

Interim report for the May-October 2014 period:

Increased profit and order bookings – strong first half-year for Sectra

SEK million	The quarter			Six-month period			12 months		
	Q2 2014/2015	Q2 2013/2014	Change %	Q1-2 2014/2015	Q1-2 2013/2014	Change %	Rolling	Fiscal year 2013/2014	Change %
Order bookings	244.3	156.9	55.7	632.4	404.6	56.3	1,153.7	925.7	24.6
Net sales	239.0	198.3	20.5	451.5	373.6	20.9	931.6	853.8	9.1
Operating profit (EBIT)	35.5	29.4	20.7	76.0	43.3	75.5	160.7	128.1	25.4
Operating margin, %	14.9	14.8	-	16.8	11.6	-	17.2	15.0	-
Profit before tax (EBT)	37.3	32.1	16.2	81.3	47.2	72.2	175.6	141.5	24.1
Profit margin, %	15.6	16.2	-	18.0	12.6	-	18.8	16.6	-
Profit after tax	29.0	25.1	15.5	63.1	37.0	70.5	130.0	103.9	25.1
Earnings per share, SEK ¹	0.78	0.68	14.7	1.70	1.00	69.5	3.50	2.80	24.9
Cash flow ²	27.7	58.2	-52.4	55.7	50.2	11	129.1	123.7	4.4
Number of employees ³	563	532	5.8	563	532	5.8	563	536	5.0

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

CEO'S COMMENTS

We posted strong profitability and growth during the first six months of 2014/2015. For the first time since our three financial goals were established one and a half years ago, Sectra's average growth in terms of operating profit per share over a five-year period exceeded 10%. This means that we have now achieved all of our financial goals with respect to stability, profitability and profit growth (refer to page 4).

There are several reasons for this positive development, the most of important of which is customer satisfaction. Internal and external evaluations conducted around the world have confirmed that our customers are satisfied with Sectra as a supplier, which is crucial for our long-term growth.

Although we are making progress in all business areas, I must emphasize that there are also areas of concern. The largest of which being our Secure Communications business area, which accounts for 8% of the Group's sales. Efficiency in this business area has increased and we are continuously securing orders from new and existing customers in Europe. Unfortunately, this has not been enough to restore the business area's margins to the level we are striving to achieve. We are dependent on our major customers in our home market of Sweden, where we remain uncertain as to when our customers will make a decision regarding their product orders and what those decisions will be.

Strategic choices

Historically, the income generated by our largest business area, Imaging IT Solutions, has been derived from solutions for radiology and mammography clinics. Part of our growth strategy involves broadening our customer offering to include other image-intensive departments, such as pathology, cardiology and dermatology. This will enable us to help hospitals coordinate their management of medical images using a single solution, thereby helping our customers to achieve efficiency gains and cost savings. The order received from Norway's Helse Vest healthcare region in the preceding quarter pertains to this type of consolidated solution.

Outlook

During the first half of the year, we reported successful sales performances in Scandinavia, the US and the UK, which are our largest markets. Our order bookings include several comprehensive, long-term customer contracts. These long-term contracts contribute to a stable trend for the Group, where recurring income currently accounts for more than half of net sales. However, these contracts will have little effect on the Group's sales growth in the short term and may initially impact earnings for the next six to twelve months, even although the long-term business is positive. Thanks to its high level of customer satisfaction, its large proportion of long-term customer contracts and long-term investments in products and services, Sectra is well positioned to continue driving the development of efficient solutions that can improve people's quality of life, reduce society's healthcare costs and contribute to a more secure society.

Torbjörn Kronander, President and CEO



TELECONFERENCE
with President Torbjörn Kronander and CFO Simo Pykälistö on **December 9, 2014, 9:30 a.m. (CET)**.

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THE PERIOD IN BRIEF

Six-month period

- The Sectra Group's order bookings increased 56.3% to SEK 632.4 million (404.6).
- Net sales rose 20.9% to SEK 451.5 million (373.6). The sale and licensing of patents in Business Innovation during the first quarter of the fiscal year had a positive impact of SEK 16.3 million on sales and operating profit. Excluding this item, net sales increased 16.5% to SEK 435.2 million.
- Operating profit rose 75.5% to SEK 76.0 million (43.3), corresponding to an operating margin of 16.8% (11.6). Excluding the sale and licensing of patents, operating profit increased 37.9% to SEK 59.7 million, corresponding to an operating margin of 13.7%.
- Cash flow after changes in working capital amounted to SEK 55.7 million (50.2).

Second quarter

- The Sectra Group's order bookings increased 55.7% to SEK 244.3 million (156.9).
- Net sales rose 20.5% to SEK 239.0 million (198.3).
- Operating profit rose 20.7% to SEK 35.5 million (29.4), corresponding to an operating margin of 14.9% (14.8).
- Sectra distributed SEK 4.50 per share, totaling SEK 167.7 million, till to its shareholders through a share redemption program.

Events during the second quarter

- A Dutch authority expanded its use of Sectra's security solution for smartphones, making it available on a larger scale within the organization.
- Three healthcare providers in Puerto Rico invested in Sectra's system for handling digital radiology images (PACS).
- Hartford HealthCare (HHC), a hospital chain based in Connecticut in the US, ordered Sectra's solution for radiation dose monitoring, Sectra DoseTrack, for five of its hospitals.
- The major Norwegian healthcare provider Helse Vest ordered a medical media archive from Sectra in order to achieve more efficient management of the region's medical imaging materials. The order is valued at approximately SEK 19 million.

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 the areas of medical IT and secure communications.

