Annual Report 2014/15

COMPANY PRESENTATION

FINANCIAL REPORTS

REGULATORY STATUS OF PRODUCTS

This document presents Elekta's product portfolio. Certain products or functionality described may be works in progress or pending regulatory approval for certain markets.

Elekta cares for life

INNOVATIVE SOLUTIONS

Elekta is a human care company pioneering significant innovations and clinical solutions for treating cancer and brain disorders.

SOPHISTICATED SYSTEMS & SOFTWARE

The company develops state-of-the-art tools and treatment planning systems for radiation therapy including brachytherapy and radiosurgery, as well as workflow enhancing software systems across the spectrum of cancer care.

BETTER TREAT-MENTS WITH PATIENTS IN FOCUS

Stretching the boundaries of science and technology, providing intelligent and resource-efficient solutions that offer confidence to both health care providers and patients, Elekta aims to improve, prolong and save patient lives.

Key figures

	2014/15	2013/14	Change, %
Order bookings, SEK M	11,907	12,253	–3%
Net sales, SEK M	10,839	10,694	1%
EBITA before non-recurring items, SEK M	1,306	2,183	–40%
EBITA-margin before non-recurring items, %	12	20	–
Operating result, SEK M	937	1,727	–46%
Operating margin, %	9%	16%	–44%
Profit for the year, SEK M	558	1,152	–52%
Earnings per share before dilution, SEK	1.45	3.01	–52%
Earnings per share after dilution, SEK	1.45	3.00	–52%
Equity/Asset ratio, %	31%	35%	–11%
Net debt/Equity ratio, multiple	0.42	0.36	17%
Capital employed, SEK M	12,678	10,743	18%
Dividend, SEK	0.50[1)]	2.00	–75%

1) Proposed dividend.

FORWARD LOOKING STATEMENTS
This Report includes forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Because these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Certain of these risks and uncertainties are described further in the section 'Risks' on pages 72–73. Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulation.

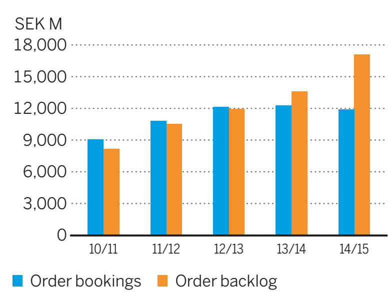
Elekta around the world

Today, Elekta solutions in oncology and neurosurgery are used by over 6,000 customers worldwide. Elekta employs around 3,850 employees spread globally across 28 countries.

ELEKTA GROUP

Elekta's manufacturing is located to eight production units in the US, China and Europe. The corporate headquarter is located in Stockholm, Sweden, and the company is listed on NASDAQ Stockholm.

ORDER BOOKINGS AND ORDER BACKLOG



Order backlog is converted at closing exchange rates. The translation of the backlog at exchange rates on April 30, 2015, compared to exchange rates on April 30, 2014, resulted in a positive translation difference of SEK 2,397 M.

ELEKTA'S SERVICES FOR EFFICIENT TREATMENT SOLUTIONS

Elekta's commitment to innovation is constantly opening new frontiers and creating improvments in cancer care. The work is carried out in close collaboration with leading clinics and researchers, always with the patients in mind and often at a reduced cost for health systems as a result.

ELEKTA NEUROSCIENCE

Elekta Neuroscience develops solutions that are extremely accurate for the diagnosis and treatment of neurological disorders. Elekta is the pioneer of stereotactic radiosurgery. The company's solutions within radiosurgery, stereotactic neurosurgery and magnetoencephalography are world leading and the company has the world's largest installed base of stereotactic radiation treatment systems intended for neurological treatments.

ELEKTA SERVICES

Elekta Services offers solutions that give Elekta's customers the greatest possible use of their cancer treatment

NORTH AND SOUTH AMERICA

- North America is the world's largest market for radiation therapy
- Elekta is the leader in software and brachytherapy and the second-largest solutions provider overall in the North American market
- Weak performance in the US while devlopment in Latin America was good
- Order bookings decreased by 25 percent based on constant exchange rates

NET SALES **SEK 3,651 M**

SHARE OF GROUP NET SALES

34%

Of which:
hardware 48%, **software** 8%, **services** 44%

EUROPE, MIDDLE EAST AND AFRICA

- Elekta is market leader in the region
- Western Europe showed stable performance, with the exception of the UK
- Performance varied in emerging markets
- Order bookings decreased by 9 percent based on constant exchange rates

NET SALES **SEK 3,829 M**

SHARE OF GROUP NET SALES

35%

Of which:
hardware 60%, **software** 8%, **services** 32%

ASIA PACIFIC

- Elekta is the market leader in the region
- China is Elekta's second-largest market globally and Elekta is number one in China
- Elekta continued to increase its market share in Japan
- Strong year ending mainly due to good performance in China and Australia
- Order bookings decreased by 1 percent based on constant exchange rates

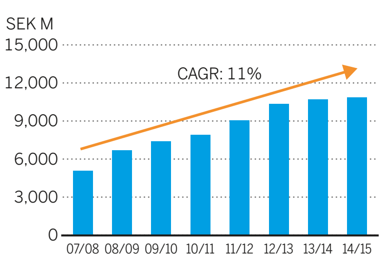
NET SALES **SEK 3,359 M**

SHARE OF GROUP NET SALES

31%

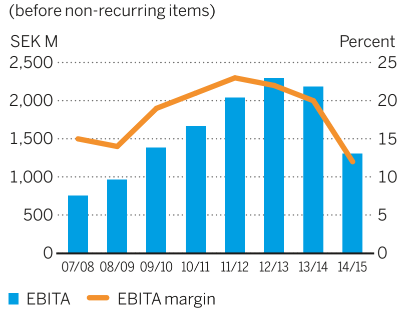
Of which:
hardware 66%, **software** 13%, **services** 21%

NET SALES

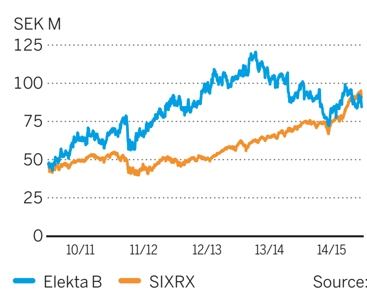


EBITA AND EBITA-MARGIN

(before non-recurring items)



TOTAL RETURN



Source: SIX Trust

ELEKTA ONCOLOGY

Elekta Oncology creates innovative clinical solutions for radiation therapy, such as linear accelerators, integrated imaging systems and clinical solutions for patient positioning and immobilization. Elekta is a leading supplier of image guided radiation therapy (IGRT) and the pioneer in volumetric modulated arc therapy (VMAT).

