

Interim report for the May-July 2015 period:

Strong operational growth and earnings trend

SEK million	The quarter			12 months		
	Q1 2015/2016	Q1 2014/2015	Change %	Rolling	2014/2015	Change %
Order bookings	299.9	388.1	-22.7	1,462.2	1,550.4	-5.7
Net sales ¹	224.9	212.4	5.9	973.9	961.4	1.3
Operating profit (EBIT) ¹	31.4	40.5	-22.5	141.2	150.3	-6.1
Operating margin, %	14.0	19.0	-	14.5	15.6	-
Profit before tax (EBT)	34.5	44.0	-21.6	154.9	164.4	-5.8
Profit margin, %	15.3	20.7	-	15.9	17.1	-
Profit after tax	26.7	34.1	-21.7	118.7	126.1	-5.9
Earnings per share, SEK ²	0.71	0.92	-22.8	3.18	3.38	-6.0
Cash flow ³	6.6	28.0	-76.4	63.6	85.0	-25.2
Number of employees ⁴	583	534	9.2	583	565	3.2

¹ Q1 2014/2015 includes a nonrecurring item in the amount of SEK 16.3 million. Excluding this item, net sales rose 14.7% and operating profit increased 29.8%.

² Prior to dilution. ³ Ongoing operations after changes in working capital. ⁴ At the end of the period.

CEO'S COMMENTS

During the first quarter of the preceding year, Sectra reported a relatively large nonrecurring item pertaining to the sale of patent rights. If we compare our performance excluding this nonrecurring item, the Group's operating profit increased 29.8% and sales rose 14.7%. This is a trend that we are proud of. This improvement during the quarter is partly attributable to the large number of long-term contracts we have signed in recent years, which are now helping to counterbalance seasonal variations in the Group's net sales.

Both of our business areas – Imaging IT Solutions and Secure Communications – reported increased sales and earnings for the most recent 12-month period. Within Secure Communications, we achieved international sales success with our concept for a secure ecosystem for spoken communication, which integrates various phone models and several security classes into a single security solution.

The trend noted in Sectra's largest business area – Imaging IT Solutions – is not simply the result of a growing market. We are also receiving more requests for tenders as healthcare providers across the world increasingly become aware of our stable products and high level of customer satisfaction. The positive news for the quarter is that both new and additional sales contributed to increased order bookings in several markets, including the US, where we are intensifying our growth initiatives and beginning to see the effects of our top rankings two years in a row in the market's most important customer satisfaction survey. For example, we received an order during the quarter from the major US healthcare chain Carilion Clinic, which is a new customer for Sectra.

While order bookings remained favorable and well above our net sales, we experienced a decline compared with the year-earlier period. As anticipated, order bookings were not as high in the UK, the market in which Sectra's order bookings increased most in the preceding fiscal year. While the variation in sales between quarters has declined somewhat as a result of long-term managed-services agreements, the variation in order bookings has increased. When we sign a five-year managed-services agreement, for example, the entire order amount is recognized when the agreement is signed, while sales are distributed over the duration of the agreement as the systems are put into operation at the customer's facilities.

Strategic choices

Our product development activities have increased compared with the year-earlier period. Within Imaging IT Solutions, we are devoting special focus to the use of medical imaging management in cancer diagnosis, which is a key part of the business area's strategy for the future. This initiative includes, for example, imaging management for mammography, radiology and the new area of digital pathology. So far, when it comes to digital pathology, only a small number of hospitals have begun using digital technology for primary diagnostics. One hospital which is in the process of digitizing its pathology

REPORT PRESENTATION

by phone with President and CEO Torbjörn Kronander and CFO Simo Pykälistö

September 7, 2015, at 2:00 p.m. (CET). The presentation will be held in English.

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department is University Hospital Utrecht in the Netherlands, which ordered Sectra's system for digital pathology during the first quarter. One of Sectra's unique advantages in this product area is that we offer hospitals an integrated IT solution for radiology and pathology, which reduces the number of IT systems and the hospital's operating costs, while facilitating and improving clinical collaboration.

Outlook

Sectra is growing and gained the trust of new and existing customers worldwide. After a period of strong order bookings in recent years, many major customer projects are now in the installation phase. Initially, these projects will have an adverse impact on Sectra's cash flow, but when the projects move from the installation phase to the operational phase, they will contribute to a stable long-term trend for the Group.

Thanks to our close, long-term customer relationships, our focus on high customer satisfaction, our high-quality, innovative 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 ultimately results in a favorable return for our shareholders.

Torbjörn Kronander, President and CEO

President and CEO
Torbjörn Kronander and
President of Sectra
Imaging IT Solutions Marie
Ekström accept the Export
Hermes Award from Crown
Princess Victoria.



THE PERIOD IN BRIEF

First quarter

- The Sectra Group's order bookings amounted to SEK 299.9 million (388.1).
- Net sales totaled SEK 224.9 million (212.4), up 5.9%. Excluding the nonrecurring item of SEK 16.3 million for the sale of patents in the comparative quarter, net sales increased 14.7%.
- Operating profit totaled SEK 31.4 million (40.5), corresponding to an operating margin of 14.0% (19.0). Excluding the nonrecurring item in the comparative quarter, operating profit rose 29.8%.
- Cash flow after changes in working capital amounted to SEK 6.6 million (28.0). Several major long-term customer projects are in the installation phase, which is having an adverse impact on cash flow.