There is a growing need for greater efficiency in healthcare in order to provide care for more patients, due to the demographic trend of a population that is living longer while birth rates are declining. 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 our encrypted products are approved by the EU, NATO and several national security agencies.

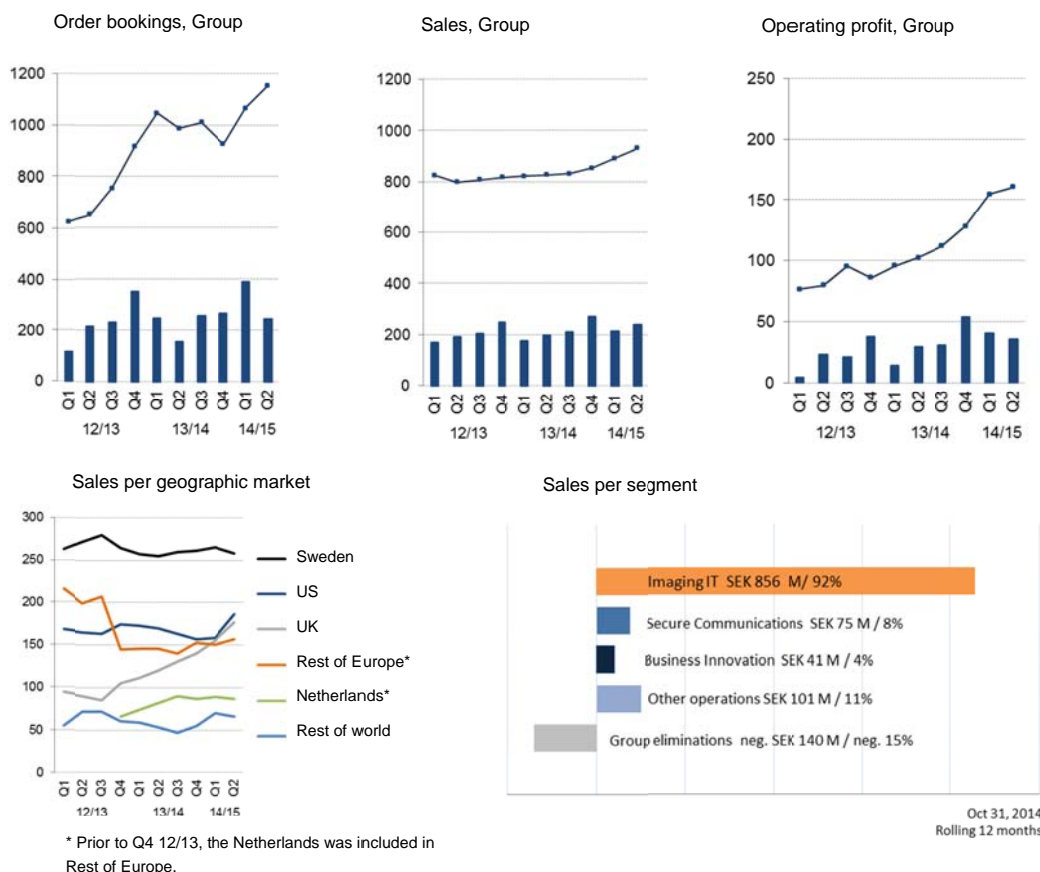
GROUP

Order bookings, sales and earnings

Results in SEK million

Bar – per quarter

Line – rolling 12 months



Six-month period

The Group's order bookings increased 56.3% to SEK 632.4 million. Major long-term contracts with customers in, for example, the UK, the US, Norway and Sweden areas contributed to this positive order trend in the first half of the year. While all segments reported higher order bookings, the largest increase was attributable to the sales successes achieved in the Imaging IT Solutions business area.

Net sales rose 20.9% compared with the year-earlier period and amounted to SEK 451.5 million. This growth was mainly attributable to Imaging IT Solutions. During the first quarter, Sectra completed a sale and licensing of patents in the Business Innovation area, which had a positive impact of SEK 16.3 million on sales and operating profit. The sale pertained to patents resulting from research activities in the Business Innovation area that had not been utilized by Sectra itself. Excluding this item, net sales for the six-month period rose 16.5%.

The Group's operating profit increased 75.5% to SEK 76.0 million, corresponding to an operating margin of 16.8% (11.6). Excluding the sale and licensing of patents, operating profit rose 37.9% to SEK 59.7 million, corresponding to an operating margin of 13.7%.

The Group's net financial items rose to SEK 5.3 million (3.8). Exchange-rate changes had an impact of SEK 4.7 million (1.0) on the Group's financial items. Profit before tax totaled SEK 81.3 million (47.2), corresponding to a profit margin of 18.0% (12.6).

The UK is Sectra's fastest-growing market.

Second quarter

The Group's order bookings increased 55.7% to SEK 244.3 million. Net sales rose 20.5% compared with the year-earlier period and amounted to SEK 239.0 million. This growth was primarily attributable to the Imaging IT Solutions business area, with the operations in the UK and the US reporting the largest growth.

The Group's operating profit increased 20.7% to SEK 35.5 million, corresponding to an operating margin of 14.9% (14.8). The Group's net financial items amounted to SEK 1.8 million (2.7). Exchange-rate changes had an impact of SEK 2.0 million (1.6) on the Group's financial items. Profit before tax totaled SEK 37.3 million (32.1), corresponding to a profit margin of 15.6% (16.2).

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 declined somewhat over the past year as a larger portion of sales are generated by long-term agreements with payment per month or per use. The equalization effect, due to long-term managed-services agreements that are financed internally within the Group, does not impact the business areas, but rather is essentially managed through the Parent Company's financing activities. The varying order volumes in terms of 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 the development of encryption systems.