ELEKTA BRACHYTHERAPY

Elekta Brachytherapy is the world leader in cancer treatment based on internal radiation. Brachytherapy works by placing a radiation source either inside the body or on the surface, in or near the tumor. This enables precise targeting of the tumor, while minimizing the risk of damage to surrounding healthy tissue.

ELEKTA SOFTWARE

Elekta Software creates an efficient clinical environment in which all activities related to patient care – from diagnosis and treatment to follow-up – are as streamlined as possible, giving clinicians more time to focus on patients. Elekta's open systems and vendor-neutral connectivity ensure cross-platform flexibility to integrate the most advanced and useful tools.

solutions. The service offering enables customer to shorten patient waiting times, change care routines, simplify workflows and increase efficiency at the entire clinic. Training and education is an important part of Elekta's service offering.

Back to growth and improved profitability

WE ARE CONVINCED that the growing underlying market for radiation therapy and neurological disorders, combined with our comprehensive action plans, excellent product portfolio and product development pipeline, will lead Elekta back to a position of strong growth and high profitability.

Elekta's performance during 2014/15 was significantly below expectations. Overall market growth lagged behind the levels seen in previous years and in some of our key emerging markets business was hindered by civil unrest and war. Having said that, it is clear that we did not succeed in capitalizing on all the opportunities that actually arose in the market. Although we achieved strong results in many markets, our weak performance in others led to negative overall growth and a decline in earnings.

This is unacceptable, and we are now working tirelessly to execute on our comprehensive plan to return to growth, improve profitability and reduce costs.

One of the positive aspects of the past year was our ability to improve our cash flow. This work will continue and be further intensified.

Efficiency drives profitability

We expect that it will take a few years for the total market and for Elekta to return to previous growth levels. Therefore, we have introduced a number of measures to adapt our costs to the prevailing market situation. In June 2015, we announced an extensive two-year cost savings program. The goal is to achieve a total annual cost saving of SEK 450 million. I expect result of those measures already this fiscal year and to be fully implemented during the 2016/17 fiscal year.

New organization

We have also introduced a new organization as part of our efforts to return to strong profitable growth. By combining all sales, marketing, services and customer support in a new commercial organization, we will be able to improve our customer service and coordinate our global functions more efficiently. At the same time, we are aiming to improve the competitiveness of our products and solutions, our research and development activities, our manufacturing and supply chain management, as well as the effectiveness and cost efficiency of our operations by combining all these under a joint organization known as Solutions. These changes also reflect the increasing customer demand for integrated solutions.

Customer value creates profitability

An important effect of this organizational change is the strengthening of our customer focus in areas such as services, upgrades and installations. Our large installed base offers considerable opportunities to add customer value by improving clinical effectiveness, which enables the treatment of more patients and also the reduction of costs. We have always designed our systems to be upgradable. Rapid technological advancements are creating a need for upgrades among our customers and we must ensure that we continue to meet this need in an optimal manner. As we create value for customers and patients, we will increase our operating margin by altering our product mix to include a higher proportion of upgrades, services and software.

Growing market

The underlying long-term growth factors remain solid. Sadly, the global incidence of cancer is increasing and will continue to do so for a long time to come. Demand for radiation therapy is being driven by a current shortage of capacity as well as new treatment solutions with the potential to expand usage of radiation therapy for new indications. Furthermore, radiation therapy offers a highly effective solution to the growing demand for cost efficiency in the health care sector.

Strong portfolio of products and services

We have a unique position in this growing market with our leading portfolio of products and services – an offering that was further strengthened in April with the launch of Leksell Gamma Knife® Icon™, the world's most advanced system for the treatment of brain tumors and neurological disorders. Icon offers unbeatable precision and a simplified workflow, enabling us to broaden our targeted market considerably as well as sell upgrades to our large installed base.

We expect to launch our Atlantic system (research project name) in approximately two years. This system will revolutionize how radiation therapy is used by allowing physicians to view high-quality images of soft tissue and tumors while treatment is in progress, enabling adaptation of the radiation dose. The development of Atlantic is generating considerable interest from our customers around the world. I am certain that it will be a game changer, resulting in major improvements for the patient and making a significant contribution to our future growth.

We continue to focus on driving the industry toward an information-guided care paradigm. Data and analytics provided through Elekta's leading software solutions are creating unprecedented opportunities to revolutionize the way customers make decisions and to deliver the greatest possible benefits for the patient.

Increased focus on corporate governance

We are continuously working to further improve Elekta's corporate governance and transparency in financial reporting. During the year we established an Internal Audit function and a Compliance function. Several activities were carried out regarding compliance with a revision of the Elekta Code of Conduct and an update of the Whistle Blowing procedure.

Confident about the future

The actions we have implemented are in line with the four focus areas of our strategic agenda: Innovation Leadership, Commercial Transformation, Lifecycle Management and Expand Addressable Market. I feel a strong commitment to implementing our strategy as I return to my role as President and CEO. My position brings me closer to our employees and the extensive expertise and dedication they display. I would like to take this opportunity to thank them for their hard work and important contributions during the year.

Knowing the strength of Elekta gives me great confidence in the future. With the measures we are taking, our outstanding portfolio of innovative solutions and return to higher market growth levels in the long-term, we are confident that the company will return to annual growth of more than 10 percent. Until then, we will gradually strengthen our operations and deliver on our short and medium-term objectives with respect to growth, improved profitability, cost savings and product innovation. Elekta is a great company and our team will continue to do everything to make it a success.

Tomas Puusepp
President and CEO

Innovation and market growth

MISSION

We care for life

Elekta's mission is to enhance patient and customer value by providing solutions that improve, prolong and save lives. We are at the forefront of science and technology, delivering clinical advances and improved patient outcome.