Events during the first quarter

- The major US healthcare chain Carilion Clinic in Virginia ordered medical IT systems from Sectra.
- University Hospital Utrecht in the Netherlands ordered Sectra's IT system for pathology. The hospital is among the first in the world to fully digitize its histopathology operations.
- Sectra renewed its agreement with the Norwegian healthcare provider Curato Røntgen, 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).

- The EU approved the Sectra Tiger/S 7401 secure mobile phone for use at the SECRET security level.
- For the 2014/2015 fiscal year, it was proposed that the Annual General Meeting (AGM) to be held on September 7, 2015 resolve to distribute SEK 4.50 per share to the shareholders through a share redemption program. No ordinary dividend was proposed.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- University Hospitals of Cleveland, a major medical center in the US, ordered Sectra's storage solution for all types of medical images.
- Sectra was presented with the prestigious Export Hermes Award by the Swedish Fund for Export Development. The award is given to companies that have stable, growing exports to several countries based on well thought-out marketing activities and resulting in strong profitability.

OUTLOOK

The world needs more efficient healthcare and more secure communication between IT systems. 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 how it takes care 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.



Sectra's IT system for managing medical images, Sectra PACS, has received a top ranking in KLAS survey – the industry's most important customer satisfaction survey for IT systems in healthcare – for two consecutive years. According to the comments in the customer survey, 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

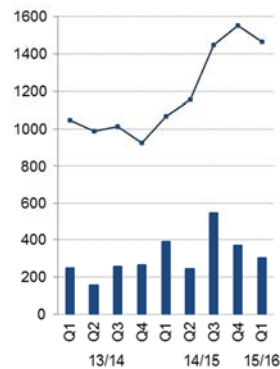
Order bookings, sales and earnings

Results in SEK million

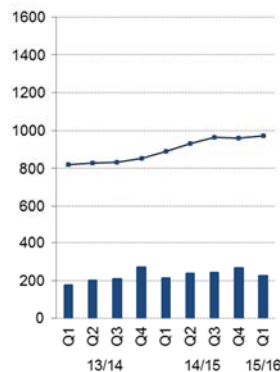
Bar – per quarter

Line – rolling 12 months

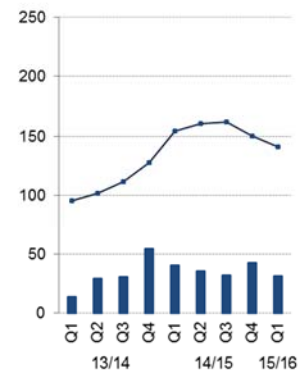
Order bookings, Group



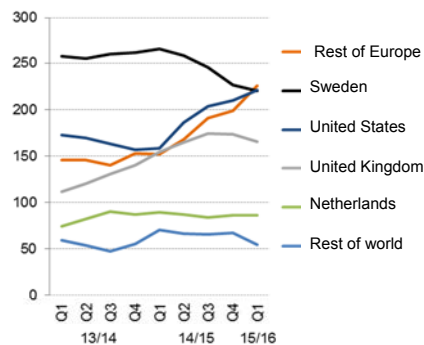
Sales, Group



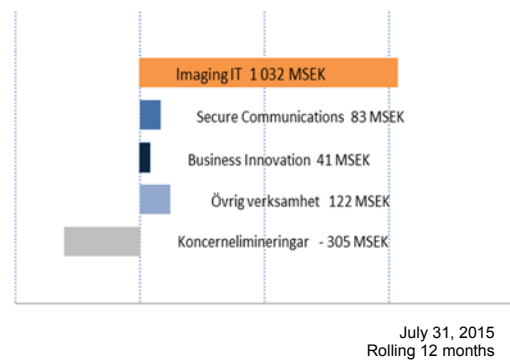
Operating profit, Group



Sales per geographic market



Sales per segment



First quarter

The Group's order bookings remained strong and well above our net sales, but declined compared with the year-earlier period. This change was attributable to the fact that Sectra has not signed as many support and upgrade agreements with existing customers as in the year-earlier period since several major customers renewed their multi-year agreements. As expected, order bookings declined in the UK. Many UK healthcare providers were forced to purchase new medical IT system over the past year, which contributed to Sectra's strong order bookings in 2014/2015. The positive news for the quarter is that both new and additional sales are increasing, for example, in the US.

Sectra is continuing to grow. Net sales rose 5.9% to SEK till 224.9 million. Excluding a nonrecurring item in Business Innovation during the comparative quarter, sales growth amounted to 14.7%. Most of this increase was attributable to the Imaging IT Solutions business area. Geographically, Sectra's operations in the US and Norway (included in Rest of Europe) reported the highest growth compared with the year-earlier period. Sales in Sweden declined as a result of a continued weak market for encryption systems in the company's domestic market, and the favorable sales of medical systems were not sufficient to fully offset this downturn.