Financial position

Sectra has a strong cash balance and balance sheet. At the end of the period, the equity/assets ratio was 57.0%. After adjustment for exchange-rate differences, the Group's cash and cash equivalents amounted to SEK 313.2 million. The Group's interest-bearing liabilities totaled SEK 37.4 million at the end of the period and pertained to convertible loans held by employees and Board members.

Cash flow per share amounted to SEK 1.50 (1.35) for the period. The Group's cash flow from operations after changes in working capital amounted to SEK 55.7 million (50.2). Cash flow from investing activities amounted to a negative SEK 14.6 million (neg: 29.6) for the period. The Group's total cash flow was a negative SEK 126.7 million (neg: 139.6). During the period, Sectra distributed SEK 167.7 million (166.9) to shareholders through a share redemption program.

Sectra has achieved its three financial goals.

Equity/assets ratio

57.0%

Operating margin (EBIT) rolling 12-month basis

17.2%

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

10.3%

At the end of the period

Sectra's financial goals

Sectra's Group-wide goals and strategies are aimed at building financially sound operations that provide Sectra with opportunities to create customer value and thereby contribute to long-term growth in shareholder value.

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

Investments, depreciation, amortization and impairment

Group investments during the period amounted to SEK 14.6 million (29.6), of which SEK 8.9 million (14.9) was attributable to the second quarter. Investments primarily pertained to customer projects in the Group's financing activities and capitalized development costs. Depreciation/amortization during the period amounted to SEK 23.1 million (22.2), of which SEK 10.9 million (12.4) was attributable to the second quarter. Of the total depreciation and amortization for the period, SEK 8.9 million (8.8) pertained to capitalized development projects.

Investments in Group-financed customer projects amounted to SEK 10.4 million (16.5) during the period, of which SEK 3.2 million (7.0) was attributable to the second quarter. This change for the period included exchange-rate differences of SEK 9.4 million. At the end of the period, the net carrying amount for Group-financed customer projects totaled SEK 50.9 million (43.1).

Capitalization of development costs during the period amounted to SEK 11.2 million (12.8), of which SEK 7.4 million (6.4) was attributable to the second quarter. At the close of the period, capitalized development costs totaled SEK 49.9 million (56.6) 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. At the same time, 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 have not been restated due to these changes.

IMAGING IT SOLUTIONS

	Q2 Aug-Oct 2014	Q2 Aug-Oct 2013	Q1-2 May-Oct 2014	Q1-2 May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Sales, SEK million	230.9	179.6	409.5	356.8	855.5	802.8
Operating profit, SEK million	45.0	37.8	75.6	63.7	190.5	178.6
Operating margin, %	19.5	21.0	18.5	17.9	22.3	22.2
Number of employees at end of period	420	413	420	413	420	409

As a result of the organizational changes implemented in May 2014, comparative figures have not been restated.

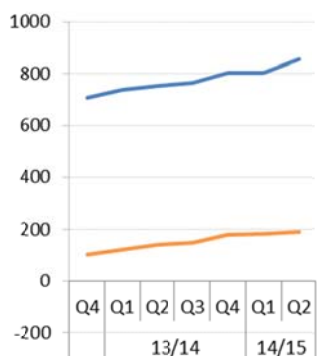
Sales and earnings

Imaging IT Solutions' sales rose 14.8% to SEK 409.5 million. Operating profit increased 18.7% to SEK 75.6 million, corresponding to an operating margin of 18.5% (17.9). The operations in the UK and the US reported the largest sales growth compared with the year-earlier period. Changes in the operating margin are mainly attributable to variations in the product mix between software and hardware in commissioned customer projects.

Market

The market for medical IT systems and services continues to grow due to the major need for systems that enhance healthcare efficiency, and the increased use of medical images in healthcare. Sectra's largest markets are Scandinavia, the US, the UK and the Netherlands. In the domestic market in Scandinavia, Sectra is by far the largest provider of IT systems for efficient and secure communication, and the management of radiology images (PACS) and patient information (RIS).

Most users of Sectra's medical IT systems are active in image-intensive fields, such as radiology and mammography. In conjunction with the transfer of the company's digital pathology research project from Business Innovation to Imaging IT Solutions, Sectra initiated a new development project to establish a commercial solution to enable pathology departments to leverage the significant advantages offered by digital technology. This project gives special focus to medical imaging in cancer diagnosis, an area that is growing rapidly and will represent a key part of the business area's strategy for the future.



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

The operations in the UK and the US reported the largest sales growth.



In 2013, customers in the US ranked Sectra number one in the Picture Archiving and Communication System (PACS) category in a customer satisfaction survey compiled by market research company KLAS.

Focus on expansion centered on radiology

During 2014/2015, the business area will focus on:

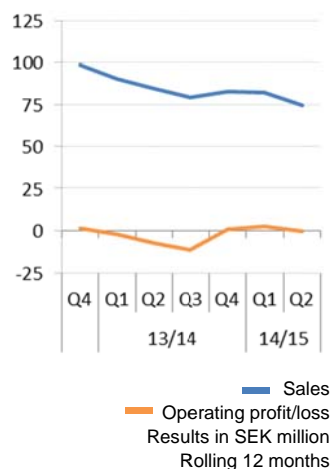
- Maintaining profit margin.
- Earnings growth by:
 - developing relationships with existing customers.
 - increasing investments in the largest field, radiology, in markets where Sectra has a strong position and in selected emerging markets through partners.
 - broadening the product offering to new, adjacent segments. Primarily pathology, but also other types of image-intensive operations in which cancer diagnosis, integration and work flow are important.
- Further improving customer satisfaction.