VISION

Pioneer and partner in cancer care

Elekta's vision is to pioneer cutting-edge cancer care and become the number one partner for the entire spectrum of care in oncology and neurosurgery.

VALUES

Long-term relationships, trust and responsibility, resourcefulness, responsiveness and creativity

Elekta's cornerstones

- Clear patient focus throughout the operations
- Close collaboration with leading hospitals creates an optimal user experience and drives the development of new solutions
- Leading product portfolio and development pipeline based on extensive long-term investments in research and development
- Leading position in emerging markets

FINANCIAL AMBITIONS

Short-term ambition (2015/16 fiscal year)

- Return to growth in the second half of 2015/16
- Operating margin (EBITA) improvement

↓

Medium-term ambition (2016/17 and 2017/18 fiscal years)

- Annual growth in net sales of 3–5 percent
- Operating margin (EBITA) improvement of at least 6* percentage points

↓

Elekta's long-term financial ambitions are

- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement rate to exceed sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio less than 0.50

* Based on the 2014/15 fiscal year

One of the basic prerequisites for Elekta to achieve the long-term financial ambitions is a higher global market growth compared with the current level (refer to page 8 and page 12–15). In an effort to capitalize on the opportunities available in this market, Elekta will continue to apply a strategic agenda with four focus areas: Innovation Leadership, Commercial Transformation, Lifecycle Management and Expand Addressable Market (refer to page 10).

Elekta's leading product portfolio and development pipeline of innovative products and services are also crucial factors for the company's long-term ambition of achieving high growth. Elekta's leading position was further strengthened by the launch of the Leksell Gamma Knife® Icon™ in April 2015, the market's most advanced system for the treatment of brain tumors and other brain disorders.

The next major addition to Elekta's range of groundbreaking innovations will be the MRI-guided radiation therapy system Atlantic (research project name), which Elekta plans to launch 2017. The system is designed to provide high-quality images of soft tissue and tumors while treatment is in progress, and also enables adaptation of the radiation dose in real-time. Significant progress was made on the project during the year.

In order to improve its operating margin in the short term and return to growth, Elekta initiated an extensive two-year action program in summer 2015. The program encompasses the entire company and involves cost savings and programs to reduce the cost of goods sold. The aim is to achieve a total annual cost saving of SEK 450 million. The programs are expected to be fully implemented during fiscal year 2016/17. At the same time, Elekta is implementing initiatives to improve the product mix and increase sales of upgrades, services and software, which will increase the company's profitability.

Cash flow was improved in fiscal year 2014/15. The focus on cash flow will continue with the ambition to maintain a cash conversion exceeding 70 percent.

New organization

In summer 2015, Elekta implemented a new global organization adapted to meet customer needs for integrated solutions, software and services, and to increase efficiency in the company.

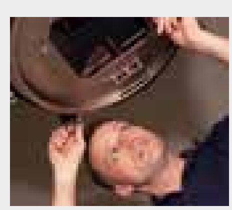
President and CEO

As part of the new organization effective from July 7, 2015, the Regions and Product Areas and have been consolidated to Commercial and Solutions respectively.

Commercial

All global sales, marketing, services and support are now gathered in a new commercial organization designed to improve the company's customer service and support, and to strengthen Elekta's global reach and brand.

Ian Alexander, Chief Commercial Officer (CCO)



Solutions

All products and solutions have now been combined into one joint organization. This organization is responsible for ensuring the competitiveness of Elekta's products and solutions, as well as for research, development, manufacturing and supply chain, and improving the efficiency of the operations.

Johan Sedihn , Chief Operating Officer (COO)

Good growth potential in the global market

THE LONG-TERM TREND WITH RESPECT TO THE USE OF RADIATION THERAPY is largely being driven by fundamental changes occurring in society. While the increasing number of cancer cases is the most significant change, demand is also being impacted by such factors as a shortage of capacity, cost efficiency and new treatment possibilities. The market is currently growing by approximately 3–5 percent annually. This rate of growth is expected to continue in the medium term and subsequently increase to 6–7 percent annually, primarily from higher growth in emerging markets.

MARKET GROWTH:

Current market growth: 3–5%

Expected long-term market growth: 6–7%

Increase in the number of new cancer cases

The global incidence of cancer is currently increasing by approximately 3–4 percent annually. The single most important explanation for this is that the population is aging. About 60 percent of cancer cases are detected in people aged 60 or older. In 2012, more than 14 million new cancer cases were diagnosed, a figure that is expected to grow by 75 percent over the next 20 years.

Higher frequency of recurrent cancer

Improved treatment methods and early detection are enabling more patients to survive their cancer and the disease is increasingly becoming a chronic disease. This, in turn, is causing the number of seconday tumors, such as metastasis, to rise, meaning that the cancer returns on one or more occasion. The proportion of patients requiring retreatment with radiation therapy after their initial radiation therapy is expected to increase from a current level of 25 percent to 35 percent.

