

Year-end report the May 2014–April 2015 period: Strong order bookings and favorable earnings

SEK million	The quarter			The period		
	Q4	Q4	Change	Q1-4	Q1-4	Change
	2014/2015	2013/2014	%	2014/2015	2013/2014	%
Order bookings	368.6	264.6	39.3	1,550.4	925.7	67.5
Net sales	268.3	270.6	-0.8	961.4	853.8	12.6
Operating profit (EBIT)	42.4	54.1	-21.6	150.3	128.1	17.3
Operating margin, %	15.8	20.0	-	15.6	15.0	-
Profit before tax (EBT)	39.6	56.0	-29.3	164.4	141.5	16.2
Profit margin, %	14.8	20.7	-	17.1	16.6	-
Profit after tax	34.6	38.1	-9.2	126.1	103.9	21.4
Earnings per share, SEK ¹	0.93	1.03	-9.7	3.38	2.80	20.7
Cash flow ²	52.9	19.4	172.7	85.0	123.6	-31.3
Number of employees ³	565	536	5.4	565	536	5.4

¹ Prior to dilution. ² Ongoing operations after changes in working capital. ³ At the end of the period.

CEO'S COMMENTS

Sectra's successes are growing as a result of the close relationships we have with our customers. We always put our customers first and involve them in the ongoing development of our product offering. Therefore, there are few things more gratifying than the top rankings we received in customer satisfaction surveys this year, both in the US and globally. This level of customer confidence in Sectra was reflected in our order bookings, which continued to increase during the fourth quarter – partly as a result of an extensive agreement signed with the Karolinska University Hospital, one of Sectra's long-standing customers. We know that what customers appreciate most – even more than our stable and user-friendly products – is Sectra's employees. I am proud of the efforts of our employees, which contributed significantly to our ability to deliver customer value, thereby enabling us to report a favorable earnings trend.

Several of Sectra's major markets are displaying strong growth. Our sales in the US, where we are beginning to see the effects of our top ranking in the two most recent KLAS surveys, and in the UK and Norway, increased more than 20% during the fiscal year. Sales in Sweden declined as a result of a weak market for encryption systems, and our favorable sales of medical systems were not sufficient to fully offset this downturn. The trend with respect to encryption systems in Sweden has major impact on the overall performance of the Secure Communications business area. However, the business area reporting somewhat stronger earnings in the past two quarters as a result of increased revenues from customers outside Sweden.

Although not all of our business areas are performing as expected, I am very pleased to announce that we have fulfilled all of the Group's financial goals. Taking into consideration the company's strong financial position and performance, the Board has decided to propose to the Annual General Meeting (AGM) that SEK 4.50 per share – the same amount as in the preceding year – be distributed to the shareholders through a share redemption program.

Strategic choices

We remain focused on controlled growth and on being a leader in the areas and regions where the company already operates, supplemented by operations in a few carefully selected markets that we believe offer significant growth potential for Sectra. In line with this strategy, we strengthened our presence in Denmark during the quarter through the acquisition of our partner it-mark ApS, which offers online services for medical imaging management. We also established a new subsidiary of Secure Communications in Finland, where we are working to boost our sales of security products and services, as well as another subsidiary in France linked to the activities being carried out in Business Innovation.

Outlook

The past year's robust order bookings encompass several long-term agreements with major customers, which means that we have many customer projects in the installation phase. Initially, these projects will have an adverse impact on Sectra's cash flow, but when the projects move into the maintenance and support phase, they will contribute to a stable long-term trend for the Group. I also want to point out that a large portion of the order increase 2014/2015 was attributable to the UK, where several hospitals were forced to acquire new systems or to renew their agreements before summer 2015. Accordingly, the level of orders we have recently seen in this market will not be repeated during the years ahead.



REPORT PRESENTATION

with President Torbjörn Kronander,
CFO Simo Pykälistö and
President of Imaging IT
Solutions
Marie Ektröm Trägårdh
on June 3, 2015, at **12:00 noon
(CET)**. The presentation will be
held in English.

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However, there is still considerable scope for growth in Sectra's niche areas, which was confirmed by the increase in order bookings reported by all business areas. Thanks to our close, long-term customer relationships, our high level of customer satisfaction, our innovative, high-quality products and our strong financial position, we have the necessary prerequisites to drive the development of solutions that can improve people's quality of life, reduce society's healthcare costs and contribute to a safer society. This is how we create customer value, which in turn results in a favorable return for our shareholders.

Torbjörn Kronander, President and CEO

THE PERIOD IN BRIEF

Fiscal year

- The Sectra Group's order bookings increased 67.5% to SEK 1,550.4 million (925.7).
- Net sales rose 12.6% to SEK 961.4 million (853.8). Excluding nonrecurring items (refer to the table on page 4), net sales increased 10.7% to SEK 945.1 million (853.8).
- Operating profit rose 17.3% to SEK 150.3 million (128.1), corresponding to an operating margin of 15.6% (15.0). Excluding nonrecurring items, operating profit increased 7.0% to SEK 140.0 million (130.9), corresponding to an operating margin of 14.8% (15.3).
- Cash flow after changes in working capital amounted to SEK 85.0 million (123.6). Several major long-term customer projects are in the installation phase, which is having a particularly adverse impact on cash flow.

Fourth quarter

- Order bookings increased 39.3% to SEK 368.6 million (264.6).
- Net sales amounted to SEK 268.3 million (270.6).
- Operating profit totaled SEK 42.4 million (54.1), corresponding to an operating margin of 15.8% (20.0). Excluding nonrecurring items, operating profit totaled SEK 48.4 million (56.9), corresponding to an operating margin of 18.0% (21.0).

Events during the fourth quarter

- Sectra signed a multi-year agreement with the Karolinska University Hospital, which is purchasing a service for efficient management of radiology images and patient information (PACS and RIS). The service is the first of its kind in Sweden for which the supplier takes turnkey responsibility for technology, administration and servicing of the radiology IT systems of hospitals. The order is worth SEK 207 million.
- The Dutch hospital Onze Lieve Vrouwe Gasthuis in Amsterdam invested in Sectra's IT solution for managing and archiving radiology images.
- Sectra launched an IT solution for pathology departments. For Sectra, this represents a new customer segment where digitization of microscopic images could contribute to more efficient and effective cancer care.
- Sectra strengthened its presence in Denmark through the acquisition of its partner it-mark.
- The Karolinska Institute introduced Sectra's interactive visualization table in its anatomy classes.
- NATO approved Sectra Tiger/S 7401 for use at the Confidential security level.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- Sectra renewed its agreement with the Norwegian healthcare provider Curato Røntgen AS, one of the largest private healthcare providers in the Nordic region. The order is valued at approximately NOK 80 million (corresponding to about SEK 88 million).
- Sectra's table for medical education won the Dirk Bartz Prize for Visual Computing in Medicine 2015, which is awarded by the Eurographics Association to acknowledge the contribution that computer graphics can make to the medical field.

The Board propose that SEK 4.50 per share be distributed to the shareholders through a share redemption program.

- Sectra was awarded the Swecare Export Award 2014 for its achievements in medical technology exports.
- The EU approved Sectra Tiger/S 7401 for use at the Secret security level.
- For the 2014/2015 fiscal year, the Board and the President propose that the AGM resolve to distribute SEK 4.50 per share to the shareholders through a 2:1 share split in combination with a mandatory redemption process. No ordinary dividend is proposed.

OUTLOOK

The world needs more efficient healthcare and more reliable communications. Both of these areas offer major scope for expansion. Sectra plays a key role in meeting these needs by offering products and services in medical IT and secure communications.

Due to the demographic trend of a population that is living longer while birth rates are declining, there is a growing need for greater healthcare efficiency in order to provide care for more patients. Sectra develops and sells systems and services for medical diagnostic imaging, which help to develop the healthcare sector while making it more efficient. Society also needs to improve its treatment of age-related diseases. Sectra has several products and services that can contribute to more efficient healthcare and treatment of some of the most costly age-related diseases.