Demand for the business area's product offering was favorable and order bookings continued to increase in the second quarter compared with the year-earlier period. Several orders pertained to large customer projects including new functionality. However, not all installations will be completed during the current fiscal year. The most significant sales increases were noted in the UK, the US, Norway and Sweden. Among other orders, an agreement was signed with the Norwegian healthcare provider Helse Vest, which chose to invest in a digital media archive in order to coordinate the medical imaging materials in the region. The order was valued at NOK 17 million (corresponding to approximately SEK 19 million). This type of order brings the business area closer to its goal of being the leader in IT solutions for managing all types of medical images.

In the US, the business area secured an order for Sectra's solution for radiation dose monitoring, Sectra DoseTrack, from the Connecticut-based hospital chain Hartford HealthCare (HHC). This solution generates major time and quality gains for healthcare providers and reduces the risk of patients being exposed to unnecessarily high radiation doses in conjunction with radiology examinations.

Part of the business area's growth strategy is to increase sales through partners in selected markets. During the second quarter, Sectra achieved success in Puerto Rico, where Sales Sectra's partner Answer Medical Solutions sold Sectra's medical IT system to three healthcare providers. Saudi Arabia is another example of a market where Sectra's partners contributed orders from new customers during the second quarter.

SECURE COMMUNICATIONS



	Q2 Aug-Oct 2014	Q2 Aug-Oct 2013	Q1-2 May-Oct 2014	Q1-2 May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Sales, SEK million	14.7	22.2	27.6	35.6	74.8	82.8
Operating profit/loss, SEK million	-3.3	-0.7	-4.1	-3.2	0.0	0.9
Operating margin, %	-22.5	-3.2	-14.9	-9.0	0.0	1.0
Number of employees at end of period	55	53	55	53	55	53

Sales and earnings

The business area's operating profit for the second quarter was impacted by impairment losses on development projects, resulting from the unusually lengthy processes involved in obtaining security approval for newly developed products in the company's domestic market in Sweden. The protracted approval processes is attributable to resource shortage at customers. The security approvals that Sectra is waiting to obtain are necessary for the business area to be able to commence the product deliveries needed to help restore its profitability.

Market

The market is driven by the fact that it is easier than ever to eavesdrop on telecommunications and data communications and by changes in various regulations governing the handling of classified information. A growing number of authorities are also choosing to protect confidential information that is not classified. Due to increased collaboration between authorities in European countries, customer demand for products that support cross-border cooperation has increased. Sectra offers products that are approved by both the EU and NATO, as well as several national security agencies.

Sectra's security solutions are used by customers in most European countries, and in the EU and NATO organizations. Sweden and the Netherlands comprise Sectra's largest markets for secure communication systems. However, in the short and medium-term, Sectra is dependent on its relationships with authorities and defense customers in Sweden. Accordingly, the prevailing uncertainty as to when and how Swedish customers will decide on product orders remains a major concern for the business area.

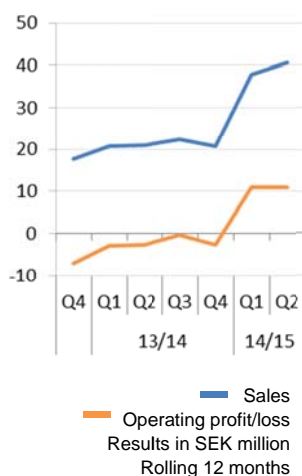
Focus on restoring profitability

During 2014/2015, the business area will focus on:

- Restoring the operations' profit levels. This will be a top priority. Key features will be:
 - orders from Swedish customers.
 - to continue increasing sales in the Netherlands and other parts of Europe, made possible by new approvals for Sectra's products for secure telephony, Sectra Tiger 7401 and Sectra Panthon, as well as satisfied users.
- Expanding the operations into new customer segments with a need for Sectra's high-tech expertise in security.

Demand for crypto products from customers outside Sweden is favorable. For example, during the second quarter, the business area secured an additional order for its service for secure voice communication and text messaging for smartphones, Sectra Panthon. The order was received from a Dutch authority that is expanding its use of the service and making it available on a larger scale throughout the organization.

BUSINESS INNOVATION



	Q2 Aug-Oct 2014	Q2 Aug-Oct 2013	Q1-2 May-Oct 2014	Q1-2 May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Sales, SEK million	7.1	4.3	30.7	10.9	40.6	20.8
Operating profit/loss, SEK million	-1.9	-2.0	13.5	-0.1	11.0	-2.6
Operating margin, %	-26.8	-46.5	44.0	-0.9	27.1	-12.4
Number of employees at end of period	28	18	28	18	28	20

As a result of the organizational changes implemented, comparative figures have not been restated. Refer to page 5.

Sales and earnings

Business Innovation continued to increase its sales during the second quarter, with sales for the six-month period amounting to SEK 30.7 million. 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 patent transaction constituted a nonrecurring effect and, accordingly, is unlikely to happen again. Excluding this item, sales for the period increased to SEK 14.4 million and an operating loss of SEK 2.8 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 segment

includes services and products that contribute to more efficient and effective care for osteoporosis, 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 this business line, Sectra offers products and services that enable interaction with 3D images of the human body using various image display systems, such as visualization tables, tablets, projectors and 3D printers. These solutions are used by students in medical and veterinary programs.