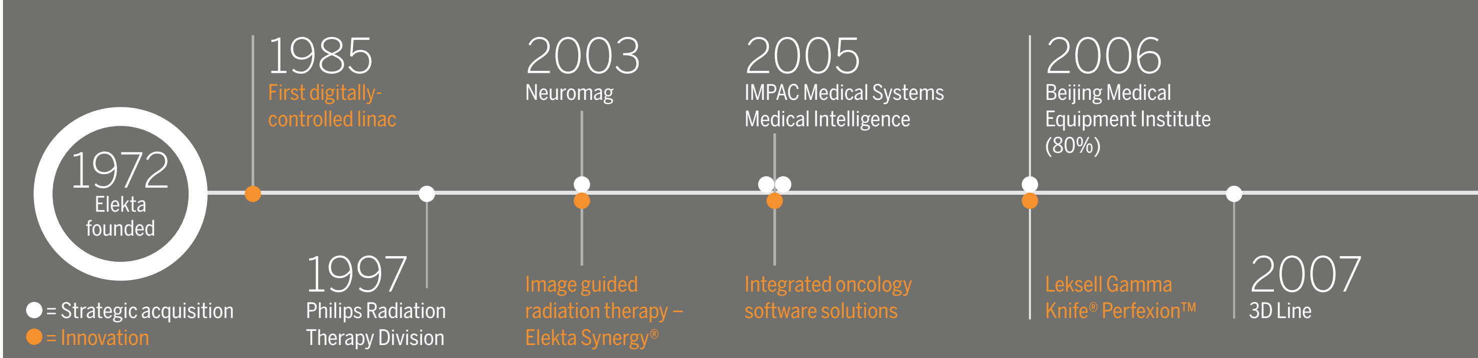
Capacity shortage

There are currently 33 million cancer patients (within five years of diagnosis) in the world, and the healthcare industry simply does not have the capacity to treat them all. Assuming all cancer patients in the world are to receive adequate radiation therapy, there is a global capacity shortage of at least 10,000 linear accelerators. This corresponds to nearly double the current installed base. The largest capacity shortage exists in less developed emerging markets. Emerging markets currently account for approximately 35 percent of Elekta's sales and offer considerable long-term growth potential.

Radiation therapy gaining significance in cancer care

Research shows that radiation therapy should be used to treat about 50 percent

STRATEGIC ACQUISITIONS AND INNOVATIONS



of all cancer cases. At present, approximately 25 percent of cancer patients receive radiation therapy. The difference becomes even clearer looking at the proportion of costs since radiation therapy accounts for only 7 percent of the global costs for cancer care. Radiation therapy is one of the most cost-effective treatment options and its use is expected to increase as a result of stricter demands on cost savings in the healthcare sector in many countries.

Broader application of radiation therapy
As a result of continuous innovations, radiation therapy can be used to treat an increasing number of diseases. In close collaboration with leading hospitals across the globe, Elekta continuously develops new solutions to enable a higher portion of cancer cases to be treated with radiation therapy.

33

There are 33 million cancer patients worldwide (within 5 years of diagnosis)

2008
CMS

VMAT – Volumetric Modulated Arc Therapy

2010
Resonant Medical

2011
Nucletron

2012
Radon

Agility™

2013
Esteya® – Electronic brachytherapy for skin cancer

Versa HD™

2014
Distributor in Turkey (Mesi Medikal)

Information-guided cancer care™

2015
Distributor in Poland (RTA)
Distributor in Mexico (AEESA)

Leksell Gamma Knife® Icon™

Strategic agenda

ELEKTA'S STRATEGIC AGENDA IS BASED ON FOUR FOCUS AREAS

1

Innovation Leadership
Research and development is a cornerstone of Elekta's business. Approximately 25 percent of the Group's 3,850 employees are involved in research and development. Their work ranges from developing new products and generating intellectual property, to integrating hardware with software and customized services and solutions. Elekta focuses on delivering the greatest possible benefits for the patient, further enhancing the user experience and driving the industry toward an information-guided care paradigm. Data and analytics provided through Elekta's leading software create opportunities to revolutionize the way customers make decisions.

2

Commercial Transformation
Elekta is implementing changes to strengthen its processes and boost its efficiency. This includes an increased focus on cash flow and working capital management. It also means that Elekta will ensure that the company has the right skill sets and that the commercial processes deliver distinct value to patients and customers.

3

Lifecycle Management
Elekta's capacity to manage and drive business from the installed base is critical for strengthening profitability. This relates to both internal efficiency and the company's capacity to grow its share of the customer's overall business. Elekta systematically evaluates its relationships with customers in order to do an even better job throughout the total lifetime of its products. Elekta's aftermarket offering includes service, training, advisory services, and hardware and software upgrades.

4

Expand addressable market
Within the healthcare sector, there is a demand for increased efficiency and faster throughput. Thanks to its high level of precision and cost efficiency, radiation therapy offers favorable opportunities to capture a larger share of the global costs for cancer care than the 7 percent currently attributable to radiation therapy. In order to expand the use of radiation therapy, Elekta is taking a proactive approach to medical affairs and evidence-based medicine, as well as providing and investing in user training, and has a strong presence in emerging markets.

The world's cancer burden is rapidly increasing

THE WORLD'S CANCER BURDEN IS RAPIDLY INCREASING. In 2012, more than 14 million new cancer cases were diagnosed, a figure that is expected to grow by 75 percent over the next 20 years. More and more patients are surviving their cancer, which increasingly makes cancer a chronic disease with growing number of patients all over the world in need of long-term care. At the same time, the costs of cancer care and demands on cost efficiency in healthcare systems are rising.

Cancer is a group of more than 200 different diseases that can affect any part of the body. The risk of developing cancer is influenced by several factors, including smoking, alcohol, physical activity, dietary habits, ultraviolet radiation exposure, radioactivity and viral infections, but also by hereditary or other unknown factors. The risk increases with age and about 60 percent of all new cancer cases worldwide are recorded in the over-60 age group. Geographic differences in the spread of cancer can largely be linked to the varying prevalence of the various risk factors.

Survival rates are increasing in many countries due to earlier detection and more effective treatment. In the industrialized world, breast cancer and prostate cancer are the cancer types with the highest proportion of patients who survive more than five years. Survival rates are lowest in low-income countries, where access to programs for early detection and diagnostics, or optimal treatment and care, often is poor.

Treatment methods

The most common forms of treatment are radiation therapy, surgery and chemotherapy. These are used individually, or in combination, in virtually all cancer treatment.

The treatment methods are complementary and are targeting different types of cancer. Radiation therapy is one of the most cost-effective treatment options and the use of radiation therapy is expected to increase. Studies shows that radiation therapy optimally should be used to treat about 50 percent of all cancer cases.

Lung cancer

Lung cancer is the most common type of cancer in the world and the leading cause of cancer death among men, and second-largest cause among women. In 2012, the most recent year from which global statistics are available, 1.8 million people were diagnosed with lung cancer and 1.6 million died from lung cancer.