In terms of security, government agencies, defense organizations and the private sector are increasingly exposed to security risks and eavesdropping attempts. Heightened awareness of eavesdropping may contribute to greater interest in the type of security products offered by Sectra. Sectra is trusted to deliver products that protect classified information at the very highest levels and its crypto products are approved by the EU, NATO and several national security authorities.



The fact that Sectra has satisfied customers around the world was confirmed by both external and internal surveys. Among other surveys, Sectra received a top ranking in KLAS, the industry's most important customer satisfaction survey for IT systems in healthcare, for the second consecutive year. According to the comments made in the customer surveys, Sectra's high rating was attributable to the company's employees, as well as the stability and easy-to-use nature of its systems.

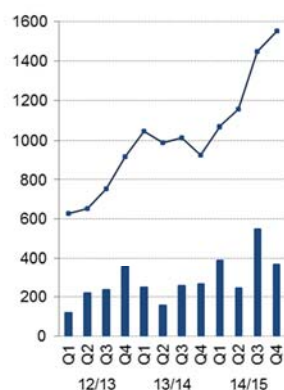
GROUP

Order bookings, sales and earnings

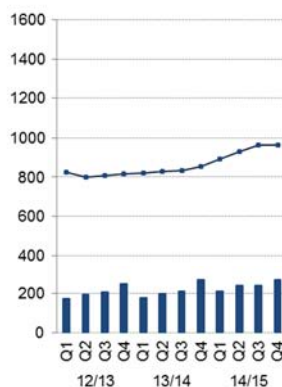
Results in SEK million

Bar – per quarter Line – rolling 12 months

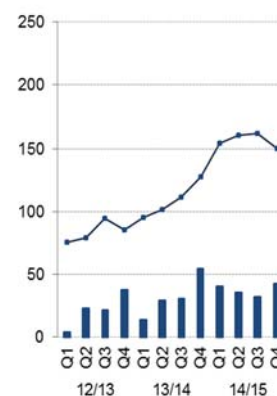
Order bookings, Group



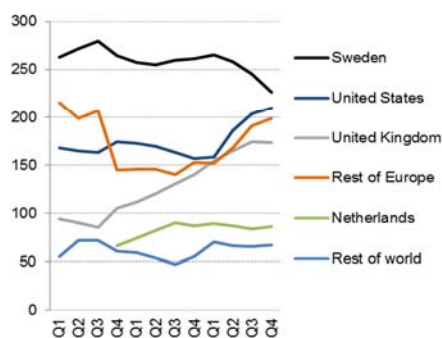
Sales, Group



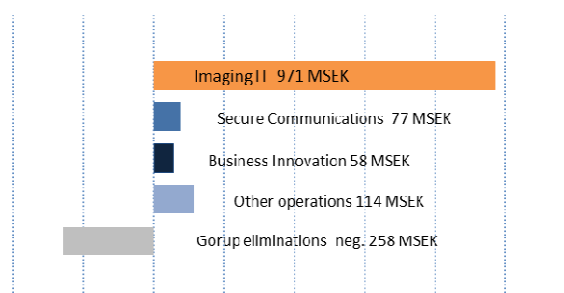
Operating profit, Group



Sales per geographic market



Sales per segment


 April 30, 2015
Rolling 12 months

* Before Q4 12/13, the Netherlands was included in

Fiscal year

The Group's order bookings rose 67.5% to SEK 1,550.4 million. This increase was mainly attributable to long-term managed-services and maintenance agreements for medical IT systems, as well as the fact that all segments reported higher order bookings. The strongest order bookings were reported by Sectra's medical operation in the UK. This was largely the result of several hospitals being forced to acquire new systems or to renew their agreements before summer 2015. Accordingly, Sectra's order bookings from this market are not expected to be on the same level in the coming years.

The figures recognized include the following nonrecurring items:

Nonrecurring items.	Quarter	2014/2015	
	Sale/licensing of patents (net sales)	Q1	16.3
Bonus	Q4	-6.0	
Nonrecurring items 2014/2015		10.3	
	Quarter	2013/2014	
	Reversal of contingent consideration (other revenues)	Q4	16.2
	Impairment of goodwill and other intangible assets	Q4	-15.2
	Impairment of capitalized development costs	Q4	-3.8
Nonrecurring items 2013/2014		-2.8	

Net sales rose 12.6% to SEK 961.4 million. Excluding nonrecurring items, the increase was 10.7%. Most of the increase was attributable to Imaging IT Solutions.

Geographically, Sectra's operations in the US, the UK and Norway reported the highest growth. Sales in these markets increased more than 20%. Sales in Sweden declined due to lower sales in the Secure Communications business area.

The Group's operating profit rose 17.3% to SEK 150.3 million, corresponding to an operating margin of 15.6% (15.0). Excluding nonrecurring items, operating profit increased 7.0% to SEK 140.0 million, corresponding to an operating margin of 14.8% (15.3).

The Group's net financial items rose to SEK 14.1 million (13.4). Currency fluctuations had an impact of SEK 14.9 million (5.1) on the Group's financial items. Profit before tax totaled SEK 164.4 million (141.5), corresponding to a profit margin of 17.1% (16.6). Excluding nonrecurring items, profit before tax amounted to SEK 154.1 million (144.3), corresponding to a profit margin of 16.3% (16.9).

Fourth quarter

The Group's order bookings increased 39.3% to SEK 368.6 million. Net sales amounted to SEK 268.3 million, which is on par with the results from the corresponding quarter in the preceding year.

The Group's operating profit totaled SEK 42.4 million (54.1), corresponding to an operating margin of 15.8% (20.0). Excluding nonrecurring items, operating profit amounted to SEK 48.4 million (56.9), corresponding to an operating margin of 18.0% (21.0). Major customer projects are in the installation phase and an increased share of hardware sales in the product mix, caused by customer requirements for an integrated supplier of software and hardware in certain projects, had an adverse impact on the margin.

The Group's net financial items amounted to an expense of SEK 2.8 million (income: 1.9). Currency fluctuations had an impact of SEK 1.3 million (0.2) on the Group's financial items. Profit before tax amounted to SEK 39.6 million (56.0), corresponding to a profit margin of 14.8% (20.7).

Seasonal variations

Sectra is affected by seasonal variations, whereby most invoicing and earnings are traditionally generated at the end of the fiscal year. However, the seasonal variation has diminished somewhat over the past year since long-term agreements based on payment per month or per use account for a larger portion of sales. The equalization effect resulting from long-term managed-services agreements that are financed internally within the Group does not impact the business areas; instead it is essentially managed through the Parent Company's financing activities. The variation in order volumes during individual quarters can be substantial, since Sectra has many major customers that sign extensive, multi-year agreements with the company for medical IT projects, for example, or for the development of encryption systems.

Large long-term managed-services agreements help to reduce seasonal variations.

Financial position

Sectra has a strong cash balance and balance sheet. After adjustment for exchange-rate differences, the Group's cash and cash equivalents at the end of the fiscal year amounted to SEK 307.1 million (441.9). The Group's interest-bearing liabilities totaled SEK 55.9 million (43.5) and pertained to convertible loans held by employees and Board members. The equity/assets ratio was 56.1% (60.7).

Cash flow is adversely affected by large customer projects during the installation phase.

The Group's cash flow from operations after changes in working capital amounted to SEK 85.0 million (123.6). The change was mainly due to assets attributable to long-term customer projects in the installation phase. Cash flow per share amounted to SEK 2.28 (3.33) for the period. Cash flow from investing activities was a negative SEK 63.9 million (neg: 54.6) for the period, a change that was partly attributable to investments in long-term customer-financed projects and increased investments in development projects. The Group's total cash flow was a negative SEK 133.2 million (neg: 89.1). During the period, Sectra distributed SEK 167.7 million (166.9) to shareholders through a share redemption program.

