



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

JANUARY – DECEMBER 2010

- Net income for the period SEK 36.8m (72.4 – of which sale of goods 55.0)
- Operating loss SEK -11.0m (-32.9)
- Loss after tax SEK -7.8m (-24.0)
- Earnings per share SEK -0.03 (-0.11)
- Cash flow per share SEK -0.05 (-0.12)

### 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 fourth quarter was primarily composed of deliveries to Sweden and Finland of APMS systems (surveillance of train pantographs).

Orders received in the quarter amounted to SEK 11.0m, with the largest order coming from the Finnish Transport Agency for APMS systems. Other orders mainly embraced pilot installations in a number of new markets where tests are now being performed prior to future procurement negotiations. Orders from recently established Sensys America Inc. in the United States continue to develop positively with further orders both during the fourth quarter and subsequent to the end of the period.

Sensys signed an exclusive distributor agreement in the fourth quarter with TTS A/S in Denmark prior to forthcoming procurement negotiations.

With regard to the Saudi Arabian order, Telvent and Sensys are continuing to negotiate a settlement. Sensys has therefore extended the bank guarantee of EUR 1.9 million until a settlement has been reached.

Sensys has not lost any major procurement contracts during the period. Sensys continues to take part in an increasing number of procurement processes, of which some are significant.

The new share issue with preferential right for existing shareholders was over-subscribed by 13 percent, and provided the Company with SEK 48.5m after deducting issue costs.

#### Dividend

The Board of Directors propose that no dividend be declared.

### FINANCIAL REPORTING

#### INCOME AND EARNINGS

Income for the full-year amounted to SEK 36.8m (72.4), and the gross margin was 46 percent (35). The gross margin includes direct costs for sub-contractors as well as certain fixed costs.

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 2009, without taking this transaction into consideration, was 51 percent.

Net income for the quarter was SEK 10.4m (7,9) and the gross margin 45 percent (12).

The operating loss for the full-year was SEK -11.0m (-32.9), and the operating loss for the quarter was SEK -6.3m (-22.4).

The loss after tax amounted to SEK -7.8m (-24.0).

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 151.8m (111.1), representing an equity-assets ratio of 88.0 percent (80.5).

## TAX

At year-end, the Company's total deferred tax recoverable amounted to SEK 27.3m (24.7).

## INVESTMENTS

Investments during the period were SEK 0.0m (0.6).

## WORKFORCE

The average number of employees was 36 persons (43), and the number of employees at the end of the period was 35.

## LIQUIDITY

Liquid resources amounted at period-end to SEK 53.0m (17.7), of which SEK 20.4m are blocked funds.

Cash flow from current operations amounted to SEK -8.1m (17.1) in the quarter, and to SEK -13.1m (-25.9) for the year.

## NUMBER OF SHARES

The number of shares at the end of the year was 287,902,734 (215,927,051). The average number of shares in 2010 was 217,898,988 (215,927,051).

## RISKS AND UNCERTAINTY FACTORS

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.

## 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 July 2010, Sensys Traffic acquired all shares in a Swedish limited company [aktiebolag] that now has the name Sensys International AB. The total acquisition cost amounted to the company's equity of SEK 50k. This company is totally dormant, and has been so since it was formed. The objective of the acquisition is only to fulfil conditions in an international procurement process. Sensys Traffic AB does not have the intention to carry out any form of business through Sensys International AB during the forthcoming year.

## FORTHCOMING FINANCIAL REPORTS

First quarter, 2011	26 April 2011
Annual General Meeting, 2010	26 April 2011
Second quarter, 2011	25 August 2011
Third quarter, 2011	26 October 2011

The annual report for 2010 is expected to be published at [www.sensys.se](http://www.sensys.se) in the beginning of April 2011, and will also be sent to those shareholders who so request.

Jönköping 27 January 2011

On behalf of the Board of Directors,

Johan Frilund, CEO

Sensys Traffic is obliged to publish the information disclosed in this Year-End report pursuant to the Swedish Securities Market Act. Such information was submitted for publication on 27 January 2011 at 14.20 hrs CET.