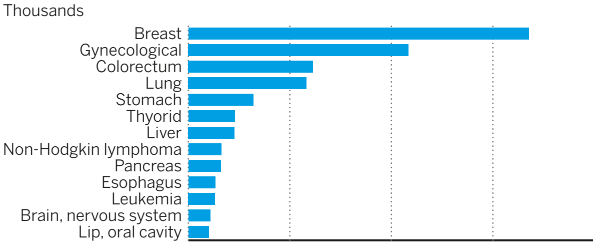
To manage and adjust for tumor movements is a challenge when using radiation therapy for treatment in lungs. Movements complicate imaging and treatment planning and usually require substantial margins to compensate for lung-tumor movement. The solution is to deliver powerful doses with high precision using a short beam-on time, enabling a more direct delivery to the tumor while protecting healthy tissue. Elekta's unique linear accelerator, Versa HD™, uses the Agility™ multileaf collimator to combine powerful radiation doses with exact beam delivery. The short treatment session helps the patient lie still while being treated, which reduces the risk of damage to healthy tissue.

Gynecological cancer

Gynecological cancer is a group of cancers that affect the female reproductive organs and genital. The most common form is cervical cancer with some 530,000 new cases in 2012, of which less developed countries accounted for about 85 percent. About 265,000 women died from cervical cancer in 2012. Virtually all cases of cervical

MOST COMMON CANCERS, WOMEN (INCIDENCE 2012)

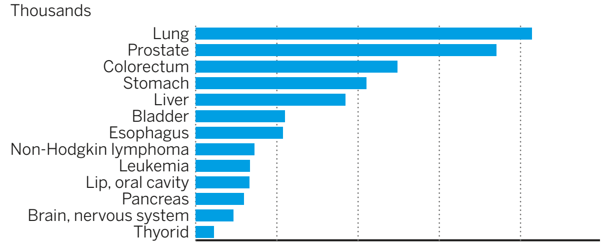
Thousands



Source: WHO GLOBOCAN 2012

MOST COMMON CANCERS, MEN (INCIDENCE 2012)

Thousands



Source: WHO GLOBOCAN 2012

One solution – unlimited possibilities

Versa HD™ is Elekta's most advanced digital linear accelerator and, in combination with the Agility™ multileaf collimator, provides unsurpassed versatility. The system enables treatment sessions with a high dose of radiation delivered quickly and efficiently for a broad spectrum of complex tumors.

Versa HD can deliver radiation doses up to three times faster than Elekta's earlier linear accelerators. In addition, clinics can use Agility to fully benefit from high doses of radiation, and the radiation dose can be shaped even more precisely for higher doses during complex treatment sessions.

The system is supported by a series of customized treatment solutions for several parts of the body.

Brain and spine
Maximum precision beam shaping and optimal ability to deliver high doses during stereotactic radiosurgery for targets in the brain and spine, while avoiding nearby healthy tissue.

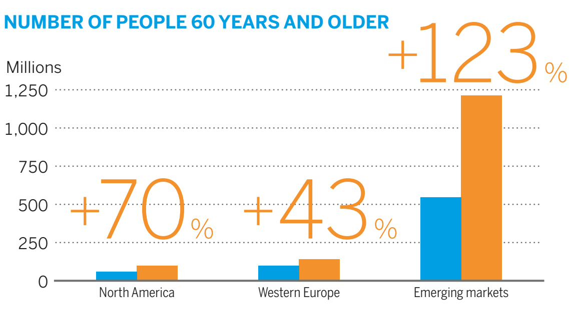
Head-and-neck
High-resolution beam shaping and safe patient positioning with convenience features for fixing the head, to achieve optimal beaming of selected tumors in the head-and-neck while protecting adjacent healthy tissue.

Breast
Innovative solutions for imaging and defining the contours of a lumpectomy cavity, and enabling precise patient positioning and management of respiratory motion.

Lungs
Radiation therapy solutions for lung tumors, in which delivery to precisely shaped target areas in the lungs is prioritized while exposure of surrounding healthy organs is minimized.

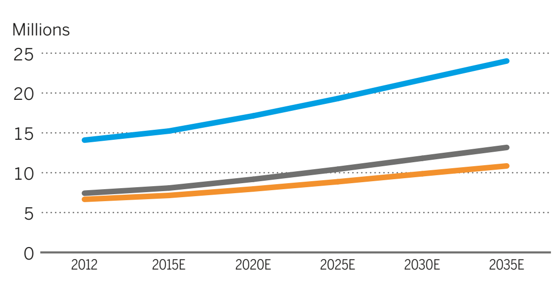
Prostate
Features for imaging and tracking that are designed to visualize and isolate the prostate and surrounding critical structures.

NUMBER OF PEOPLE 60 YEARS AND OLDER



Source: WHO

NEW CASES OF CANCER, WORLD



Source: WHO GLOBOCAN 2012

cancer are caused by HPV infections. The second most common type of gynecological cancer is uterine cancer.

Both cervical cancer and uterine cancer are treated with surgery, radiation and cytostatic drugs, usually in combination. Brachytherapy is an established treatment option that has shown positive results when combined with external radiation therapy. Over time, many studies have shown that a combination of brachytherapy and external radiation therapy is effective when treating cervical cancer.

Skin cancer

Skin cancer can take several forms, of which the most dangerous is malignant melanoma. Another type is squamous cell carcinoma. Ultraviolet radiation from the sun is the most significant risk factor for both of these cancers. A less serious type of skin tumor is basal cell carcinoma, which tends to grow slowly and metastasis is rare. Basal cell carcinoma is not included in normal cancer statistics.

The number of skin cancer cases has risen sharply in recent decades. If all types were included, skin cancer would account for about one-third of all new cancer cases.

The traditional form of treatment for skin cancer has been surgery. Elekta's solution, Esteya®, makes it possible to treat some types of skin cancer non-invasively yet with high precision using electronic brachytherapy.

Brain tumors

Brain tumors are usually divided into two categories: primary brain tumors, in which the tumor starts from brain cells, and secondary brain tumors, or brain metastases, in which tumor cells have spread to the brain from primary tumors in other parts of the body. Primary brain tumors include many different kinds of tumors, while brain metastases usually originate from cancers of the lung, skin, breast, kidney and colon.

The most common form of treatment is whole brain radiation therapy. However, an increasing number of scientific studies show that stereotactic radiosurgery achieves a better results, alone or in combination with other treatment options, and with less risk of side-effects.

Due to its high precision and automation, the Leksell Gamma Knife® Icon™ is particularly suitable for the treatment of brain metastases, as well as for patients with multiple metastases.