Equity/assets ratio

56.1

Operating margin (EBIT), rolling 12-month basis

15.6

Average growth in operating profit per share, five-year period

10.7

Pertains to outcome at period-end

Sectra's financial goals

The purpose of Sectra's Group-wide goals and strategies is to build financially sound operations that provide Sectra with opportunities to create customer value and thereby contribute to long-term growth in shareholder value. The financial goals are (in order of priority):

1. Stability: The equity/assets ratio is to be at least 30%
2. Profitability: The operating margin (EBIT) is to be at least 15%
3. Growth: Operating profit (EBIT) per share is to grow 10% per year, on average, over a five-year period.

Although all three objectives are being met at present, accumulated profit for the period includes nonrecurring effects as specified in the table on page 4. Excluding nonrecurring items, the operating margin was 14.8%.

Investments, depreciation, amortization and impairment

Group investments during the period amounted to SEK 63.9 million (54.6), of which the fourth quarter accounted for SEK 7.7 million (21.8). Investments primarily pertained to customer projects in the Group's financing activities and capitalized development costs. Depreciation/amortization for the period amounted to SEK 42.3 million (45.6), of which the fourth quarter accounted for SEK 9.4 million (11.4). Of the depreciation/amortization for the period, SEK 14.5 million (17.5) was attributable to capitalized development projects.

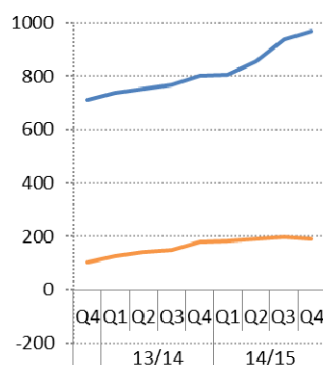
Investments in Group-financed customer projects during the period amounted to SEK 37.1 million (41.4), of which SEK 13.7 million (21.7) was attributable to the fourth quarter. The period included exchange-rate differences of SEK 22.9 million. At the end of the period, the net carrying amount for Group-financed customer projects totaled SEK 62.1 million (54.6).

Capitalization of development costs during the period amounted to SEK 32.2 million (16.3), of which the fourth quarter accounted for SEK 9.0 million (2.2). At the end of the period, capitalized development costs totaled SEK 65.2 million (47.6) and primarily pertained to development projects in Imaging IT Solutions.

Organizational changes in May 2014

The medical education operations previously conducted by Imaging IT Solutions were transferred to Business Innovation as of May 1, 2014, as these cater to a separate customer segment. Business Innovation's digital pathology project, having reached an initial commercialization phase, was transferred to Imaging IT Solutions as of the same date. The comparative figures for the year-earlier period resulting from these changes have not been restated, since the impact on profit was marginal.

IMAGING IT SOLUTIONS



— Sales
— Operating profit
Results in SEK million
Rolling 12 months

	Q4 Feb-Apr 2015	Q4 Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Net sales, SEK million	293.9	260.2	970.6	802.8
Operating profit, SEK million	71.6	78.4	192.0	178.6
Operating margin, %	24.4	30.1	19.8	22.2
Number of employees at end of period	426	409	426	409

Comparative figures have not been restated following the organizational changes implemented in May 2014.

Sales and earnings

Imaging IT Solutions' sales rose 20.9% to SEK 970.6 million. The business area's operations in the US, the UK and Norway accounted for the largest increase in sales. All countries reported growth with the exception of Australia, where sales declined as a result of a deliberate decision to discontinue the resale of X-ray machines for

mammography in line with the business area's strategy to prioritize software and service sales. Operating profit increased 7.5% to SEK 192.0 million, corresponding to an operating margin of 19.8% (22.2). Major customer projects are in the installation phase and an increased share of hardware sales in the product mix, caused by customer requirements for an integrated supplier of software and hardware in certain projects, had an adverse impact on the margin.

Market

The market for medical IT systems and services is continuing to grow as a result of the population trend and the increased use of medical diagnostic imaging. To enable healthcare providers to provide better, faster and more patient-centered care, Sectra offers systems and services for the coherent management and archiving of all types of medical images. The company's solutions are suitable for managing images from such medical fields as radiology, mammography, pathology, dermatology (skin), cardiology (heart) and orthopaedics. Most users are currently active in the fields of radiology and mammography, areas that make extensive use of medical images. The use of medical images is growing in other areas as more customers implement systems for coherent image management.

The size of the customer varies from small private clinics to some of the largest healthcare providers in the world. Every year, more than 75 million examinations are reviewed using Sectra's systems. The business area's largest markets are Scandinavia, the UK, the US and the Netherlands. In the domestic market in Scandinavia, Sectra is by far the largest provider of IT systems for radiology images (PACS) and patient information (RIS). In 2014/2015, the business area mainly strengthened its position in the UK, Norway and the US, where Sectra is beginning to see the effects of its top ranking in the 2013 and 2014 customer surveys performed by the analyst company KLAS. Thanks to its successful sales in the fourth quarter, Sectra is now also the largest supplier of PACS in the Netherlands.

During the fourth quarter, long-term agreements were signed with various customers, including the Karolinska University Hospital in Stockholm, Onze Lieve Vrouwe Gasthuis in Amsterdam and additional healthcare providers in the London region. Several of the new orders are five to ten-year agreements applying to major customer projects delivered as a service, instead of as a product delivery. The deliveries not only include software, but also the hosting of software on external hardware in the cloud. This means that the business area will need to invest in a new platform for service sales, hardware and skills development in the service and supply organization. This supply model will eventually generate economies of scale and enable cost savings.

Acquisition strengthens Sectra's presence in Denmark

During the fourth quarter, Sectra acquired the Danish company it-mark. The company, which sells medical IT services to healthcare providers, has been a distributor of Sectra's since 2007. Its customers are mainly located in Denmark, as well as other countries in the EU. The company is the largest supplier of online imaging services (PACS) for private healthcare providers in Denmark. it-mark has 11 employees and its sales for 2014 amounted to DKK 13.4 million (corresponding to approximately SEK 16 million).

The acquisition is in line with the Group's strategy to expand in areas and regions where the company commands an established position, primarily through organic growth supplemented by minor acquisitions to further strengthen this organic growth. The operations will become part of Sectra's Imaging IT Solutions business area, which develops and sells IT solutions and services that enable medical images to be managed efficiently and securely.

The acquisition has not had any material impact on Sectra's sales and earnings. The transaction was financed with Sectra's own funds and includes a cash consideration and additional purchase consideration. Sectra took over the company on April 30, 2015 and the operations will be consolidated into the Sectra Group as of May 2015. For more information, please refer to Note 1 on page 20.

Coherent management of all types of medical images facilitates cooperation and contributes to superior care.

The transition to supplying cloud services will result in increased costs during the build-up phase.

Acquisition in Denmark.



Sectra's new IT system for pathology is based on the results of a large-scale research project in Sweden conducted by the Center for Medical Image Science and Visualization (CMIV), in which Sectra and 15 county councils participated.

Launch of IT system for pathology that could help improve cancer care

The use of medical images for cancer diagnosis is a central part of the business area's strategy for the future and Sectra launched a new IT solution for primary diagnostics in pathology during the fourth quarter. The solution, which simplifies the work of pathologists and creates opportunities for better cooperation between the various specialists involved in the care of cancer patients, has been evaluated in a clinical environment in a number of pilot projects, generating highly positive results.

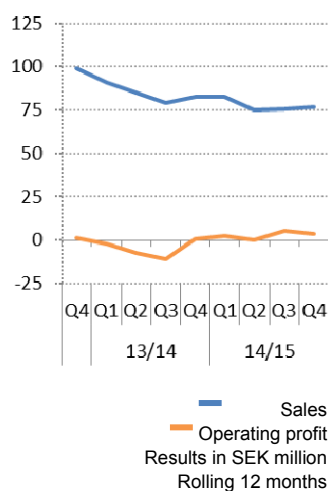
Pathology is a large specialized clinical area on the verge of digitizing the management of microscopic images. While Europe – and particularly Scandinavia – are at the forefront of the transition to digital technology, so far only a few individual hospitals have introduced digital imaging management for pathology. In the US, the use of digital technology for primary pathology diagnostics in pathology has not yet been approved by the Food and Drug Administration (FDA). The growth rate is expected to remain low in the short term and then gradually increase as the individual markets mature.

