



Interim report for SENSYS® Traffic AB (publ)

JANUARY – SEPTEMBER 2011

- Net sales for the period SEK 34.5m (26.5)
- Operating loss SEK -34.8m (-4.7)
- Loss after tax SEK -25.7m (-3.3)
- Earnings per share SEK -0.09 (-0.02)
- Cash flow per share SEK -0.14 (-0.02)

GENERAL

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 third quarter amounted to SEK 20.5m and were composed of deliveries of systems for speed surveillance within Sweden, as well as deliveries of systems for monitoring train pantographs, known as APMS.

Orders received in the first nine months amounted to SEK 29m, of which SEK 2m in the third quarter, and comprised aftermarket orders and systems for monitoring train pantographs.

The arbitration proceedings between Sensys and Telvent are continuing.

The Company is taking part in procurement procedures across the world. These potential contracts have moved forward in several markets, but have not yet been finalised.

FINANCIAL REPORTING

SALES AND EARNINGS

Sales for the period amounted to SEK 34.5m (26.5). The previously initiated write-down of inventories continued. The value-adjustment for the period has implied a negative effect of SEK 21.3m, of which SEK 7.5m pertained to the third quarter, which in turn as led to a negative gross margin for the period. Excluding this inventory write-down, the gross margin for the period amounted to 58.5 percent (46.9). The gross margin includes direct costs for contract manufacturers, as well as certain own fixed costs.

Sales for the third quarter amounted to SEK 20.5m (8.6) and the gross margin, without the above inventory write-down, was 70.5 percent (56.1).

The operating loss amounted to SEK -34.8m (-4.7) for the period, and SEK -4.1m (-3.3) for the third quarter. However, excluding the aforementioned inventory write-down, the operating result was a loss of SEK -13.5m for the period and a profit of SEK 3.4 for the third quarter.

The loss after tax amounted to SEK -25.7m (-3.3) for the period, and SEK -3.0m (-2.6) for the third quarter.

All costs that are not order-specific development costs have been charged to current operations.

FINANCIAL POSITION AND EQUITY (COMPARATIVE FIGURES 31.12.2010)

Shareholders' equity amounted at the end of the period to SEK 126.1m (151.8), representing an equity/assets ratio of 87.0 percent (82.2).

TAXES

The Company's total deferred tax recoverable at the end of the period amounted to SEK 36.5m (27.3).

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 period were SEK 0m (0.0).

WORKFORCE

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

LIQUIDITY

Liquid resources amounted at the end of the period to SEK 13.7m (53.0), plus a short-term deposit of SEK 0m (20.4).

Cash flow from current operations for the period amounted to SEK -39.3m (-5.1), of which SEK -22.6m pertains to ordinary operations and SEK -16.7m to the payment of a bank guarantee to Telvent.

NUMBER OF SHARES

The number of shares at the end of the quarter was 287,902,734 (287,902,734). The average number of shares during the period was 287,902,734 (217,898,988).

RISKS AND UNCERTAINTY FACTORS

In March 2011, Sensys resolved to prepare arbitration proceedings against Telvent. The final potential effect on liquidity and profitability further to the termination of the contract will depend on the outcome of the arbitration proceedings. At the time of preparing this report, the Company had a claim against Telvent of SEK 16.7m. Potential future damages will lead to an impact on the Company's financial results, while the liquidity effect will be limited to any amount exceeding EUR 1.9m.

It is also important for the Company that capital be freed from inventories. The Company's continued short-term focus will therefore be on the sale of 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 31 of the Annual Report for 2010. 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.

In view of that Sensys International AB is dormant, and has never carried out any business, no consolidated accounts have been prepared.

FORTHCOMING FINANCIAL REPORTS

Year-end report, 2011	26 Jan 2012
First quarter, 2012	24 Apr 2012
Annual General Meeting, 2012	24 Apr 2012
April-June, 2012	30 Aug 2012
July-September, 2012	25 Oct 2012

This report has been reviewed by the Company's auditor. The related report is set forth on page 5.

Jönköping, 26 October 2011

On behalf of the Board of Directors

Johan Frilund, CEO

Sensys Traffic is obliged to publish the information contained in this press release pursuant to the Swedish Securities Market Act. The information was submitted for publication at 1.30pm (13.30 hrs) on 26 October 2011.