Metastases

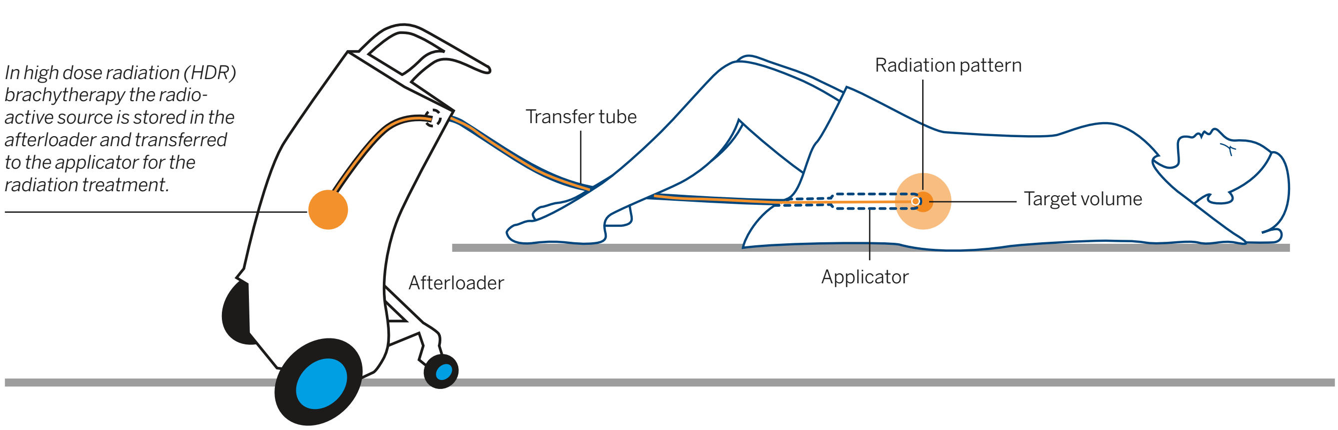
Metastases, daughter tumors, occur when cancer cells spread from the site of the original tumor, the primary tumor, to another organ in the body. Virtually all

Precise and effective cancer treatment

Brachytherapy works by placing a source of radiation directly in, or next to the cancerous tumor inside the body. This allows the radiation to be precisely targeted to ensure the tumor receives the most effective dose to destroy the cancer cells. Radiation exposure to healthy tissues further away from the target area is reduced.

The radiation is delivered to the tumor through a small radiation source, held on the end of a wire or as loose 'seeds', implanted directly into the tumor. The source is placed into the target area by the use of special applicators and an afterloading device. Special planning software is used to plan the required radiation pattern.

Brachytherapy represents an effective treatment option for cervical, prostate, breast, and skin cancer and can also be used to treat tumors in many other body sites. It is associated with a high local control and low risk of serious adverse side effects and can be used alone or in combination with other therapies such as surgery, external beam radiotherapy and chemotherapy.



types of cancer can cause metastases. However, it is impossible to safely predict if a tumor will form metastases or not. Metastases usually occur in the brain and spine, lungs, skeleton, liver or lymph nodes. Since more patients are living longer after their original cancer treatment, the number of metastasis cases is expected to rise.

Breast cancer

Breast cancer is the most common form of cancer in women, and the second most common cancer worldwide. In 2012, there were 1.7 million new cases and 520,000 people died from the disease. Breast cancer is the leading cause of cancer death among women in less developed countries, and the second highest cause, after lung cancer, in developed countries.

The primary treatment options are surgery, radiation therapy and chemotherapy, often in combination. Surgery followed by radiation therapy is commonly used. Hormone therapy is used for hormone receptor-positive tumors.

Prostate cancer

Prostate cancer is the second most common type of cancer among men, with more than 1.1 million new cases in 2012. More than two-thirds of all cases occur in developed countries. This is probably linked to the widespread use of PSA screening, which enables early detection.

In most cases, prostate cancer develops slowly and most men who receive this diagnosis are over 65. By the age of 80, more than 50 percent of men have cancer cells in their prostate. The slow growth combined with effective methods of treatment and early detection means that mortality rates are considerably lower compared with other common cancer types. Common therapies are radiation therapy, surgery and hormone therapy, or a combination of these.

Colorectal cancer

In 2012, 1.4 million new cases of colorectal cancer (colon cancer) were reported and 700,000 people died from the disease.

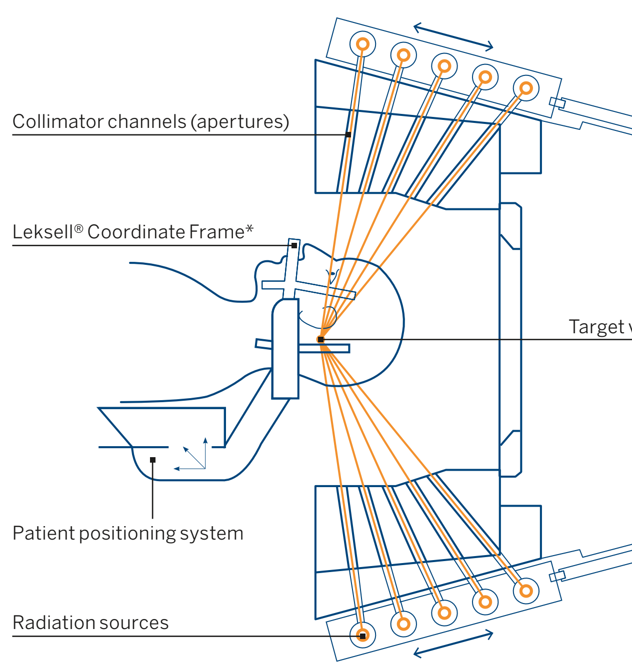
Surgery is the most common method of treatment for colon cancer. Survival rates after surgery are often dependent on whether the cancer has spread to other organs. The trend of falling mortality rates is a result of improved treatment methods and earlier detection. Radiation therapy is also a common treatment, and some patients may also require chemotherapy.

Stereotactic radiosurgery with Leksell Gamma Knife

Gamma Knife® radiosurgery is, with very few exceptions, administered in a single session and without general anesthesia. After Gamma Knife radiosurgery, the patient normally leaves the hospital the same day, making it a very cost-effective and gentle alternative to open surgery, and also to fractionated radiation treatments.