The way forward

The business area is focusing on offering customers stable, efficient and future-proof solutions for managing and communicating all types of medical images

Activities in 2015/2016	Can yield a significant positive effect on earnings within:
Develop partnerships with existing customers through which Sectra's existing products and services can contribute to further efficiency enhancements.	Short term
Grow within radiology by adding new customers in regions where Sectra has an established customer. This includes an increased focus on the US, where Sectra has a very high level of customer satisfaction, but a relatively small market share.	Short term
Assess individual new markets for direct sales.	Medium – long term
Grow in carefully selected emerging markets, such as in Saudi Arabia and South America, through new and existing partners.	Medium – long term
Sales of the solution for digital pathology launched in April 2015.	Medium term
Greater internal efficiency. Partly by establishing a service-oriented organization that can support the sale cloud solutions.	Medium term
Increased customer satisfaction by continuously measuring and monitoring customer opinions about Sectra's support and products.	Medium – long term
Continued product development and broadening of the product portfolio. Special focus on medical imaging management in cancer diagnosis, an area that is growing rapidly and represents a key part of the business area's strategy for the future.	Long term

Short term = 1-2 years Medium term = 3-5 years Long term = more than 5 years



SECURE COMMUNICATIONS

	Q4 Feb-Apr 2015	Q4 Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Net sales, SEK million	26.5	25.3	76.7	82.8
Operating profit, SEK million	3.5	5.0	3.8	0.9
Operating margin, %	13.2	19.8	5.0	1.0
Number of employees at end of period	55	53	55	53

Sales and earnings

Secure Communications' sales declined 7.4% to SEK 76.7 million. The business area is dependent on its relationships with Swedish customers and has been impacted by the weak market trend for encryption systems in Sweden in recent years. However, the business area is growing outside Sweden, where deliveries of crypto products contributed to a positive earnings trend. Operating profit increased to SEK 3.8 million, corresponding to an operating margin of 5.0% (1.0).

Market

The market is driven by the fact that it is easier than ever to eavesdrop on telephone calls and data communications and by the increased threat of cyber-attacks and the risk of sabotage. Sectra offers solutions that are based on advanced encryption and meet rigorous demands for stability and accessibility, even in areas where traditional mobile coverage is insufficient. Customers include government authorities, critical social infrastructure and defense organizations. To ensure that these customers receive flexible, user-friendly system, Sectra has created an ecosystem for secure communications that makes it possible for customers to have users in different security classes in the same operating environment, where they can all communicate with each other.

Being trusted to protect a nation's most sensitive information requires a high degree of confidence in the provider. Sectra delivers products that have been approved for the protection of classified information at the very highest levels and its security solutions are used by customers in most European countries, and by the EU and NATO. During the fourth quarter, NATO approved Sectra's secure mobile telephone, Sectra Tiger/S 7401, for use at the Confidential security level.

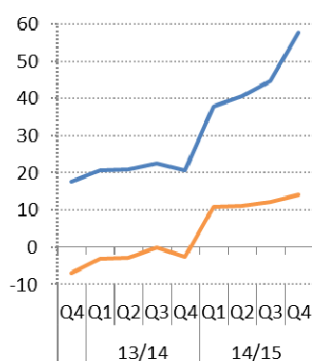
Sweden and the Netherlands comprise the business area's largest markets. In the short and medium-term, the business area is dependent on its relationships with Swedish authorities and defense customers. When and how these customers decide on product orders is thus decisive to the performance of the business area. Demand for crypto products from customers in other European countries is favorable. The business area strengthened its market presence in Finland, where Sectra opened a subsidiary during the fourth quarter.

The way forward

The business area is focusing on offering customers stable, accessible and easy-to-use solutions for secure communications.

Activities in 2015/2016	Can yield a positive effect on earnings within:
EU and NATO security approval for the new crypto products Tiger/S 7401 (Secret) and Sectra Tiger/R (Restricted), primarily in the Netherlands, followed by the EU and NATO.	Short term
Restore the operations' profit levels. Key features will be: - Product orders from the principal customer in Sweden. - Increased sales in the Netherlands and the rest of Europe. This will be enabled by the new offering in the form of a complete ecosystem of solutions at various security levels and the approval of new versions of Sectra Tiger/S 7401 and Sectra Tiger/R. - High level of customer satisfaction.	Short – medium term
Expand the operations into new customer segments, primarily customers in critical infrastructure and private enterprise.	Medium – long term

Short term = 1-2 years Medium term = 3-5 years Long term = more than 5 years



— Sales
— Operating profit
Results in SEK million
Rolling 12 months

BUSINESS INNOVATION

	Q4 Feb-Apr 2015	Q4 Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Net sales, SEK million	16.9	3.8	57.8	20.8
Operating profit/loss, SEK million	-0.5	-2.3	14.1	-2.6
Operating margin, %	-3.0	-60.5	24.3	-12.4
Number of employees at end of period	27	20	27	20

Comparative figures have not been restated following the implementation of organizational changes. Refer to page 5.

Sales and earnings

Business Innovation continued to increase its sales during the fourth quarter and growth for the fiscal year amounted to 177.9%. The sale and licensing of patents during the first quarter of the fiscal year had a positive impact of SEK 16.3 million on sales and operating profit. The sale pertained to patents resulting from research activities that had not been utilized by Sectra itself. Since the patent transaction constituted a nonrecurring effect, it is unlikely to happen again. Excluding this item, sales for the period rose 99.5% to SEK 41.5 million and an operating loss of SEK 2.2 million was reported.

Market

Business Innovation is Sectra's incubator for early-stage business lines, projects and ideas that are not yet large enough to become independent business areas. This is where Sectra evaluates and promotes opportunities to commercialize new technologies and new segments in the Group's main and related areas. Through Business Innovation, Sectra participates in research that may lead to a better quality of life for the individual, increased customer value and cost savings for healthcare and society.

This segment includes services and products that contribute to more efficient and effective care for osteoporosis, and IT systems for planning and monitoring orthopaedic surgery and research projects. Sectra's patent portfolio is also managed and developed in this segment. Since May 2014, Business Innovation has also included medical education products.

Within the framework of Business Innovation, Sectra launched a new planning tool during the fourth quarter that allows orthopaedists to use 3D images to quickly diagnose and plan treatment, for example, in cases of acute trauma.

The way forward

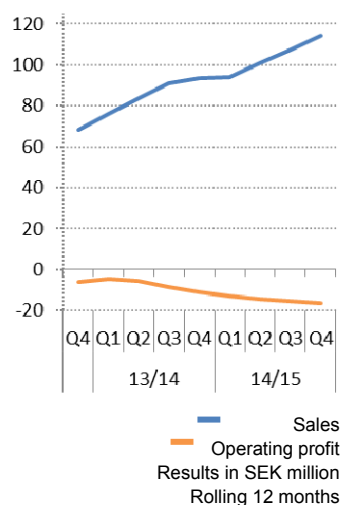
Business Innovation is focusing on the following activities for 2015/2016:

Orthopaedics – Grow in the countries where the business line has its own sales organization, increase sales of cloud-based services for planning joint replacement surgeries through collaboration with implant suppliers and grow into the trauma segment with the company's new tool for 3D image planning.

Osteoporosis – Convince public healthcare providers to implement Sectra's method in their healthcare flows. However, the decision-making and implementation processes in the public healthcare sector are very slow and, in parallel with its long-term work, the business line is also focusing on increasing sales to private mammography clinics.