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INCOME STATEMENT - SUMMARY SEK000	Jan - Dec 2010	Jan - Dec 2009	Oct - Dec 2010	Oct - Dec 2009
Net sales	36 816	72 379	10 354	7 929
Cost of goods sold	-19 702	-47 294	-5 642	-6 966
<b>Gross profit</b>	<b>17 114</b>	<b>25 085</b>	<b>4 712</b>	<b>963</b>
Selling expenses	-18 416	-28 459	-5 210	-14 601
Administrative expenses	-5 418	-5 605	-1 538	-1 305
Development costs	-15 680	-23 967	-4 305	-7 472
Other operating income/expenses	11 356	0	0	0
<b>Operating profit/loss</b>	<b>-11 044</b>	<b>-32 946</b>	<b>-6 341</b>	<b>-22 415</b>
Net financial items	662	347	421	451
<b>Profit/loss after financial items</b>	<b>-10 382</b>	<b>-32 599</b>	<b>-5 920</b>	<b>-21 964</b>
Tax	2 609	8 619	1 435	5 822
<b>Net profit/loss for the period</b>	<b>-7 773</b>	<b>-23 980</b>	<b>-4 485</b>	<b>-16 142</b>

BALANCE SHEET - SUMMARY SEK000	2010-12-31	2009-12-31
<b>Assets</b>		
Intangible fixed assets	370	462
Tangible fixed assets	457	810
Financial assets	27 371	24 713
Accounts receivables	10 519	8 906
Stock	78 045	82 798
Other current assets	2 215	2 636
Cash and bank	53 004	17 687
<b>Total assets</b>	<b>171 981</b>	<b>138 012</b>
<b>Equity and liabilities</b>		
Shareholders' equity	151 790	111 102
Short-term liabilities	3 330	0
Longterm debts	0	7 545
Trade creditors	4 842	5 696
Short-term liabilities	12 019	13 669
<b>Total equity and liabilities</b>	<b>171 981</b>	<b>138 012</b>

CASH FLOW STATEMENT SEK000	Jan - Dec 2010	Jan - Dec 2009	Oct - Dec 2010	Oct - Dec 2009
<b>Profit/loss after net financial items</b>	<b>-10 382</b>	<b>-32 599</b>	<b>-5 920</b>	<b>-21 964</b>
Adjustments for non-cash items	446	418	77	70
Changes in working capital	-3 208	6 324	-2 235	39 039
<b>Operating Cash flow</b>	<b>-13 144</b>	<b>-25 857</b>	<b>-8 078</b>	<b>17 145</b>
New share issue	48 461	0	48 461	0
Dividend	0	-10 796	0	0
Net investments in intangible assets	0	-466	73	-136
Net investments in fixed assets	0	-131	0	0
<b>Changes in net cash position</b>	<b>35 317</b>	<b>-37 250</b>	<b>40 456</b>	<b>17 009</b>

CHANGES IN SHAREHOLDERS' EQUITY SEK000	Jan - Dec 2010	Jan - Dec 2009	Oct - Dec 2010	Oct - Dec 2009
<b>Opening balance</b>	<b>111 102</b>	<b>145 878</b>	<b>107 814</b>	<b>127 244</b>
New share issue	48 461	0	48 461	0
Dividend	0	-10 796	0	0
Profit/loss for the period	-7 773	-23 980	-4 485	-16 142
<b>Closing balance</b>	<b>151 790</b>	<b>111 102</b>	<b>151 790</b>	<b>111 102</b>



KEYFIGURES AND RATIOS, SEK 000	Jan - Dec 2010	Jan - Dec 2009	Oct - Dec 2010	Oct - Dec 2009
Gross margin, %	46,5	34,7	45,5	12,2
Operating margin, %	Neg	Neg	Neg	Neg
Depreciation	446	418	77	70
Investments	0	597	-73	136
Equity-assets ratio, %	88,3	80,5	N/A	N/A
Earnings per share, SEK <sup>1</sup>	-0,03	-0,11	-0,02	-0,07
Equity per share, SEK <sup>1</sup>	0,53	0,51	N/A	N/A
Number of shares <sup>2</sup>	287 903	215 927	287 903	215 927
Average numbers of shares <sup>2</sup>	217 899	215 927	217 899	215 927

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

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