During the procedure, some 200 radiation beams from cobalt-60 sources converge on the target with very high accuracy. Each individual beam has a low intensity and therefore does not affect the tissue through which it passes on its way to the target. The beams converge in an isocenter where the cumulative radiation intensity becomes extremely high.

By moving the patient's head in relation to the beams' isocenter, the radiation dose can be optimized in relation to the shape and size of the target. Leksell Gamma Knife has extreme precision with a level of accuracy better than 0.5 millimeters, making it possible to administer a high radiation dose to the diseased area, with minimal risk of damaging adjacent healthy tissue.



* There is also an option to treat without frame through Leksell Gamma Knife® Icon™

Broader use of radiation therapy

Radiation therapy is used to treat a large and growing number of cancers. A variety of treatment methods can be used, depending on the type, location and size of the tumor. All methods have the aim to precisely target and kill tumor cells, while sparing healthy cells in the surrounding tissue.

Image Guided Radiation Therapy (IGRT) enables high targeting precision and accuracy using high-resolution multi-dimensional X-ray images of the patient's tissue.

Image guided radiation therapy with Magnetic Resonance Imaging (MRI) provides high-quality images of tissue and tumors while treatment is in progress, and also enables adaptation of the radiation dose in real-time. The method is under development in the Atlantic (research project name) consortium, which includes Elekta, Philips Healthcare and a number of leading institutions.

Brachytherapy, also known as internal radiation therapy, involves placing a radiation source in or near the treatment area. This allows very high tumor doses to be achieved, while limiting the effect on surrounding organs. The method is typically used to treat gynecological cancer and prostate cancer, but also breast cancer and certain types of skin cancer.

External-beam radiation therapy is the most common type of radiation therapy, in which the radiation source is produced by a linear accelerator and delivered by the radiation beam from the linear accelerator head rotated around the patient. By delivering the radiation from various angles, the radiation dose is distributed more evenly in the tumor without excess damage to surrounding healthy tissue.

Radiation therapy with a linear accelerator

Intensity-Modulated Radiation Therapy (IMRT) is an advanced type of treatment that uses multiple tiny beams of varying intensity rather than a single, large, uniform beam. The radiation can therefore be tailored to the size and shape of the tumor, allowing higher tumor doses while minimizing the impact on healthy tissue.

Stereotactic Body Radiation Therapy (SBRT) enables accurate delivery of radiation to a tumor and minimizes the radiation dose to surrounding tissue. This enables that small and medium-sized tumors can be treated with higher doses and fewer sessions, known as hypofractionation.

Stereotactic Radiosurgery (SRS) is typically used to treat tumors and other disorders in the brain. The method involves the delivery of a single high dose, to small and critically located targets in the brain. The method offers very high precision, with a minimum impact on surrounding brain tissue.

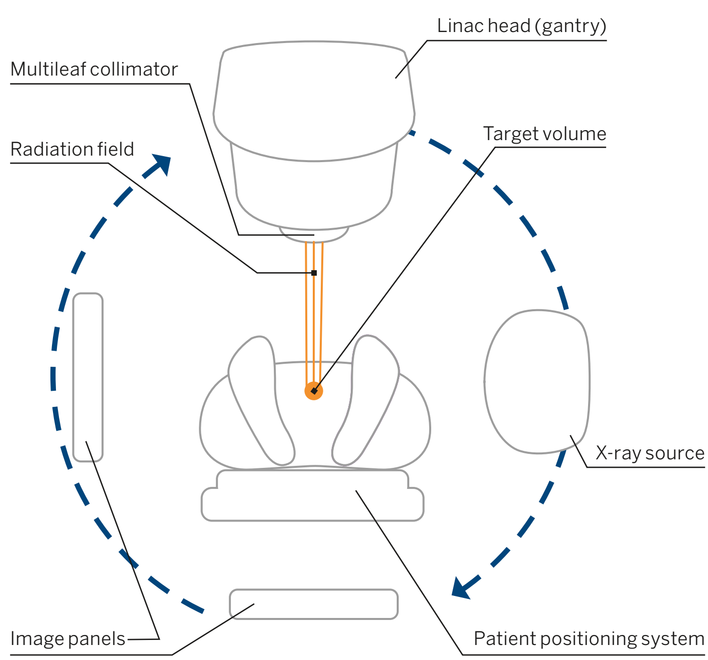
Volumetric Modulated Arc Therapy (VMAT) is a more advanced variant of Intensity Modulated Radiation Therapy (IMRT). VMAT enables the physician to control the radiation beam, dosage amount and speed of rotation around the patient, which enables faster and more accurate treatment.

Proton therapy is a type of external radiation therapy. During treatment, a particle accelerator is used to direct proton beams at the tumor. Proton therapy is used for research purposes and to a limited extent, partly due to its high investment and running costs.

A linear accelerator produces a radiation beam of either high energy X-rays or electrons. The patient is positioned to ensure the beam is directed at the tumor and shaped to conform to the tumor's contours.

In the majority of cases, radiation therapy is provided as fractionated treatment, meaning that the patients receive a daily dose of radiation five days a week for up to seven weeks. At each daily treatment, the radiation beam from the linear accelerator head is rotated around the patient at different angles so that the entire tumor receives an optimal radiation dose.

In addition, image guided radiation therapy allows the patient to be imaged in the treatment position immediately prior to treatment. An integrated X-ray source and an additional image panel are used, which provide 2D images, moving real-time images and volumetric 3D images.



Large hospital networks require more comprehensive solutions

34%

REGION'S SHARE OF GROUP NET SALES

24%

MARKET SHARE OF NEW ORDERS IN THE REGION

HOSPITAL CONSOLIDATION IN THE US MARKET is resulting in increased demand for more comprehensive solutions. With a broad range of products, software, training and service, Elekta is well positioned to meet this demand.

Market and driving forces

North America is the world's largest market for oncology and neurosurgery systems and services. Elekta is the market leader in oncology information systems and brachytherapy, and the second-largest solutions provider overall in the North American market. The US has substantial capacity to deliver high-quality cancer care and a higher percentage of cancer patients being treated with radiation therapy than most other markets. The market is an early adopter of new technology, particularly in areas such as stereotactic radiosurgery, stereotactic radiotherapy and patient motion management during treatment.