Group eliminations associated with sales amounted to a negative SEK 73.3 million (neg: 26.1). This increase was attributable to the fact that several major Group-financed customer projects are now in the installation phase, which means that Sectra has not started invoicing its customers and is thus unable to recognize external revenues for these projects at this time.

The Group's operating profit totaled SEK 31.4 million (40.5), corresponding to an operating margin of 14.0% (19.0). Excluding the nonrecurring item in the comparative quarter, operating profit rose 29.8% despite increased marketing and personnel costs. A

Highest sales growth during the quarter reported in the US and Norway.

higher proportion of software revenues, an increase in the capitalization of ongoing development projects and the fact that expenses, including depreciation and amortization, have not increased at the same rate as sales, were contributing factors to the company's positive earnings trend.

The Group's net financial items amounted to SEK 3.1 million (3.5). Currency fluctuations had an impact of SEK 3.0 million (2.7) on the Group's financial items. Profit before tax totaled SEK 34.5 million (44.0), corresponding to a profit margin of 15.3% (20.7).

Equity/assets ratio

60.8%

Operating margin (EBIT), rolling 12-month basis

14.5%

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

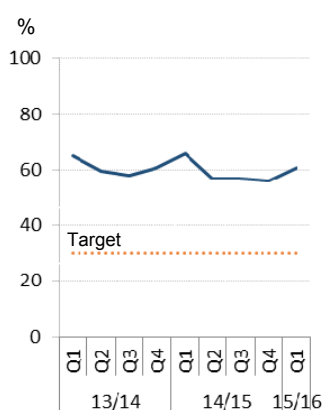
11.4%

Sectra's financial goals

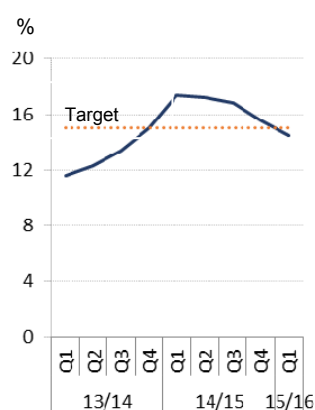
The purpose of Sectra's Group-wide goals and strategies is to build financially sound operations that provide Sectra with opportunities to create customer value and thereby contribute to long-term growth in shareholder value. The financial goals are (in order of priority):

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.

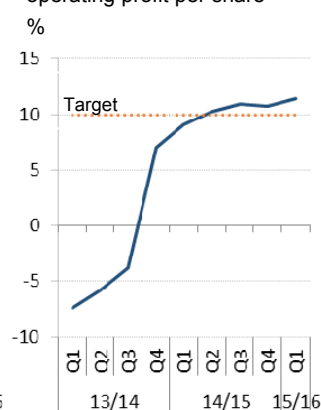
Equity/assets ratio



Operating margin



Average growth over five years, operating profit per share



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 reporting period amounted to SEK 302.4 million (462.9). The Group's interest-bearing liabilities totaled SEK 46.9 million (37.4) and pertained to convertible loans held by employees and Board members. The equity/assets ratio was 60.8% (65.8).

Cash flow was adversely affected by major customer projects in the installation phase.

The Group's cash flow from operations after changes in working capital amounted to SEK 6.6 million (28.0). The comparative quarter includes the aforementioned nonrecurring item in an amount of SEK 16.3. The rest of the change primarily pertained to investments in assets attributable to customer projects in the installation phase. Cash flow per share amounted to SEK 0.18 (0.75) for the period. Cash flow from investing activities was a negative SEK 11.1 million (neg: 5.8) for the period, a change that was attributable to investments in long-term Group-financed customer projects and to increased investments in development projects. The Group's total cash flow was a negative SEK 4.5 million (pos: 22.3).

Investments, depreciation and amortization

Group investments during the period amounted to SEK 11.1 million (5.8). Investments primarily pertained to customer projects in the Group's financing activities and

capitalized development costs. Depreciation/amortization for the period amounted to SEK 9.8 million (12.2). Of the depreciation/amortization for the period, SEK 2.8 million (5.3) was attributable to capitalized development projects.

Investments in Group-financed customer projects during the period amounted to SEK 9.8 million (7.2). At the end of the period, the net carrying amount for Group-financed customer projects totaled SEK 67.9 million (56.3).

Capitalization of development costs during the period amounted to SEK 4.8 million (3.8). At the end of the period, capitalized development costs totaled SEK 67.2 million (46.1).

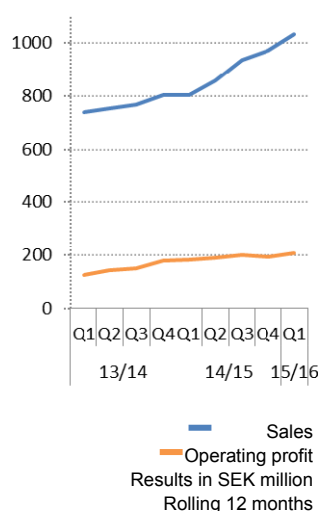
Organizational changes

Sectra acquired the Danish company it-mark on April 30, 2015. Refer to Note 1 on page 18. it-mark delivers cloud-based imaging systems (PACS) to private and public healthcare providers in Denmark. The company is included in Sectra's financial statements for the Imaging IT Solutions business area as of May 1, 2015.