Focus 2014/2015

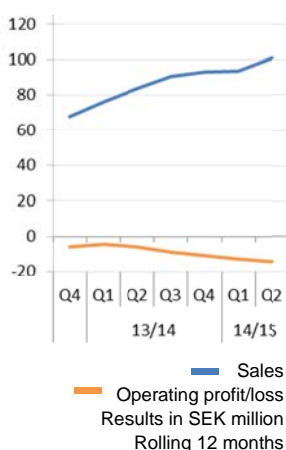
- Orthopaedics – to collaborate with implant suppliers.
- Osteoporosis – to grow in the private mammography clinics segment.
- Medical education – to increase training material in the library and expand through distributors.
- Research – to achieve further progress in the digital pathology research project.

A new US distributor was secured for Sectra's online service for detecting osteoporosis in conjunction with mammography examinations.

Within the Osteoporosis business line, Sectra entered into a partnership in the second quarter with Electromek Diagnostic Systems in the US for the distribution of Sectra's online service for detecting osteoporosis in conjunction with routine mammography examinations. Electromek Diagnostic Systems will sell the service to mammography clinics in the Midwestern US.

During the second quarter, Sectra also launched the Sectra Image Lab platform, which offers healthcare providers access to medical image analysis through applications from various suppliers. For example, the platform includes an analysis service – supplied by the US company Riverain Technologies – that facilitates the diagnosis of lung disease. Sectra's service for osteoporosis screening, Sectra OneScreen, and several other applications are also available through the service platform as part of Vinnova's "Challenge-driven Innovation" research program.

OTHER OPERATIONS



	Q2 Aug-Oct 2014	Q2 Aug-Oct 2013	Q1-2 May-Oct 2014	Q1-2 May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Sales, SEK million	30.1	23.0	53.5	45.9	100.9	93.3
Operating loss, SEK million	-2.6	-1.2	-4.9	-1.6	-14.2	-10.9
Operating margin, %	-8.6	-5.2	-9.2	-3.5	-14.1	-11.7
Number of employees at end of period	60	48	60	48	60	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 16.6% to SEK 53.5 million for the six-month 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 4.9 million (loss: 1.6) was reported for the period. Earnings were impacted by increased marketing costs and by investments in the Group's IT infrastructure intended to help enhance the Group's efficiency.

THE PARENT COMPANY SECTRA AB

The Parent Company 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 16.

During the period, sales in the Parent Company amounted to SEK 50.7 million (34.5), of which SEK 17.3 million (14.4) was attributable to the second quarter. Sales increased due to the patent transaction in Business Innovation, which had a positive impact of SEK 16.3 million on sales and operating profit. Operating profit for the period amounted to SEK 7.6 million (loss: 4.4), of which negative SEK 5.2 million (neg: 4.2) pertained to the second quarter. Profit after net financial items totaled SEK 11.9 million (4.3), of which negative SEK 3.2 million (neg: 1.5) pertained to the second quarter. Exchange-rate changes had an impact of SEK 1.0 million (0.5) on financial items for the fiscal year.

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.

In Sweden, the redemption of Sectra's redemption shares for 2014 (designated SECT IL B) is to be declared as sales of shares on Form K4 for the 2014 tax assessment. An application for general recommendations regarding the distribution of cost between common shares and redemption shares has been submitted to the Swedish Tax Agency. Once the decision has been published, Sectra will publish corresponding information on its website: www.sectra.com/redemption2014.

Share-based incentive programs

During the second quarter, Sectra redeemed employee stock options (2011/2014 program) issued to employees in North America through a cash settlement. During the first quarter, Sectra employees redeemed convertibles totaling SEK 6.1 million (2010/2014 program), corresponding to 176,039 Class B shares.

The AGM, held on September 8, 2014, resolved to issue additional convertibles to the Group's employees and external Board members. The convertibles were subscribed during the period from November 3-11, 2014. Employees were allocated 120,581 convertibles and Board members were allocated 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 both convertible programs amounts to 0.4% of the share capital and 0.2% of the votes.

The conversion price for convertibles to employees is SEK 124.50, and the duration is from December 1, 2014 to December 30, 2017. Conversion is permitted from December 11-15, 2017. The conversion price for convertibles to external Board members is SEK 132.80, and the duration is from December 1, 2014 to December 30, 2018. Conversion is permitted from December 10-14, 2018.

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.

NOMINATION COMMITTEE

The 2014 AGM resolved to appoint a Nomination Committee comprising four members, one being the Chairman of the Board and the other three members representing the largest shareholders in the company based on the number of votes. The composition of the Nomination Committee is based on known shareholdings in the company as of 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)

The Nomination Committee's proposals will be presented in the notice of the Annual General Meeting 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
- Resolution on principles governing the composition of the Nomination Committee
- Chairman of the General Meeting

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.

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.

Extensive new managed-services agreement signed with a major healthcare provider in London in the UK.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- The UK healthcare provider London North West NHS Trust signed a comprehensive ten-year agreement with Sectra.
- The Board resolved on a recalculation of the conversion price for outstanding convertibles and employee stock options as a result of Sectra's share redemption program for 2014. This recalculation means that the financial compensation to the holders of convertibles in relation to the shareholders is reasonable. For dilution effects and current conversion prices after the recalculation, refer to the information on Sectra's website:

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

FOR FURTHER INFORMATION

Contact Sectra's CEO Torbjörn Kronander, tel: +46 (0)13 23 52 27

Presentation of the interim report

A teleconference will be held with Torbjörn Kronander, CEO and President of Sectra AB, and Simo Pykälistö, CFO and Executive Vice President of Sectra AB, on December 9, 2014 at 9:30 a.m. (CET). The presentation will be held in English. To participate, please call:

Sweden +46 (0)8 51999352

UK +44 (0)2076602079

US +1 855 7161592

The presentation can be followed live online via <http://media.fronto.com/cloud/sectra/141209> and a recorded version will be available after the conference on Sectra's website

www.sectra.com/irwebcast.