Medical education – Grow in key markets, such as the US and China, and expand into new markets through distributors. Increase the number of users who subscribe to the solution as a service in order to share case studies via Sectra's education portal.

Research – Further progress in the digital pathology research project.



OTHER OPERATIONS

	Q4 Feb-Apr 2015	Q4 Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Net sales, SEK million	30.4	23.4	114.1	93.3
Operating loss, SEK million	-8.4	-7.5	-16.2	-10.9
Operating margin, %	-27.6	-32.1	-14.2	-11.7
Number of employees at end of period	57	54	57	54

Other Operations pertain to Sectra's operations for the financing of customer projects and asset management, as well as joint functions for administration, Group finances, marketing communication, IT, regulatory affairs and investor relations activities.

Sales and earnings

Sales from Other Operations rose 22.3% to SEK 114.1 million for the period. This increase was attributable to Sectra's operations for the financing of major managed-services agreements with healthcare customers. An operating loss of SEK 16.2 million (loss: 10.9) was reported for the period. Earnings were impacted by bonuses and increased investments in the Group's IT infrastructure with the aim of enhancing Group efficiency.

PARENT COMPANY

The Parent Company, Sectra AB, includes the head office's functions for Group finances, marketing communication, IT, regulatory affairs, investor relations activities and the Business Innovation operating segment. The Parent Company's income statement and balance sheet are reported on page 19.

Sales in the Parent Company totaled SEK 99.9 million (65.2) for the period, of which SEK 27.4 million (14.0) was attributable to the fourth quarter. Sales grew due to the patent transaction in Business Innovation, which had a positive impact of SEK 16.3 million on sales and operating profit. The Parent Company reported an operating loss of SEK 4.1 million (loss: 18.6) for the period, of which the fourth quarter accounted for a loss of SEK 9.6 million (loss: 10.4). Profit after net financial items amounted to SEK 83.1 million (loss: 3.0), of which SEK 67.3 million (loss: 10.0) was attributable to the fourth quarter. Currency fluctuations had an impact of SEK 2.9 million (1.6) on financial items for the period.

THE SHARE

Sectra's share redemption program 2014

During September and October 2014, Sectra carried out a share redemption program, whereby SEK 4.50 per share, a total of SEK 167.7 million, was distributed to shareholders through a 2:1 share split, combined with a mandatory redemption process and a bonus issue to restore the share capital. Payment was made on October 20, 2014. For shareholders in Sweden, the redemption of Sectra's redemption shares (designated SECT IL B) is to be declared as sales of shares on Form K4 for the 2014 tax assessment. For further information and examples, refer to Sectra's website www.sectra.com.

Share-based incentive programs

The AGM, held on September 8, 2014, resolved to issue additional convertibles to the Group's employees and external Board members. The convertibles could be subscribed during the period November 3–11, 2014. Employees were allotted 120,581 convertibles and Board members 26,355 convertibles, corresponding to a total of 146,936 Class B shares at a combined nominal amount of SEK 18.5 million. The dilution effect of the two convertible programs is 0.4% of the share capital and 0.2% of the voting rights.

During 2014/2015, Sectra also redeemed employee stock options issued to employees in North America through a cash settlement (2011/2014 program) and employees redeemed convertibles totaling SEK 6.1 million (2010/2014 program), corresponding to 176,039 Class B shares. During the fiscal year, the Board decided to recalculate conversion prices for outstanding convertibles and employee stock options due to the share redemption program for 2014. For up-to-date information regarding share-based incentive programs, dilution effects and current conversion prices after the recalculation, refer to the information on Sectra's website:

http://www.sectra.com/corporate/investor/sectra_share/convertible_debentures.html

On the balance-sheet date, Sectra's share capital totaled SEK 37,271,017, distributed between 37,271,017 shares. Of these shares, 2,620,692 are Class A shares and 34,650,325 Class B shares. On full conversion/exercise of outstanding convertibles and employee stock options, the number of Class B shares will increase by 931,921, corresponding to 2.5% of the share capital and 1.5% of the voting rights in the company. After the balance-sheet date, employees redeemed convertibles (2011/2015 program) totaling SEK 9.0 million, corresponding to 232,318 Class B shares. After the conversion is registered, Sectra's share capital will amount to SEK 37,503,335, distributed between 37,503,335 shares. Of these shares, 2,620,692 are Class A shares and 34,882,643 are Class B shares.

Authorization

The 2014 AGM authorized the Board, for the period until the next AGM, to decide on the new issue of not more than 3,700,000 Class B shares for consideration in the form of cash payment, offsetting of debt or contribution in kind, whereby offsetting of debt and contribution in kind may deviate from shareholders' preferential rights. If the authorization is fully exercised, the dilution effect will be approximately 10% of the share capital and approximately 6% of the voting rights.

The AGM also resolved to authorize the Board, on one or more occasions, during the period until the next AGM, to make decisions on the acquisition and transfer of Class B treasury shares. A condition for the authorization is that the company's holding of treasury shares at no time exceeds 10% of all shares in the company.

At the time of publication of this interim report, the Board had not utilized this authorization.

PROPOSED SHARE REDEMPTION PROGRAM/DIVIDEND

For the 2014/2015 fiscal year, the Board and the President propose that the AGM resolve to distribute SEK 4.50 per share to the shareholders through a 2:1 share split in combination with a mandatory redemption process. No ordinary dividend is proposed.

The proposal is in line with Sectra's dividend policy. At the end of the fiscal year, the Group's equity/assets ratio was 56.1%. The dividend policy and Sectra's financial goals state that the equity/assets ratio is to exceed 30%, and it will continue to do so, by a healthy margin, following a resolution in favor of the Board's proposed redemption process. The Board deems that the company's current balance sheet and cash flow are of adequate strength to secure the development of the business, while providing the shareholders with a high return. Additional information regarding the proposed share split and mandatory redemption process will be published in the notice of the AGM and the full proposal to the Annual General Meeting.

ANNUAL GENERAL MEETING AND NOMINATION COMMITTEE

The AGM is scheduled for September 7, 2015, at 3:30 p.m. in Linköping, Sweden. Notice of the meeting will be given by way of a press release and an advertisement in *Post och Inrikes Tidningar* and will be available on the company's website not later than four weeks prior to the meeting. Information that notice has been given will be published in *Svenska Dagbladet*. Any shareholders who wish to address questions to the AGM are welcome to do so. To make it easier for your questions to be addressed, please e-mail them to Sectra in advance at info.investor@sectra.se.

The 2014 AGM resolved to appoint a Nomination Committee comprising four members, one of whom is the Chairman of the Board and three of whom represent the largest shareholders in the company based on the number of votes. The Nomination Committee was formed based on known shareholdings in the company on September 30, 2014. In accordance with the resolution of the AGM, the following Nomination Committee was appointed:

- Carl-Erik Ridderstråle (Chairman of the Board)
- Torbjörn Kronander (largest shareholder and CEO)
- Jan-Olof Brüer (second-largest shareholder and Board member)
- Nils Bolmstrand (representing Nordea, Sectra's third-largest shareholder)

Jan-Olof Brüer, who is the company's second-largest shareholder in terms of votes, was appointed Chairman of the Nomination Committee. Torbjörn Kronander, the company's largest shareholder in terms of votes, decided to abstain from the chairmanship due to his role as CEO of Sectra AB.

AGM on
September 7, 2015
in Linköping,
Sweden.

The Nomination Committee's proposals will be presented in the notice of the AGM and be available on the company's website. The Nomination Committee will prepare and submit proposals regarding the:

- Election of and fees to be paid to the Chairman of the Board and other Board members
- Election of and fees to be paid to auditors and deputy auditors
- Decisions regarding principles for appointing the Nomination Committee
- Chairman of the AGM

Shareholders who wish to submit proposals may do so in writing to the Nomination Committee by e-mail: info.investor@sectra.com, or by mail: Sectra AB, Attn. Nomination Committee, Teknikringen 20, SE-583 30 Linköping, Sweden.