Seasonal variations

Sectra's seasonal variations entail that most of the company's invoicing and earnings are traditionally generated at the end of the fiscal year. However, these seasonal variations have 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 when major customers sign extensive, multi-year agreements with the company, for example, for medical IT projects or for the development of encryption systems.

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



IMAGING IT SOLUTIONS

	Q1 May-July 2015	Q1 May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Sales, SEK million	240.6	178.6	1,032.6	970.6
Operating profit, SEK million	44.0	30.6	205.4	192.0
Operating margin, %	18.3	17.1	19.9	19.8
Number of employees at end of period	437	404	437	426

Sales and earnings

Imaging IT Solutions' sales rose 34.7% to SEK 240.6 million. The business area's operations in 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, and Norway accounted for the largest increase. Operating profit increased 43.8% to SEK 44.0 million, corresponding to an operating margin of 18.3% (17.1). A higher proportion of software revenues, an increase in the capitalization of development costs, and lower depreciation and amortization have a positive effect on earnings.

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. A central component of the business area's strategy for the future is medical imaging management for cancer diagnosis, which includes imaging management for radiology, mammography, dermatology (skin) and the new area of digital histopathology (tissue samples). Sectra's solutions also include imaging management for such medical

The use of medical images for cancer diagnosis is a common thread that runs through Sectra's offering.

fields as 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 product segment encompassing IT systems for communicating and managing radiology images (PACS) and patient information (RIS), the business area holds a market-leading position in Sweden, Norway, the Netherlands and Portugal.

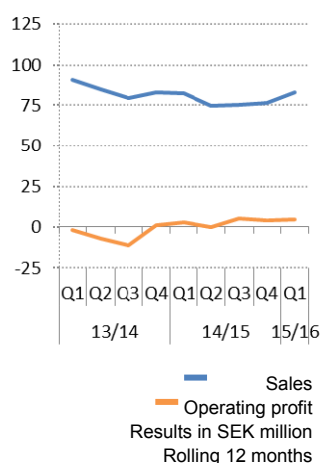
The way forward

The business area is focusing on offering customers stable, efficient and future-proof solutions for managing and communicating all types of medical images. Examples of the business area's focus activities (refer to Sectra's Annual Report for 2014/2015 for further information):

- Primarily grow within radiology by adding new customers in regions where Sectra already has an established presence. This includes an increased focus on the US, where Sectra has a very high level of customer satisfaction, but a relatively small market share.
- Continued product development and broadening of the product portfolio. Special focus on medical imaging management in cancer diagnosis, an area that is growing significantly. This includes existing products for imaging management in radiology and mammography, as well as products for the new area of digital pathology.
- Greater internal efficiency. Partly by establishing a service-oriented organization that can support the sale of cloud solutions.
- Further increase customer satisfaction by continuously measuring and monitoring customer opinions about Sectra's support and products.

Sales success in the US.

The business area achieved major sales success in the US during the first quarter. The company secured an order from University Hospitals of Cleveland, a long-standing Sectra customer which is expanding its use of Sectra's products to include a storage solution for all types of medical images. Sectra also secured an order from a brand new customer in the US: the major healthcare chain Carilion Clinic in Virginia, which ordered Sectra's IT solution for the management and archiving of radiology images (PACS) and Sectra's system for radiation dose monitoring for seven hospitals. Within the digital pathology product area, Sectra received an order for its new pathology solution from University Hospital Utrecht in the Netherlands.



SECURE COMMUNICATIONS

	Q1 May-July 2015	Q1 May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Sales, SEK million	19.1	12.9	82.9	76.7
Operating profit/loss, SEK million	-0.4	-0.8	4.2	3.8
Operating margin, %	-2.1	-6.2	5.1	5.0
Number of employees at end of period	56	52	56	55

Sales and earnings

Secure Communications' sales increased 48.1% to SEK 19.1 million. The business area is dependent on its relationships with a small number of large 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 have contributed to a sales earnings trend. The growth for the quarter was partly attributable to product deliveries to new customers, which initially resulted in increased

costs for installation, training and marketing activities compared with the year-earlier period.

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.

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. The market situation in Sweden is unchanged. When and how Swedish 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.



During the first quarter, the EU approved Sectra Tiger/S 7401 for use at the Secret security level. Using Sectra Tiger/S 7401, government officials in the EU and its member states can communicate classified information securely over normal mobile networks without a risk of eavesdropping.