Financial calendar

Nine-month report March 10, 2015, at 8:00 a.m.

Year-end report June 3, 2015, at 8:00 a.m.

Annual General Meeting September 7, 2015

ASSURANCE

The Board of Directors and the President of Sectra AB (publ) hereby assure that the interim report for the period May to October 2014 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.

Linköping, December 9, 2014

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
Employee representative

Fredrik Häll
Board member
Employee representative

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

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 December 9, 2014, at 8:00 a.m. (CET).

GROUP FINANCIAL SUMMARY

Consolidated income statements

SEK thousand	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	12 months Nov 2013- Oct 2014	Full-year May-Apr 2013/2014
Net sales	239,035	198,277	451,473	373,620	931,649	853,796
Capitalized work for own use	7,381	6,398	11,182	12,815	14,677	16,310
Reversal of contingent consideration	0	0	0	0	16,180	16,180
Goods for resale	-47,649	-28,254	-74,916	-57,138	-137,230	-119,452
Personnel costs	-116,449	-101,382	-219,293	-198,113	-441,169	-419,989
Other external costs	-35,898	-33,203	-69,379	-65,628	-157,962	-154,211
Depreciation/amortization and impairment	-10,902	-12,408	-23,087	-22,212	-65,437	-64,562
Operating profit	35,518	29,428	75,980	43,344	160,708	128,072
Net financial items	1,805	2,715	5,305	3,839	14,858	13,392
Profit after net financial items	37,323	32,143	81,285	47,183	175,566	141,464
Taxes	-8,276	-6,998	-18,160	-10,224	-45,542	-37,606
Earnings for the period	29,047	25,145	63,125	36,959	130,024	103,858
Earnings for the period attributable to:						
Parent Company owners	29,047	25,145	63,125	36,959	130,024	103,858
Non-controlling interest	0	0	0	0	0	0
Earnings per share						
Before dilution, SEK	0.78	0.68	1.70	1.00	3.50	2.80
After dilution, SEK	0.76	0.66	1.66	0.97	3.41	2.73
No. of shares						
Before dilution	37,271,017	37,094,978	37,271,017	37,094,978	37,271,017	37,094,978
After dilution ¹⁾	38,024,005	38,124,018	38,024,005	38,124,018	38,024,005	38,124,018
Average, before dilution	37,271,017	37,094,978	37,241,677	37,094,978	37,168,328	37,094,978
Average, after dilution	38,090,672	38,028,351	38,107,341	37,990,048	38,115,679	38,057,033

- 1) Dilution of the number of shares is based on the convertible programs issued in 2011/2012 (272,363), 2012/2013 (155,895) and 2013/2014 (224,730) and 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 rise by 752,988.

Consolidated statement of comprehensive income

SEK thousand	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	12 months Nov 2013- Oct 2014	Full-year May-Apr 2013/2014
Earnings for the period	29,047	25,145	63,125	36,959	130,024	103,858
Items that will be reclassified to profit and loss						
Change in translation differences for the period from translating foreign subsidiaries	4,508	1,269	16,975	13	5,771	9,869
Total other comprehensive income for the period	4,508	1,269	16,975	13	5,771	9,869
Total comprehensive income for the period	33,555	26,414	80,100	36,972	135,795	113,727

Consolidated balance sheets

SEK thousand	Oct 31, 2014	Oct 31, 2013	Apr 30, 2014
Assets			
Intangible assets	110,189	126,179	104,859
Tangible assets	62,399	56,406	68,494
Financial assets	1,766	1,926	1,765
Deferred tax assets	16,163	13,995	19,920
Total fixed assets	190,517	198,506	195,038
Other current assets	427,233	306,049	371,058
Cash and cash equivalents	313,195	394,308	441,945
Total current assets	740,428	700,357	813,003
Total assets	930,945	898,863	1,008,041
Equity and liabilities			
Equity (incl. earnings for the period)	531,099	534,048	611,702
Provisions	8,278	18,433	6,000
Deferred tax liabilities	32,494	31,869	37,639
Long-term liabilities	28,429	27,173	37,397
Current liabilities	330,645	287,340	315,303
Total equity and liabilities	930,945	898,863	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	6 months May-Oct 2014	6 months May-Oct 2013	Full-year May-Apr 2013/2014
Equity at start of period	611,702	665,300	665,300
Comprehensive income for the period	80,100	36,972	113,727
Share-related payments	926	920	1,819
Dividend/redemption of shares	-167,720	-166,927	-166,927
Settlement of share-related payments	6,091	-2,217	-2,217
Equity at end of period	531,099	534,048	611,702

Consolidated cash-flow statements

SEK thousand	6 months May-Oct 2014	6 months May-Oct 2013	Full-year May-Apr 2013/2014
Cash flow from operations before changes in working capital	90,035	52,146	159,873
Cash flow from operations after changes in working capital	55,693	50,169	123,669
Investing activities	-14,642	-29,648	-54,633
Financing activities	-167,720	-160,167	-158,096
Cash flow for the period	-126,669	-139,646	-89,060
Change in cash and cash equivalents			
Cash and cash equivalents, opening balance	441,945	536,291	536,291
Exchange-rate difference in cash and cash equivalents	-2,081	-2,337	-5,286
Cash and cash equivalents, closing balance	313,195	394,308	441,945
Unutilized credit facilities	15,000	15,000	15,000