For additional information, please contact:
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INCOME STATEMENT - SUMMARY SEK 000	Jan - Sept 2011	Jan - Sept 2010	July - Sept 2011	July - Sept 2010
Net sales	34 507	26 462	20 485	8 647
Cost of goods sold	-14 314	-14 059	-6 041	-3 798
Change in value, stock	-21 300	0	-7 500	0
Gross profit	-1 107	12 403	6 944	4 849
Selling expenses	-15 199	-13 206	-5 853	-3 805
Administrative expenses	-4 328	-3 881	-1 173	-1 175
Development costs	-14 178	-11 375	-4 055	-3 216
Other operating income/expenses	0	11 356	0	0
Operating profit/loss	-34 812	-4 703	-4 137	-3 347
Net financial items	-94	242	126	-186
Profit/loss after financial items	-34 906	-4 461	-4 011	-3 533
Tax	9 181	1 173	1 055	929
Net profit/loss for the period	-25 725	-3 288	-2 956	-2 604
Earnings per share, SEK	-0,09	-0,02	-0,01	-0,01

BALANCE SHEET - SUMMARY SEK 000	2011-09-30	2010-09-30	2010-12-31
Assets			
Intangible fixed assets	300	436	370
Tangible fixed assets	213	541	457
Financial assets	53 220 ¹	25 936 ¹	27 371
Stock	53 269	79 448	78 045
Accounts receivables	21 853	10 303	10 519
Other current assets	2 329	2 011	2 215
Cash and bank (incl. shortterm investm)	13 712	12 547	53 004
Total assets	144 896	131 222	171 981
1) Tax recoverable 36.5m (25.9) Amount due by Telvent 16.7m (0)			
Equity and liabilities			
Shareholders' equity	126 065	107 814	151 790
Longterm debts	0	0	0
Shortterm debts	0	7 119	3 330
Trade creditors	6 540	3 414	4 842
Short-term liabilities	12 291	12 875	12 019
Total equity and liabilities	144 896	131 222	171 981

CASH FLOW STATEMENT SEK 000	Jan - Sept 2011	Jan - Sept 2010	July - Sept 2011	July - Sept 2010
Profit/loss after net financial items	-34 906	-4 461	-4 011	-3 533
Adjustments for non-cash items	21 612	369	7 603	137
Changes in working capital	-25 998	-975	-8 099	-3 938
Operating Cash flow	-39 292	-5 067	-4 507	-7 334
Dividend	0	0	0	0
Net investments in intangible assets	0	-73	0	-16
Net investments in fixed assets	0	0	0	0
Changes in net cash position	-39 292	-5 140	-4 507	-7 350

CHANGES IN SHAREHOLDERS' EQUITY SEK 000	Jan - Sept 2011	Jan - Sept 2010	July - Sept 2011	July - Sept 2010
Opening balance	151 790	111 102	129 021	110 418
Dividend	0	0	0	0
Profit/loss for the period	-25 725	-3 288	-2 956	-2 604
Closing balance	126 065	107 814	126 065	107 814



KEYFIGURES AND RATIOS	Jan - Sept 2011	Jan - Sept 2010	July Sept 2011	July - Sept 2010
Gross margin, %	Neg	46,9	33,90	56,1
Operating margin, %	Neg	Neg	Neg	Neg
Depreciation SEK 000	21 612	369	7 603	137
Investments SEK 000	0	73	0	16
Equity-assets ratio, %	87,0	81,9	N/A	N/A
Earnings per share, SEK	-0,09	-0,02	-0,01	-0,01
Cash flow per share, SEK	-0,14	-0,02	-0,02	-0,03
Equity per share, SEK	0,44	0,50	N/A	N/A
Number of shares ¹ Thousands	287 903	215 927	287 903	215 927

¹⁾ Profit/loss per share before and after dilution

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



Report of Review of Interim Financial Information

Introduction

We have reviewed this report for the period 1 January 2011 to 30 September 2011 for Sensys Traffic AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act.

Jönköping 26 October 2011

Öhrlings PricewaterhouseCoopers

Martin Odqvist
Auktoriserad revisor
Huvudansvarig

Magnus Brändstöm
Auktoriserad revisor