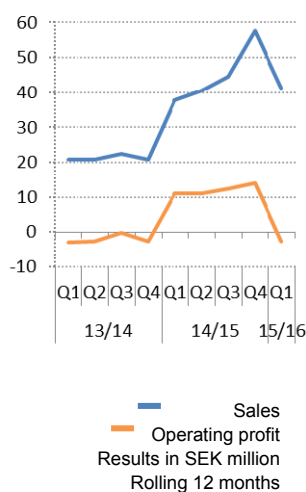
The way forward

The business area is focusing on offering customers stable, accessible and easy-to-use solutions for secure communications. Examples of the business area's focus activities (refer to Sectra's Annual Report for 2014/2015 for further information):

- 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.
- Restore the operations' profit levels.
 - 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.
 - Achieve high customer satisfaction by supplying the market with products and services that are both secure and easy to use.
- Expand the operations into new customer segments where Sectra's specialist expertise in data security is a strength.

During the first quarter, the EU approved the product Sectra Tiger/S 7401 for use at the SECRET security level. This is the highest level for which a mobile phone has been approved in the EU, and Sectra's mobile voice crypto is the only product approved by the EU at this high level.

Demand for crypto products from customers outside Sweden is favorable. The increase in sales in the business area during the first quarter was attributable to product deliveries to customers outside Sweden, which included a number of new customers.



CheckMyBones –
a new initiative in the fight
against osteoporosis

BUSINESS INNOVATION

	Q1 May-July 2015	Q1 May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Sales, SEK million	7.2	23.6	41.4	57.8
Operating profit/loss, SEK million	-1.5	15.4	-2.8	14.1
Operating margin, %	-20.8	65.3	-6.8	24.3
Number of employees at end of period	30	24	30	27

Sales and earnings

Business Innovation reported a major change in sales and earnings compared with the year-earlier period. This change was attributable to the fact that the figures for the comparative quarter include the sale and licensing of patents, which 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. This type of patent transaction constitutes a nonrecurring effect and is unlikely to happen again. Excluding this nonrecurring item, total sales and earnings were essentially in line with the year-earlier period, although there were major differences between the various product areas within Business Innovation.

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. As of 2014/2015, Business Innovation also includes medical education products.

During the quarter, Sectra's visualization table, which is used for the visualization of 3D images in anatomy education, was awarded the Dirk Bartz Prize for Visual Computing in Medicine 2015. The prize was awarded by the Eurographics Association to acknowledge the contribution that computer graphics can make to the medical field.

Within the framework of Business Innovation, Sectra launched the CheckMyBones network during the quarter in cooperation with orthopaedic surgeon and senior physician Marjut Sohlman Carlström, who serves as chief medical officer for the network, with Sectra acting as the technical supplier. The aim of CheckMyBones, which is operated as a web portal (www.checkmybones.se), is to make it easy for private individuals to receive an osteoporosis screening at an affiliated clinic. In Sweden, CheckMyBones participated in this summer's Almedalen Week and attracted considerable attention. More than 500 people received help with analyzing their bone health. As of September, the screening service will be available at the private clinic Ortho Human in Täby, Stockholm.

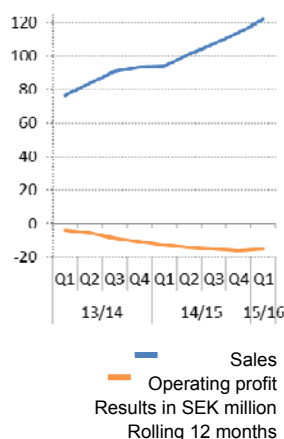
The way forward

Examples of focus activities in Business Innovation:

- *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.
- *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.
- *Research* – further progress in the digital pathology research project.

OTHER OPERATIONS



	Q1 May-July 2015	Q1 May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Sales, SEK million	31.3	23.4	122.0	114.1
Operating loss, SEK million	-1.4	-2.3	-15.3	-16.2
Operating margin, %	-4.5	-9.8	-12.5	-14.2
Number of employees at end of period	60	54	60	57

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 33.8% to SEK 31.3 million for the quarter. This increase was attributable to Sectra's operations for the financing of major managed-services agreements with healthcare customers. An operating loss of SEK 1.4 million was reported for the period (loss: 2.3).

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 18.

During the quarter, the Parent Company's sales amounted to SEK 17.6 million (33.4). The comparative quarter includes a nonrecurring item in Business Innovation, which had a positive impact of SEK 16.3 million on sales operating profit. The operating loss for the quarter was SEK 2.8 million (profit: 12.8). Profit after net financial items was SEK 0.0 million (15.1). Currency fluctuations had an impact of SEK 1.5 million (0.4) on financial items for the period.

THE SHARE

Share-based incentive programs

During the first quarter, employees redeemed convertibles (2011/2015 program) totaling SEK 9.0 million, corresponding to 232,318 Class B shares.

On the balance-sheet date, Sectra's share capital totaled 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. On full conversion/exercise of outstanding convertibles and employee stock options, the number of Class B shares will increase by 699,592, corresponding to 1.9% of the share capital and 1.1% of the voting rights in the company.

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 AGM.