Key figures

	6 months Oct 31, 2014	6 months Oct 31, 2013	12 months Oct 31, 2014	Full-year Apr 30, 2014
Order bookings, SEK million	632.4	404.6	1,153.7	925.7
Operating margin, %	16.8	11.6	17.2	15.0
Profit margin, %	18.0	12.6	18.8	16.6
Average number of employees	541	519	534	523
Cash flow per share, SEK	1.50	1.35	3.47	3.33
Cash flow per share after full dilution, SEK	1.46	1.37	3.40	3.24
Value added, SEK million	295.3	241.5	601.9	548.1
P/E ratio, multiple	n/a	n/a	27.2	27.8
Share price at end of period, SEK	95.0	68.8	95.0	77.75
Return on equity, %	11.0	6.2	24.4	16.3
Return on capital employed, %	13.2	7.5	30.8	21.1
Return on total capital, %	8.5	4.8	19.4	13.7
Equity/assets ratio, %	57.0	59.4	57.0	60.7
Liquidity, multiple	2.3	2.5	2.3	2.7
Equity per share, SEK	14.27	14.40	14.27	16.49
Equity per share after full dilution, SEK	13.97	14.01	13.97	16.05

Quarterly consolidated income statement and key figures

	2014/2015		2013/2014				2012/2013			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	239.0	212.4	270.6	209.6	198.3	175.3	248.1	205.2	192.7	171.0
Capitalized work for own use	7.4	3.8	2.2	1.3	6.4	6.4	4.1	3.5	4.4	0.3
Reversal of contingent consideration	0	0	16.2							
Operating expenses	-200.0	-163.5	-204.5	-168.4	-162.9	-158.0	-203.5	-175.0	-163.1	-155.9
Depreciation/amortization and impairment	-10.9	-12.2	-30.4	-11.9	-12.4	-9.8	-11.1	-12.6	-11.0	-11.3
Operating profit	35.5	40.5	54.1	30.6	29.4	13.9	37.6	21.1	23.0	4.1
Net financial items	1.8	3.5	1.9	7.7	2.7	1.1	3.6	-0.8	1.8	-3.8
Earnings after net financial items	37.3	44.0	56.0	38.3	32.1	15.0	41.2	20.3	24.8	0.3
Tax on earnings for the period	-8.3	-9.9	-17.9	-9.5	-7.0	-3.2	-13.8	-2.5	-7.9	-0.1
Earnings for the period	29.0	34.1	38.1	28.8	25.1	11.8	27.4	17.8	16.9	0.2
Order bookings	244.3	388.1	264.6	256.5	156.9	247.7	350.0	232.9	217.0	116.2
Operating margin, %	14.9	19.0	20.0	14.6	14.8	7.9	15.2	10.3	11.9	2.4
Cash flow per share, SEK	0.75	0.75	0.52	1.46	1.57	-0.22	1.72	1.61	0.10	1.73
Cash flow per share after full dilution, SEK	0.73	0.74	0.51	1.42	1.53	-0.21	1.68	1.58	0.10	1.70
Earnings per share, SEK	0.78	0.92	1.03	0.78	0.68	0.32	0.74	0.48	0.46	0.01
Return on equity, %	5.1	5.3	6.0	4.7	4.2	1.8	4.2	2.8	2.4	0.0
Return on capital employed, %	6.1	6.5	8.4	5.9	5.1	2.2	6.1	3.2	3.4	0.1
Equity/assets ratio, %	57.0	65.8	60.7	57.9	59.4	65.2	61.4	63.8	64.7	71.2
Equity per share, SEK	14.27	17.86	16.49	15.29	14.40	18.23	17.94	17.13	16.94	21.54

Five-year summary

	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Order bookings, SEK million	925.7	916.0	701.1	631.0	766.7
Net sales, SEK million	853.8	817.0	823.1	783.7	753.9
Operating profit, SEK million	128.1	85.9	103.5	72.5	115.7
Earnings after net financial items, SEK million	141.5	86.6	127.9	70.2	113.0
Earnings for the period after tax from remaining operations, SEK million	103.9	62.2	92.8	48.3	84.0
Operating margin, %	15.0	10.5	12.6	9.3	15.3
Profit margin, %	16.6	10.6	15.5	9.0	15.0
Earnings per share before dilution, SEK	2.80	1.68	2.52	1.31	2.28
Earnings per share after dilution, SEK	2.73	1.64	2.46	1.29	2.24
Dividend/redemption program per share, SEK	4.50	4.50	5.00	5.00	0.00
Share price at end of year, SEK	77.75	53.0	43.0	34.0	37.3
P/E ratio, multiple	27.8	31.5	17.1	26.0	16.4
Including discontinued operations					
Earnings for the period after tax, SEK million	103.9	62.2	385.8	-9.6	17.2
Return on equity, %	16.3	8.6	58.0	-1.6	2.9
Return on capital employed, %	21.1	11.6	59.7	-1.1	3.9
Return on total capital, %	13.7	7.9	40.8	-0.7	2.5
Equity per share before dilution, SEK	16.49	17.94	21.37	15.46	16.36
Equity per share after dilution, SEK	16.05	17.53	20.77	15.13	16.11
Equity/assets ratio, %	60.7	61.4	69.4	61.0	62.2

OPERATING SEGMENTS

Sales by business segment

SEK million	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	Rolling 12 months	Full-year May-April 2013/2014
Imaging IT Solutions	230.9	179.6	409.5	356.8	855.5	802.8
Secure Communications	14.7	22.2	27.6	35.6	74.8	82.8
Business Innovation	7.1	4.3	30.7	10.9	40.6	20.8
Other Operations	30.1	23.0	53.5	45.9	100.9	93.3
Group eliminations	-43.8	-30.8	-69.8	-75.6	-140.2	-145.9
Total	239.0	198.3	451.5	373.6	931.6	853.8