ANNUAL REPORT 2014/2015

The Annual Report will be published in a press release and be available on the company's website by August 17, three weeks prior to the AGM. The Annual Report will be distributed by post to new shareholders and shareholders who have registered for a copy in advance. The printed version can also be ordered via:

- Sectra's website: <http://www.sectra.com/corporate/subscribe/reports.php>
- Telephone: +46 (0)13 23 52 00
- E-mail: info.investor@sectra.se

FINANCIAL STATEMENTS

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Markets Act. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) and statements from the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU Commission for application within the EU. The accounting policies and calculation methods remain unchanged compared with those applied in the 2013/2014 Annual Report. New policies and amendments that have come into effect as of the 2014/2015 fiscal year have not had any material impact on the financial statements.

Risks and uncertainties

Through its operations, Sectra is exposed to such business risks as dependence on major customers and partners, the effect of exchange rates on pricing in the markets in which the Group is active, and property and liability risks. In addition, Sectra is exposed to various types of financial risks such as currency, interest-rate, credit and liquidity risks. A detailed description of risks and uncertainties, as well as Sectra's strategies and tactics for minimizing risk exposure and limiting adverse effects, is provided in the Group's Annual Report for the 2013/2014 fiscal year, Note 30, page 54. No significant events have occurred that would alter the conditions reported therein.

FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, telephone +46 (0)13 23 52 27 or e-mail info.investor@sectra.se.

Presentation of the interim report

A presentation will be held with Torbjörn Kronander, President and CEO of Sectra AB, and Simo Pykälistö, CFO and Executive Vice President of Sectra AB, on June 3, 2015 at 12:00 noon (CET). The presentation will be held in English. To attend the presentation, register via www.financialhearings.com.

Location: Operaterrassen in Stockholm

The presentation can be followed online via:

<http://media.fronto.com/cloud/sectra/150603/>.

A recorded version will be available after the conference at: www.sectra.com/irwebcast.

Financial calendar

2015 AGM	September 7, 2015 at 3:30 p.m. in Linköping, Sweden
Three-month report	September 7, 2015
Six-month report	December 8, 2015
Nine-month report	March 8, 2016
Year-end report	May 31, 2016

ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby provide their assurance that the interim report for the May 2014–April 2015 period provides a true and fair view of the Parent Company's and Group's operations, financial position and earnings and describes the significant risks and uncertainties facing the Parent Company and other companies in the Group.

This interim report has not been reviewed by the company's auditors.

Linköping, June 3, 2015

Torbjörn Kronander CEO, President and Board member	Carl-Erik Ridderstråle Chairman	Erika Söderberg Johnson Board member
Anders Persson Board member	Christer Nilsson Board member	Jakob Svårdström Board member
Jan-Olof Brüer Board member	Per Elmhester Board member and employee representative	Fredrik Häll Board member and employee representative

The information in this report is such that Sectra AB (publ) is obligated to disclose in compliance with the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted to the media for publication on June 3, 2015 at 8:00 a.m. (CET).

GROUP FINANCIAL SUMMARY

Consolidated income statements

SEK thousand	3 months Feb-Apr 2015	3 months Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Net sales	268,329	270,599	961,392	853,796
Capitalized work for own use	8,953	2,198	32,180	16,310
Reversal of contingent consideration	0	16,180	0	16,180
Goods for resale	-33,736	-38,643	-152,457	-119,452
Personnel costs	-132,761	-115,038	-475,781	-419,989
Other external costs	-59,037	-50,757	-172,716	-154,211
Depreciation/amortization and impairment	-9,374	-30,402	-42,324	-64,562
Operating profit	42,374	54,137	150,294	128,072
Net financial items	-2,784	1,884	14,122	13,392
Profit after net financial items	39,590	56,021	164,416	141,464
Taxes	-4,976	-17,878	-38,339	-37,606
Profit for the period	34,614	38,143	126,077	103,858
Profit for the period attributable to:				
Parent Company owners	34,614	38,143	126,077	103,858
Non-controlling interest	0	0	0	0
Earnings per share				
Before dilution, SEK	0.93	1.03	3.38	2.80
After dilution, SEK	0.91	1.00	3.31	2.73
No. of shares				
Before dilution	37,271,017	37,094,978	37,271,017	37,094,978
After dilution ¹⁾	38,202,938	38,124,018	38,202,938	38,124,018
Average, before dilution	37,271,017	37,094,978	37,256,347	37,094,978
Average, after dilution	38,202,938	38,124,018	38,125,317	38,057,033

- 1) Dilution of the number of shares is based on the convertible programs issued in 2011/2012 (285,734), 2012/2013 (163,479), 2013/2014 (235,772) and 2014/2015 (146,936), as well as on employee stock options issued in 2012/2013 (100,000). On full conversion/exercise of convertibles and employee stock options, the number of shares will increase by 931,921.

Consolidated statement of comprehensive income

SEK thousand	3 months Feb-Apr 2015	3 months Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Profit for the period	34,614	38,143	126,077	103,858
Items that may be reclassified to profit and loss				
Change in translation differences for the period from translating foreign subsidiaries	9,641	5,921	40,368	9,869
Total other comprehensive income for the period	9,641	5,921	40,368	9,869
Total comprehensive income for the period	44,255	44,064	166,445	113,727

Consolidated balance sheets

SEK thousand	Apr 30, 2015	Apr 30, 2014
Assets		
Intangible assets	149,703	104,859
Tangible assets	75,945	68,494
Financial assets	1,766	1,766
Deferred tax assets	26,635	19,920
Total fixed assets	254,049	195,038
Other current assets	528,682	371,058
Cash and cash equivalents	307,076	441,945
Total current assets	835,758	813,003
Total assets	1,089,807	1,008,041
Equity and liabilities		
Equity (incl. profit for the period)	611,775	611,702
Provisions	8,595	6,000
Deferred tax liabilities	40,120	37,639
Long-term liabilities	46,941	37,397
Current liabilities	382,376	315,303
Total equity and liabilities	1,089,807	1,008,041

No changes have occurred in pledged assets and contingent liabilities since the 2013/2014 Annual Report.

Consolidated statement of changes in equity

SEK thousand	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Equity at start of period	611,702	665,300
Comprehensive income for the period	166,445	113,727
Share-related payments	335	1,819
Dividend/redemption of shares	-167,720	-166,927
Settlement of share-related payments	1,012	-2,217
Equity at end of period	611,775	611,702

Consolidated cash-flow statements

SEK thousand	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Cash flow from operations before changes in working capital	165,639	159,873
Cash flow from operations after changes in working capital	85,039	123,669
Investing activities	-63,931	-54,633
Financing activities	-154,288	-158,096
Cash flow for the period	-133,180	-89,060
Change in cash and cash equivalents		
Cash and cash equivalents, opening balance	441,945	536,291
Exchange-rate difference in cash and cash equivalents	-1,689	-5,286
Cash and cash equivalents, closing balance	307,076	441,945
Unutilized credit facilities	15,000	15,000

Key figures

	Full-year Apr 30, 2015	Full-year Apr 30, 2014
Order bookings, SEK million	1,550.4	925.7
Operating margin, %	15.6	15.0
Profit margin, %	17.1	16.6
Average number of employees	546	523
Cash flow per share, SEK	2.28	3.33
Cash flow per share after full dilution, SEK	2.23	3.24
Value added, SEK million	626.1	548.1
P/E ratio, multiple	35.3	27.8
Share price at end of period, SEK	119.5	77.75
Return on equity, %	20.6	16.3
Return on capital employed, %	25.1	21.1
Return on total capital, %	15.8	13.7
Equity/assets ratio, %	56.1	60.7
Liquidity, multiple	2.2	2.7
Equity per share, SEK	16.44	16.49
Equity per share after full dilution, SEK	16.01	16.05