Schedule for 2015:

- September 7: Resolution by AGM
- September 25: Final day of trading in the Sectra share before the split, including redemption shares
- September 28: First day of trading in the Sectra share after the split, excluding redemption shares
- September 29: Record date for the share split. Each share to be divided into two shares, one of which is a redemption share
- September 30-October 9: Trading in redemption shares
- October 13: Record date to revoke redemption shares
- October 16: Preliminary date for payment from of redemption settlement from Euroclear

For more information, refer to the brochure on Sectra's website:

www.sectra.com/agm2015

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 3:30 p.m. on September 7, 2015, at Collegium, Teknikringen 7 in Linköping, Sweden. Notice of the Meeting was published on August 5 by way of a press release and was published on Sectra's website (www.sectra.com/agm2015), where full proposals and other documents are also available. The notice was published in *Post och Inrikes Tidningar* on August 7, 2015, and information that notice had been given was published in *Svenska Dagbladet* on August 7, 2015.

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.

As of the 2015/2016 fiscal year, other operating income is recognized separately from net sales. Comparative periods have not been adjusted since the amounts are deemed to be of little value and are thus not expected to have a material impact on net sales. In all other respects, the accounting policies and calculation methods remain unchanged compared with those applied in the 2014/2015 Annual Report. New policies and amendments that have come into effect as of the 2015/2016 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. Sectra is also exposed to various types of financial risks such as currency, interest-rate, credit and liquidity risks. A detailed description of the 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 2014/2015 fiscal year, Note 30, page 62. 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 teleconference will be held with Torbjörn Kronander, President and CEO of Sectra AB, and Simo Pykälistö, CFO and Executive Vice President of Sectra AB, on September 7, 2015 at 2:00 p.m. (CET). The presentation will be held in English. To participate, call:

SE: +46 8 566 427 00

UK: +44 20 342 814 08

US: +1 855 753 22 36

The presentation can be followed online via:

<http://media.fronto.com/cloud/sectra/150907/>

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
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 assure that the interim report for the period May-July 2015 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, September 7, 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 Svärdström
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 September 7, 2015, at 1:00 p.m. (CET).

GROUP FINANCIAL SUMMARY

Consolidated income statements

SEK thousand	3 months May-July 2015	3 months May-July 2014	12 months Aug 2014- July 2015	Full-year May-Apr 2014/2015
Net sales	224,865	212,438	973,819	961,392
Capitalized work for own use	4,768	3,801	33,147	32,180
Other operating income ¹	1,027	0	1,027	0
Goods for resale	-20,065	-27,267	-145,255	-152,457
Personnel costs	-123,363	-102,844	-496,300	-475,781
Other external costs	-46,073	-33,481	-185,308	-172,716
Depreciation/amortization and impairment	-9,757	-12,185	-39,896	-42,324
Operating profit	31,402	40,462	141,234	150,294
Net financial items	3,075	3,500	13,697	14,122
Profit after net financial items	34,477	43,962	154,931	164,416
Taxes	-7,759	-9,884	-36,214	-38,339
Profit for the period	26,718	34,078	118,717	126,077
Profit for the period attributable to:				
Parent Company owners	26,718	34,078	118,717	126,077
Non-controlling interest	0	0	0	0
Earnings per share				
Before dilution, SEK	0.71	0.92	3.18	3.38
After dilution, SEK	0.70	0.89	3.11	3.31
No. of shares				
Before dilution	37,503,335	37,271,017	37,503,335	37,271,017
After dilution ²	38,202,927	38,124,005	38,202,927	38,202,938
Average, before dilution	37,425,896	37,212,337	37,309,737	37,256,347
Average, after dilution	38,202,931	38,124,009	38,145,047	38,125,317

¹ As of the 2015/2016 fiscal year, other operating income is recognized separately from net sales. Comparative periods have not been adjusted since the amounts are deemed to be of little value and are thus not expected to have a material impact on net sales.

² Dilution of the number of shares is based on the convertible programs issued in 2011/2012 (53,405), 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 699,592.

Consolidated statement of comprehensive income

SEK thousand	3 months May-July 2015	3 months May-July 2014	12 months Aug 2014- July 2015	Full-year May-Apr 2014/2015
Profit for the period	26,718	34,078	118,717	126,077
Items that may be reclassified to profit and loss				
Change in translation differences for the period from translating foreign subsidiaries	15,513	12,467	43,414	40,368
Total other comprehensive income for the period	15,513	12,467	43,414	40,368
Total comprehensive income for the period	42,231	46,545	162,131	166,445

Consolidated balance sheets

SEK thousand	July 31, 2015	July 31, 2014	Apr 30, 2015
Assets			
Intangible assets	154,209	106,389	149,703
Tangible assets	78,562	67,014	75,945
Financial assets	1,766	1,765	1,766
Deferred tax assets	28,073	15,697	26,635
Total fixed assets	262,610	190,865	254,049
Other current assets	525,619	357,106	528,682
Cash and cash equivalents	302,354	462,887	307,076
Total current assets	827,973	819,993	835,758
Total assets	1,090,583	1,010,858	1,089,807
Equity and liabilities			
Equity (incl. profit for the period)	663,033	664,814	611,775
Provisions	8,707	6,743	8,595
Deferred tax liabilities	40,093	32,576	40,120
Long-term liabilities	37,968	28,429	46,941
Current liabilities	340,782	278,296	382,376
Total equity and liabilities	1,090,583	1,010,858	1,089,807

No changes have occurred in pledged assets and contingent liabilities since the 2014/2015 Annual Report.

