, Sensys believes that liquidity is ensured the rest of the year.

Cash flow from current operations in the first half-year amounted to SEK 2.3m (-34.4).

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 continued operations that capital be released 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 12 and 28 of the Annual Report for 2009. No additional significant risks are deemed to have arisen since then.

ACCOUNTING PRINCIPLES

This half-year 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

Third quarter 2010 28 Oct 2010

Year-end report 2010 27 Jan 2011

The Board of Directors and Chief Executive Officer hereby certify that this half-year interim report provides a true and correct overview of the Company's operations, financial position and results, and that it describes the significant risks and uncertainty factors currently facing the Company.

Jönköping, 26 August 2010



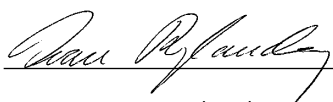
Peter Svensson
Chairman of the Board



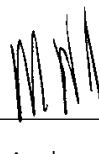
Jeanette Jakobsson
Board member



Jan Bengtsson
Board member



Ivan Rylander
Board member



Anders Norling
Board member



Johan Frilund
CEO

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

For additional information, please contact:
Johan Frilund, CEO, +46 (0)73 274 28 23.

INCOME STATEMENT - SUMMARY SEK 000	Jan - June 2010	Jan - June 2009	April - June 2010	April - June 2009
Net sales	17 815	34 030	9 427	29 506
Cost of goods sold	-10 261	-26 865	-5 425	-24 523
Gross profit	7 554	7 165	4 002	4 983
Selling expenses	-9 401	-10 466	-5 525	-5 786
Administrative expenses	-2 706	-3 175	-1 342	-1 661
Development costs	-8 159	-10 951	-4 125	-4 943
Other operating income/expenses	11 356	0	4 710	0
Operating profit/loss	-1 356	-17 427	-2 280	-7 407
Net financial items	428	300	174	8
Profit/loss after financial items	-928	-17 127	-2 106	-7 399
Tax	244	4 504	554	1 946
Net profit/loss for the period	-684	-12 623	-1 552	-5 453

BALANCE SHEET - SUMMARY SEK 000	2010-06-30	2009-06-30	2009-12-31
Assets			
Intangible fixed assets	469	0	462
Tangible fixed assets	628	1 299	810
Financial assets	24 957	20 598	24 713
Stock	80 348	89 798	82 798
Accounts receivables	5 484	131 406	8 906
Other current assets	2 015	1 783	2 636
Cash and bank (incl. shortterm investm)	19 897	3 341	17 687
Total assets	133 798	248 225	138 012
Equity and liabilities			
Shareholders' equity	110 418	122 459	111 102
Liabilities to customer	6	107 195	574
Longterm debts	7 118	0	7 545
Trade creditors	3 989	6 305	5 696
Short-term liabilities	12 267	12 266	13 095
Total equity and liabilities	133 798	248 225	138 012

CASH FLOW STATEMENT SEK 000	Jan - June 2010	Jan - June 2009	April - June 2010	April - June 2009
Profit/loss after net financial items	-928	-17 127	-2 106	-7 399
Adjustments for non-cash items	231	232	139	120
Changes in working capital	2 964	-23 467	-761	-30 143
Operating Cash flow	2 267	-40 362	-2 728	-37 422
Dividend	0	-10 796	0	-10 796
Net investments in intangible assets	-57	0	-36	0
Net investments in fixed assets	0	-438	0	-418
Changes in net cash position	2 210	-51 596	-2 764	-48 636

CHANGES IN SHAREHOLDERS' EQUITY SEK 000	Jan - June 2010	Jan - June 2009	April - June 2010	April - June 2009
Opening balance	111 102	145 878	111 970	138 708
Dividend	0	-10 796	0	-10 796
Profit/loss for the period	-684	-12 623	-1 552	-5 453
Closing balance	110 418	122 459	110 418	122 459



KEYFIGURES AND RATIOS	Jan - June 2010	Jan - June 2009	April - June 2010	April - June 2009
Gross margin, %	42,4	21,1	42,4	16,8
Operating margin, %	Neg	Neg	Neg	Neg
Depreciation SEK 000	231	232	139	120
Investments SEK 000	57	438	36	418
Equity-assets ratio, %	82,6	49,0	N/A	N/A
Earnings per share, SEK ¹	0,00	-0,06	0,00	-0,03
Cash flow per share, SEK	0,01	-0,19	-0,01	-0,17
Equity per share, SEK kr ¹	0,51	0,57	0,51	0,57
Number of shares Thousands	215 927	215 927	215 927	215 927

¹⁾ Sensys has no ongoing incentive program involving the dilution effect.