Quarterly consolidated income statement and key figures

	2014/2015				2013/2014				2012/2013	
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net sales	268.3	241.6	239.0	212.4	270.6	209.6	198.3	175.3	248.1	205.2
Capitalized work for own use	9.0	12.0	7.4	3.8	2.2	1.3	6.4	6.4	4.1	3.5
Reversal of contingent consideration	0	0	0	0	16.2					
Operating expenses	-225.5	-211.8	-200.0	-163.5	-204.5	-168.4	-162.9	-158.0	-203.5	-175.0
Depreciation/amortization and impairment	-9.4	-9.9	-10.9	-12.2	-30.4	-11.9	-12.4	-9.8	-11.1	-12.6
Operating profit	42.4	31.9	35.5	40.5	54.1	30.6	29.4	13.9	37.6	21.1
Net financial items	-2.8	11.6	1.8	3.5	1.9	7.7	2.7	1.1	3.6	-0.8
Profit after net financial items	39.6	43.5	37.3	44.0	56.0	38.3	32.1	15.0	41.2	20.3
Tax on earnings for the period	-5.0	-15.2	-8.3	-9.9	-17.9	-9.5	-7.0	-3.2	-13.8	-2.5
Profit for the period	34.6	28.3	29.0	34.1	38.1	28.8	25.1	11.8	27.4	17.8
Order bookings	368.6	549.4	244.3	388.1	264.6	256.5	156.9	247.7	350.0	232.9
Operating margin, %	15.8	13.2	14.9	19.0	20.0	14.6	14.8	7.9	15.2	10.3
Cash flow per share, SEK	1.42	-0.63	0.75	0.75	0.52	1.46	1.57	-0.22	1.72	1.61
Cash flow per share after full dilution, SEK	1.39	-0.62	0.73	0.74	0.51	1.42	1.53	-0.21	1.68	1.58
Earnings per share, SEK	0.93	0.76	0.78	0.92	1.03	0.78	0.68	0.32	0.74	0.48
Return on equity, %	5.7	4.8	5.1	5.3	6.0	4.7	4.2	1.8	4.2	2.8
Return on capital employed, %	6.0	6.8	6.1	6.5	8.4	5.9	5.1	2.2	6.1	3.2
Equity/assets ratio, %	56.1	56.7	57.0	65.8	60.7	57.9	59.4	65.2	61.4	63.8
Equity per share, SEK	16.44	15.28	14.27	17.86	16.49	15.29	14.40	18.23	17.94	17.13

Five-year summary

	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Order bookings, SEK million	1,550.4	925.7	916.0	701.1	631.0
Net sales, SEK million	961.4	853.8	817.0	823.1	783.7
Operating profit, SEK million	150.3	128.1	85.9	103.5	72.5
Profit after net financial items, SEK million	164.4	141.5	86.6	127.9	70.2
Profit for the period after tax from remaining operations, SEK million	126.1	103.9	62.2	92.8	48.3
Operating margin, %	15.6	15.0	10.5	12.6	9.3
Profit margin, %	17.1	16.6	10.6	15.5	9.0
Earnings per share before dilution, SEK	3.38	2.80	1.68	2.52	1.31
Earnings per share after dilution, SEK	3.31	2.73	1.64	2.46	1.29
Dividend/redemption program per share, SEK	4.50	4.50	4.50	5.00	5.00
Share price at end of year, SEK	119.5	77.75	53.0	43.0	34.0
P/E ratio, multiple	35.3	27.8	31.5	17.1	26.0
Including discontinued operations					
Profit for the period after tax, SEK million	126.1	103.9	62.2	385.8	-9.6
Return on equity, %	20.6	16.3	8.6	58.0	-1.6
Return on capital employed, %	25.1	21.1	11.6	59.7	-1.1
Return on total capital, %	15.8	13.7	7.9	40.8	-0.7
Equity per share before dilution, SEK	16.44	16.49	17.94	21.37	15.46
Equity per share after dilution, SEK	16.01	16.05	17.53	20.77	15.13
Equity/assets ratio, %	56.1	60.7	61.4	69.4	61.0

OPERATING SEGMENTS

Sales by business segment

SEK million	3 months Feb-Apr 2015	3 months Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Imaging IT Solutions	293.9	260.2	970.6	802.8
Secure Communications	26.5	25.3	76.7	82.8
Business Innovation	16.9	3.8	57.8	20.8
Other operations	30.4	23.4	114.1	93.3
Group eliminations	-99.4	-42.1	-257.8	-145.9
Total	268.3	270.6	961.4	853.8

Operating profit by business segment

SEK million	3 months Feb-Apr 2015	3 months Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Imaging IT Solutions	71.6	78.4	192.0	178.6
Secure Communications	3.5	5.0	3.8	0.9
Business Innovation	-0.5	-2.3	14.1	-2.6
Other operations	-8.4	-7.6	-16.2	-10.9
Group eliminations	-23.8	-19.4	-43.4	-37.9
Total	42.4	54.1	150.3	128.1

Sales by geographic market

SEK million	3 months Feb-Apr 2015	3 months Feb-Apr 2014	Full-year May-Apr 2014/2015	Full-year May-Apr 2013/2014
Sweden	51.3	70.3	226.5	261.2
US	55.6	49.4	209.9	156.9
UK	38.4	39.2	173.1	139.8
Netherlands	33.2	28.7	86.0	87.2
Rest of Europe	66.1	60.6	199.0	153.1
Rest of world	23.7	22.4	66.9	55.6
Total	268.3	270.6	961.4	853.8

PARENT COMPANY

Parent Company income statements

SEK thousand	3 months	3 months	Full-year	Full-year
	Feb-Apr	Feb-Apr	May-Apr	May-Apr
	2015	2014	2014/2015	2013/2014
Net sales	27,387	14,002	99,916	65,170
Capitalized work for own use	418	944	3,577	1,208
Personnel costs	-17,078	-11,548	-45,313	-41,696
Other external costs	-20,249	-13,709	-61,886	-42,908
Depreciation/amortization	-115	-117	-426	-392
Operating profit	-9,637	-10,428	-4,132	-18,618
Net financial items	76,960	439	87,194	15,592
Profit after net financial items	67,323	-9,989	83,062	-3,026
Appropriations	130,106	129,854	130,106	129,854
Profit before tax	197,430	119,865	213,168	126,828
Tax on earnings for the period	-25,432	-27,343	-28,927	-28,944
Profit for the period	171,998	92,522	184,241	97,884

Parent Company statement of comprehensive income

SEK thousand	3 months	3 months	Full-year	Full-year
	Feb-Apr	Feb-Apr	May-Apr	May-Apr
	2015	2014	2014/2015	2013/2014
Profit for the period	171,998	92,522	184,241	97,884
Other comprehensive income				
Fund for fair value	2,458	2,889	19,519	1,727
Total other comprehensive income for the period	2,458	2,889	19,519	1,727
Total comprehensive income for the period	174,456	95,411	203,760	99,611

Parent Company balance sheets

SEK thousand	Apr 30, 2015	Apr 30, 2014
Assets		
Intangible assets	4,785	1,208
Tangible assets	6,662	925
Financial assets	179,785	151,963
Total fixed assets	191,232	154,096
Other current assets	556,977	187,527
Cash and cash equivalents	267,016	336,016
Total current assets	823,993	523,543
Total assets	1,015,225	677,639
Equity and liabilities		
Equity (incl. profit for the period)	487,343	450,290
Untaxed reserves	149,505	131,112
Long-term liabilities	46,941	37,397
Current liabilities	331,436	58,840
Total equity and liabilities	1,015,225	677,639

Pledged assets and contingent liabilities

SEK thousand	Apr 30, 2015	Apr 30, 2014
Chattel mortgages	11,000	11,000
Total pledged assets	11,000	11,000
Guarantees on behalf of Group companies	358,729	248,525
Total contingent liabilities	358,729	248,525

Note 1 Acquisitions

On April 30, 2015, the Group acquired 100% of the shares on it-mark ApS, which sells IT services to the healthcare sector in Denmark. The acquisition is part of Sectra's efforts to expand the Medical Systems business area into the Danish market. The operations were consolidated into the Sectra Group from the date of acquisition, at which time Sectra obtained a controlling influence. The company has 11 employees and reported sales of DKK 13.4 million (approximately SEK 16.0 million) for the 2014 fiscal year, with an operating margin of 10.2%.