Consolidated statement of changes in equity

SEK thousand	3 months May-July 2015	3 months May-July 2014	Full-year May-Apr 2014/2015
Equity at start of period	611,775	611,702	611,702
Comprehensive income for the period	42,231	46,545	166,445
Share-related payments	60	476	335
Dividend/redemption of shares	0	0	-167,720
Settlement of share-related payments	8,968	6,091	1,012
Equity at end of period	663,033	664,814	611,775

Consolidated cash-flow statements

SEK thousand	3 months May-July 2015	3 months May-July 2014	Full-year May-Apr 2014/2015
Cash flow from operations before changes in working capital	37,855	51,844	165,639
Cash flow from operations after changes in working capital	6,583	28,038	85,039
Investing activities	-11,065	-5,776	-63,931
Financing activities	0	0	-154,288
Cash flow for the period	-4,483	22,262	-133,180
Change in cash and cash equivalents			
Cash and cash equivalents, opening balance	307,076	441,945	441,945
Exchange-rate difference in cash and cash equivalents	-240	-1,320	-1,689
Cash and cash equivalents, closing balance	302,354	462,887	307,076
Unutilized credit facilities	15,000	15,000	15,000

Key figures

	3 months July 31, 2015	3 months July 31, 2014	12 months July 31, 2015	Full-year Apr 30, 2015
Order bookings, SEK million	299.9	388.1	1,462.2	1,550.4
Operating margin, %	14.0	19.0	14.5	15.6
Profit margin, %	15.3	20.7	15.9	17.1
Average number of employees	561	534	552	546
Cash flow per share, SEK	0.18	0.75	1.70	2.28
Cash flow per share after full dilution, SEK	0.17	0.74	1.66	2.23
Value added, SEK million	154.8	143.3	637.5	626.1
P/E ratio, multiple	n/a	n/a	37.4	35.3
Share price at end of period, SEK	119.0	94.50	119.0	119.5
Return on equity, %	4.2	5.3	17.9	20.6
Return on capital employed, %	5.1	6.5	22.0	25.1
Return on total capital, %	3.2	4.4	14.9	15.8
Equity/assets ratio, %	60.8	65.8	60.8	56.1
Liquidity, multiple	2.5	3.0	2.5	2.2
Equity per share, SEK	17.68	17.86	17.68	16.44
Equity per share after full dilution, SEK	17.36	17.44	17.36	16.01

Quarterly consolidated income statement and key figures

SEK million	2015/2016			2014/2015		2013/2014			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	224.9	268.3	241.6	239.0	212.4	270.6	209.6	198.3	175.3
Capitalized work for own use	4.8	9.0	12.0	7.4	3.8	2.2	1.3	6.4	6.4
Other operating income	1.0	0	0	0	0	0	0	0	0
Reversal of contingent consideration	0	0	0	0	0	16.2	0	0	0
Operating expenses	-189.5	-225.5	-211.8	-200.0	-163.5	-204.5	-168.4	-162.9	-158.0
Depreciation/amortization and impairment	-9.8	-9.4	-9.9	-10.9	-12.2	-30.4	-11.9	-12.4	-9.8
Operating profit	31.4	42.4	31.9	35.5	40.5	54.1	30.6	29.4	13.9
Net financial items	3.1	-2.8	11.6	1.8	3.5	1.9	7.7	2.7	1.1
Profit after net financial items	34.5	39.6	43.5	37.3	44.0	56.0	38.3	32.1	15.0
Tax on earnings for the period	-7.8	-5.0	-15.2	-8.3	-9.9	-17.9	-9.5	-7.0	-3.2
Profit for the period	26.7	34.6	28.3	29.0	34.1	38.1	28.8	25.1	11.8
Order bookings, SEK million	299.9	368.6	549.4	244.3	388.1	264.6	256.5	156.9	247.7
Operating margin, %	14.0	15.8	13.2	14.9	19.0	20.0	14.6	14.8	7.9
Cash flow per share, SEK	0.18	1.42	-0.63	0.75	0.75	0.52	1.46	1.57	-0.22
Cash flow per share after full dilution, SEK	0.17	1.39	-0.62	0.73	0.74	0.51	1.42	1.53	-0.21
Earnings per share, SEK	0.71	0.93	0.76	0.78	0.92	1.03	0.78	0.68	0.32
Return on equity, %	4.2	5.7	4.8	5.1	5.3	6.0	4.7	4.2	1.8
Return on capital employed, %	5.1	6.0	6.8	6.1	6.5	8.4	5.9	5.1	2.2
Equity/assets ratio, %	60.8	56.1	56.7	57.0	65.8	60.7	57.9	59.4	65.2
Equity per share, SEK	17.68	16.44	15.28	14.27	17.86	16.49	15.29	14.40	18.23