Operating profit by business segment

SEK million	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Imaging IT Solutions	45.0	37.8	75.6	63.7	190.5	178.6
Secure Communications	-3.3	-0.7	-4.1	-3.2	0.0	0.9
Business Innovation	-1.9	-2.0	13.5	-0.1	11.0	-2.6
Other Operations	-2.6	-1.2	-4.9	-1.6	-14.2	-10.9
Group eliminations	-1.7	-4.5	-4.1	-15.5	-26.6	-37.9
Total	35.5	29.4	76.0	43.3	160.7	128.1

Sales by geographic market

(SEK million)	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	Rolling 12 months	Full-year May-Apr 2013/2014
Sweden	54.7	61.8	114.4	117.5	258.2	261.2
US	63.2	35.5	102.7	73.1	186.4	156.9
UK	55.6	34.7	99.4	62.8	176.4	139.8
Netherlands	20.0	22.6	34.5	35.3	87.2	87.2
Rest of Europe	34.4	28.7	65.9	61.5	156.6	153.1
Rest of world	11.1	15.0	34.6	23.4	66.8	55.6
Total	239.0	198.3	451.5	373.6	931.6	853.8

PARENT COMPANY

Parent Company income statements

SEK thousand	3 months Aug-Oct 2014	3 months Aug-Oct 2013	6 months May-Oct 2014	6 months May-Oct 2013	12 months Nov 2013- Oct 2014	Full-year May-Apr 2013/2014
Net sales	17,260	14,364	50,663	34,477	81,356	65,170
Capitalized work for own use	1,375	0	2,077	0	3,285	1,208
Personnel costs	-9,968	-8,640	-17,445	-20,207	-38,934	-41,696
Other external costs	-13,755	-9,802	-27,531	-18,477	-51,962	-42,908
Depreciation/amortization	-104	-88	-197	-176	-413	-392
Operating profit/loss	-5,192	-4,166	7,567	-4,383	-6,668	-18,618
Net financial items	2,017	2,691	4,323	8,703	161,412	165,792
Earnings after net financial items	-3,175	-1,475	11,890	4,320	154,744	147,174
Appropriations	0	0	0	0	-18,946	-18,946
Profit before tax	-3,175	-1,475	11,890	4,320	135,798	128,228
Tax on earnings for the period	1,041	325	-2,648	-950	-30,950	-29,252
Earnings for the period	-2,134	-1,150	9,242	3,370	104,848	98,976

Parent Company statement of comprehensive income

SEK thousand	3 months Aug-Oct 2014	3 months Aug-Oct 2013	3 months May-Oct 2014	3 months May-Oct 2013	12 months Nov 2013- Oct 2014	Full-year May-Apr 2013/2014
Earnings for the period	-2,134	-1,150	9,242	3,370	104,848	98,976
Other comprehensive income						
Fund for fair value	2,650	-1,006	8,399	-1,890	12,016	1,727
Total other comprehensive income for the period	2,650	-1,006	8,399	-1,890	12,016	1,727
Total comprehensive income for the period	516	-2,156	17,641	1,480	116,864	100,703

Parent Company balance sheets

SEK thousand	Oct 31, 2014	Oct 31, 2013	Apr 30, 2014
Assets			
Intangible assets	3,285	0	1,208
Tangible assets	1,558	548	925
Financial assets	131,885	79,819	151,963
Total fixed assets	136,728	80,367	154,096
Other current assets	161,909	166,994	187,527
Cash and cash equivalents	202,171	282,108	336,016
Total current assets	364,080	449,102	523,543
Total assets	500,808	529,469	677,639
Equity and liabilities			
Equity (incl. earnings for the period)	306,303	352,160	450,290
Untaxed reserves	131,112	112,166	131,112
Long-term liabilities	28,429	28,579	37,397
Current liabilities	34,964	36,564	58,840
Total equity and liabilities	500,808	529,469	677,639

Pledged assets and contingent liabilities

SEK thousand	Oct 31, 2014	Oct 31, 2013	Apr 30, 2014
Chattel mortgages	11,000	11,000	11,000
Total pledged assets	11,000	11,000	11,000
Guarantees on behalf of Group companies	234,376	259,878	248,525
Total contingent liabilities	234,376	259,878	248,525

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.

The cloud

Cloud computing, also known as the cloud, meaning that computing power is spread over the Internet or company-specific intranets and not on individual computers as was previously the case.

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

Are you a Sectra shareholder?

We would like to know why you chose to buy shares in Sectra and what you think of your investment and the company. We would like to thank you for taking the time to answer eight questions in Sectra's shareholder survey at sectra.com/shareholder2014. Your views are important to 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.

Sectra has grown from a small group of researchers and postgraduates in 1978 to an international company with more than 500 employees in 12 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 currently 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 ageing 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 has 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 exceed their expectations.
- Close collaboration with universities and researchers in order to capture ideas and new product areas that Sectra's customers may find useful.

Why Sectra?

The world needs more efficient healthcare and more reliable communications. Sectra plays a key role in meeting these needs by offering products and services in the areas of medical IT and secure communication. Conditions for the company's continued growth are:

- High level of customer satisfaction.
- A stable, profitable company with a strong cash flow and a high proportion of long-term customer contracts.
- Established position in growing niche markets, and global reach.
- Self-financed portfolio of future projects with major growth potential.
- Products and services that contribute to improved quality of life and a more secure society.
- Unique cutting-edge expertise in medical IT and encryption.
- Dedicated and experienced employees with a strong drive to solve customer challenges.
- Management and employees are shareholders.

For further information about Sectra's operations, refer to [Sectra's 2013/2014 Annual Report](#).

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