The total consideration transferred on the date of acquisition amounted to SEK 19.4 million, of which SEK 12.4 million comprised a cash consideration and SEK 6.2 million comprised a contingent consideration, which was recognized as a provision in the Group. The fair value of the contingent consideration was calculated based on the likelihood that the earnings objective set for April 30, 2020 would be achieved. The acquisition was fully financed with existing funds.

The operations were consolidated into the Sectra Group from April 30, 2015, at which time Sectra obtained a controlling influence over the acquired unit. Since the date of acquisition was the final date of the fiscal year, the acquired operations were consolidated into the Sectra Group with sales and earnings of SEK 0.0 million.

Acquired net assets and goodwill, April 30, 2015

SEK million	Carrying amount of the acquired company	Value according to acquisition analysis
Customer relations	0.0	19.3
Tangible assets	1.0	1.0
Current receivables	3.0	3.0
Cash and cash equivalents	3.7	3.7
Deferred tax	0.0	-3.5
Current liabilities	-4.1	-4.1
Total acquired net assets	3.6	19.4
Fair value of consideration transferred		19.4
Goodwill		0.0
Net outflow of cash and cash equivalents attributable to the acquisition ¹		
Cash consideration transferred		12.4
Cash and cash equivalents in the acquired company on the date of acquisition		-3.7
Total		8.7

¹ Excluding acquisition-related expenses of SEK 0.5 million, which were recognized as external costs in the consolidated income statement for the 2014/2015 fiscal year.

Note 2 Group contributions

Group contributions paid and received in the Parent Company are recognized as appropriations in profit and loss in accordance with the alternative rule for Group contributions in IAS 27. This represents a change to the company's accounting policies and the figures for the preceding year have been adjusted.

Definition of key figures

Return on equity	Profit after tax as a percentage of average adjusted equity.
Return on capital employed (ROCE)	Profit before tax plus financial expenses as a percentage of average capital employed.
Return on total capital	Earnings after net financial items plus financial expenses as a percentage of average total assets.
Equity per share	Adjusted equity divided by the number of shares at the end of the period.
Value added	Operating profit plus labor costs.
Adjusted equity	Reported shareholders' equity plus 78% of untaxed reserves.
Cash flow per share	Cash flow from operations after changes in working capital divided by the number of shares at the end of the period.
Liquidity	Current assets divided by current liabilities.
P/E ratio	Share price at the end of the period in relation to the 12-month period's earnings per share.
Operating margin	Operating profit after depreciation as a percentage of net sales.
Equity/assets ratio	Adjusted equity as a percentage of total assets.
Capital employed	Total assets reduced by non-interest-bearing liabilities.
Earnings per share	Profit/loss after tax divided by the average number of shares.
Profit margin	Earnings after net financial items as a percentage of net sales.

Glossary

Crypto

Equipment that uses mathematical manipulations (algorithms and keys) to encrypt information, so that it can be interpreted or read only by the intended recipient. In order to read encrypted information, the recipient must have the correct key and algorithm.

Mammography

Mammography is an examination procedure used to detect breast cancer at an early stage in asymptomatic women.

Microscopy/Pathology

A specialized medical area that uses tissues and body fluids for diagnostic purposes.

Cloud

From the term cloud computing, meaning that computer power is distributed over the Internet or company-specific intranets and not on individual computers.

Orthopaedics

A surgical specialty for disorders affecting the musculoskeletal system.

Osteoporosis

Commonly referred to as "brittle bone disease," a skeletal disease that causes increased brittleness of the bones and a risk for fractures.

PACS (Picture Archiving and Communication System)

A system for managing medical images, primarily digital radiology images.

Radiology

A health science discipline and medical specialty that uses technologies for imaging the human body, such as X-ray, magnetic resonance imaging (MRI) and ultrasound.

Rheumatology

A medical specialty that focuses on treating diseases of the joints and muscles.

RIS (Radiology Information System)

A system for managing radiology patient data, such as appointment bookings and patient information at radiology clinics.

Smartphone

A combination of a mobile telephone and a computer that is used for telephone calls, Internet services, managing e-mail, photography, etc.

Visualization table

Large interactive touch screen with an image viewing program that enables interaction with 3D images of human and animal bodies.

ABOUT SECTRA

Sectra's vision

To be beneficial for humanity.

Sectra's mission statement

To increase the effectiveness of healthcare, while maintaining or increasing the quality of care.

To deliver approved and efficient security solutions to authorities, defense departments and other critical infrastructure organizations.

Are you a Sectra shareholder?

Your views are important for Sectra! We would like to thank you for taking the time to answer eight questions in Sectra's shareholder survey at sectra.com/shareholder2015

Since the company was first formed in 1978, Sectra has grown from a small group of researchers and postgraduates to an international company with more than 500 employees and subsidiaries in 14 countries. Long-term and close collaboration with customers has been key to the company's success, combined with innovation, technological excellence, and each employee's dedication to using their knowledge to solve customer problems. The Group's operations comprise the following niche areas.

Imaging IT Solutions helps healthcare providers care for more patients, while retaining the same, or higher, level of quality through efficient image management. Increased use of medical images and aging populations that are living longer pose huge challenges to healthcare. Sectra's IT solutions and services enable greater efficiency throughout the entire care chain and contribute to healthcare advancements. Sectra has more than 1,700 installations of medical IT systems, and customers include some of the largest healthcare providers in the world. The main area today is radiology, but there is also rapidly rising interest from other diagnostic imaging areas in the healthcare sector.

Secure Communications helps authorities, companies and defense organizations throughout Europe to communicate securely. Eavesdropping on phone calls and messages is relatively easy, and represents a security threat for many organizations. Sectra's solutions and services protect the most sensitive and confidential information handled by its customers. The products are approved by the EU, NATO and several national security authorities.

Business Innovation gathers smaller activities that could eventually lead to major growth in Sectra's main areas or related niches. This area includes methods and products that contribute to more efficient and effective care for osteoporosis and the effects of osteoarthritis, which are some of society's most costly diseases, and medical education.

Group-wide strategies

- International expansion in areas and regions where Sectra holds an established position. Primarily organic growth, supplemented by smaller acquisitions that also strengthen the Group's organic growth.
- Partnerships to reach a broader geographic market and to offer a wider range of products and services to customers.
- Close relationships with demanding customers to ensure that Sectra's solutions meet market demands for quality, functionality and usability. Customer satisfaction is essential for continued successful development.
- A strong, innovative corporate culture to attract and retain talented employees with the ability to solve our customers' problems and meet – or in many cases exceed – their expectations.
- Close collaboration with universities and research institutions to capture ideas and new product areas that Sectra's customers may find useful.

Why Sectra?

The world needs more efficient healthcare and more secure communication. Sectra plays a key role in meeting these needs by offering products and services in the areas of medical IT and secure communication.

- Growth potential in healthcare sector and in secure communications and infrastructure sectors.
- Established brand in niche areas, where customer confidence is a critical success factor.
- Stable, profitable company, with more than 50% of sales comprising recurring revenues from long-term customer contracts.
- Multinational reach and thousands of customers worldwide.
- High level of customer satisfaction and the aim to make customers even more satisfied.
- Products and services that contribute to improved quality of life and a more secure society.
- Self-financed portfolio of exciting innovation projects with reported and controlled costs. While some of these projects are unlikely to succeed, a single success story would be sufficient to add significant value.
- Members of management are shareholders.
- Principal owner dedicated to the long-term development of the company.
- Strong corporate culture based on the employees' expertise and attitudes and their drive to solve customer problems.