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 May-July 2015	3 months May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Imaging IT Solutions	240.6	178.6	1,032.6	970.6
Secure Communications	19.1	12.9	82.9	76.7
Business Innovation	7.2	23.6	41.2	57.8
Other Operations	31.3	23.4	122.0	114.1
Group eliminations	-73.3	-26.1	-304.8	-257.8
Total	224.9	212.4	973.9	961.4

Operating profit by business segment

SEK million	3 months May-July 2015	3 months May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Imaging IT Solutions	44.0	30.6	205.4	192.0
Secure Communications	-0.4	-0.8	4.2	3.8
Business Innovation	-1.5	15.4	-2.8	14.1
Other Operations	-1.4	-2.3	-15.3	-16.2
Group eliminations	-9.3	-2.4	-50.3	-43.4
Total	31.4	40.5	141.2	150.3

Sales by geographic market

SEK million	3 months May-July 2015	3 months May-July 2014	Rolling 12 months	Full-year May-Apr 2014/2015
Sweden	53.5	59.6	220.4	226.5
US	50.4	39.5	220.8	209.9
UK	36.5	43.8	165.8	173.1
Netherlands	15.0	14.5	86.5	86.0
Rest of Europe	58.6	31.5	226.1	199.0
Rest of world	10.9	23.5	54.3	66.9
Total	224.9	212.4	973.9	961.4

PARENT COMPANY

Parent Company income statements

SEK thousand	3 months May-July 2015	3 months May-July 2014	12 months Aug 2014- July 2015	Full-year May-Apr 2014/2015
Net sales	17,610	33,403	84,123	99,916
Capitalized work for own use	547	702	3,422	3,577
Other operating income ¹	202	0	202	0
Personnel costs	-3,991	-7,477	-41,827	-45,313
Other external costs	-17,059	-13,776	-65,169	-61,886
Depreciation/amortization	-99	-93	-432	-426
Operating profit/loss	-2,790	12,759	-19,681	-4,132
Net financial items	2,838	2,306	87,725	87,193
Profit after net financial items	48	15,065	68,044	83,061
Appropriations	0	0	130,107	130,107
Profit before tax	48	15,065	198,151	213,168
Tax on earnings for the period	-11	-3,689	-25,249	-28,927
Profit for the period	37	11,376	172,902	184,241

¹ As of the 2015/2016 fiscal year, other operating income is recognized separately from net sales. Comparative periods have not been adjusted since the amounts are deemed to be of little value and are thus not expected to have a material impact on net sales.

Parent Company statement of comprehensive income

SEK thousand	3 months May-July 2015	3 months May-July 2014	12 months Aug 2014- July 2015	Full-year May-Apr 2014/2015
Profit for the period	37	11,376	172,902	184,241
Other comprehensive income				
Fund for fair value	10,069	5,749	25,874	21,554
Total other comprehensive income for the period	10,069	5,749	25,874	21,554
Total comprehensive income for the period	10,106	17,125	198,776	205,795

Parent Company balance sheets

SEK thousand	July 31, 2015	July 31, 2014	Apr 30, 2015
Assets			
Intangible assets	5,332	1,910	4,785
Tangible assets	6,814	1,420	6,662
Financial assets	308,279	129,235	179,785
Total fixed assets	320,425	132,565	191,232
Other current assets	263,164	192,238	556,977
Cash and cash equivalents	275,169	366,607	267,016
Total current assets	538,333	558,845	823,993
Total assets	858,758	691,410	1,015,225
Equity and liabilities			
Equity (incl. profit for the period)	506,385	473,507	487,343
Untaxed reserves	149,505	131,112	149,505
Long-term liabilities	37,968	28,429	46,941
Current liabilities	164,900	58,362	331,436
Total equity and liabilities	858,758	691,410	1,015,225

Pledged assets and contingent liabilities

SEK thousand	July 31, 2015	July 31, 2014	Apr 30, 2015
Chattel mortgages	11,000	11,000	11,000
Total pledged assets	11,000	11,000	11,000
Guarantees on behalf of Group companies	349,016	247,004	357,729
Total contingent liabilities	349,016	247,004	357,729

Note 1 Acquisitions

On April 30, 2015, the Group acquired 100% of the shares in the Danish company it-mark ApS, which sells IT services to the healthcare sector in Denmark. The acquisition was part of Sectra's efforts to expand the Medical Systems business area into the Danish market. 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 comprises a cash consideration and SEK 6.2 million comprises 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's Imaging IT Solutions business area from the date of acquisition April 30, 2015, at which time Sectra obtained a controlling influence over the acquired unit. During the first quarter, sales in the acquired unit amounted to SEK 4.8 million and operating profit totaled SEK 0.3 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.

Definition of key figures

Return on equity	Profit after tax as a percentage of average adjusted equity.
Return on capital employed	Profit before tax plus financial expenses as a percentage of average capital employed. (ROCE)
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.

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.

Pathology/histopathology/microscopy

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

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 www.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 Group 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.

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.

Ten good reasons to invest in Sectra

The world needs more efficient healthcare and more secure communications. 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 the healthcare sector and in secure communications and infrastructure.
- 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.