The US also has the world's highest health costs per capita. The aim of the US

NET SALES

3,651 SEK M

EMPLOYEES

29%

Region's share of total employees

healthcare reform, commonly known as Obamacare, is to provide access to health insurance to a larger share of the population, while also making healthcare more efficient. As a result, many hospitals and clinics are merging into larger units in order to better cope with the demand for increased efficiency. Which, in turn, results in a need for larger, more comprehensive solutions. Elekta is well positioned to meet this demand with a broad range of products, software, training and service.

In Canada, efforts remain under way to expand the use of effective and cost-efficient radiation therapy. The goal is for approximately 50 percent of the country's cancer patients to receive such treatment, compared with the current level of about 35 percent.

In Latin America, the capacity for radiation therapy is significantly lower and there is a major need for expanding cancer care.

Summary of 2014/15

Order bookings for North and South America decreased 25 percent year-on-year, based on unchanged exchange rates. The decrease is mainly due to Elekta's weak performance in the US and the fact that a number of large orders were not closed as anticipated. Net sales amounted to SEK 3,651 M (3,328).

In Mexico, Elekta acquired the service operation and employees from the Mexican distributor Asesores Electrónicos Especializados (AEESA) during the year. The acquisition supports the company's continued growth in a market with significant potential.

The development in Latin America was strong, partly due to growth in the Brazilian market.

During the year Providence Health & Services – the third largest not-for-profit health system in US – ordered multiple Elekta cancer management solutions. These include radiation therapy systems and upgrades, oncology information systems and multiyear service contracts for its hospitals, clinics and other health care facilities in Washington, Alaska, California, Montana and Oregon.

USE OF RADIATION THERAPY

47%

Patients receiving radiation therapy (including retreatment)

CONTRIBUTION MARGIN

30%

ORDER BOOKINGS DEVELOPMENT

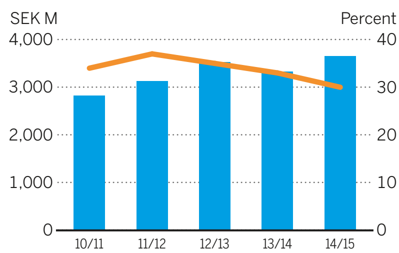
Based on unchanged exchange rates compared to previous year

–25%

Priorities for 2015/16

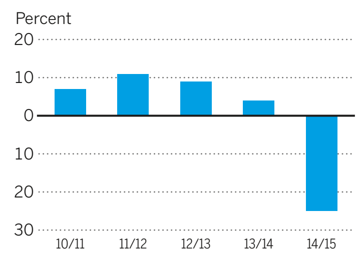
- Turnaround financial performance
- Launch of Leksell Gamma Knife Icon
- Increase software installation capabilities
- Continued investments to strengthen capabilities towards large hospital groups

CONTRIBUTION MARGIN AND NET SALES



Net sales — Contribution margin in percent

GROWTH IN ORDER BOOKINGS[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

The cost of health care – why reimbursement is important

Bill Yaeger
Executive Vice President,
region North America

"We are continuing to improve our ability to meet the needs of large cancer care systems. With our comprehensive range of products, software and services, we help our customers make the most out of their investments."

The ability of health care providers to use Elekta's products is often influenced by the coverage and reimbursement policies adopted by public and private health insurers. In markets such as the United States, Elekta is working hard to deliver the best possible outcomes and value for patients and the health care system – appropriate reimbursement rates help ensure this.

"Radiation oncology has a good value story," says Bob Thomas, Elekta's Vice President for Health Policy and Government Relations. "We can deliver excellent care at a reasonable cost with good patient outcomes and that's what everyone's looking for. However, if certain procedures are not covered by health insurers nor adequately reimbursed, then the adoption of those procedures and their availability could be limited."

"This affects our investment in new technologies and the investment in the next generation of technologies. From a patient perspective, inadequate coverage and reimbursement policies can severely limit treatment options," he explains.

The basis on which these policies are made, the way in which rates are set, and the organizations tasked with making these decisions, vary widely from country to country.

The way fees are set, and the roles played by government and private insurers in setting reimbursement rates, reflects the wide range of health care models in operation in Elekta's markets around the world.

The US Federal Government, through programs including Medicaid and Medicare, is the single largest health insurer and the rates for procedures provided through these public programs are regularly reviewed by rulemaking bodies and Congress. The remainder of reimbursement payments are made by private health insurance companies, whose rates very often take a lead from government rates.

Thomas says Elekta therefore is actively engaged in educating government officials about the benefits of radiation therapy in general and the benefits of Elekta's innovative technologies in particular.

"What we do is to make sure that the relevant stakeholders know what our products do and how they benefit patients. We strive to ensure our products are available for hospitals and their patients." Thomas says. "We work with both public and private payers, as well as with numerous other stakeholders, including specialty societies, trade associations and patient advocacy groups to deliver the best possible health outcomes."

Good growth in most markets

35%

REGION'S SHARE OF GROUP NET SALES

50%

MARKET SHARE OF NEW ORDERS IN THE REGION

ELEKTA IS THE MARKET LEADER IN THE REGION WITH STABLE PERFORMANCE DURING THE YEAR. Western Europe showed stable performance, with good growth in Southern Europe and Germany, but weak performance in the UK. The development in emerging markets varied. Growth in parts of Africa and Russia was favorable, while North Africa and Middle East were negatively impacted by war and civil unrest.

Markets and driving forces

Customers in Western Europe are mainly public care providers, although the proportion of customers from the private sector is growing. The market largely comprises replacement investments, but there is also a need for increased capacity in radiation therapy. The increase is partly due to the rising number of cancer cases resulting from increased life expectancy, but also because of an increased longevity for

NET SALES

3,829 SEK M

EMPLOYEES

48%

Region's share of total employees

people with cancer due to improved diagnosis and more effective treatments. The proportion of cancer patients receiving radiation therapy is gradually rising, but is still considerably lower than in the US.

In Eastern Europe, the Middle East and Africa, resources for treating cancer and brain diseases are often unsatisfactory. Several of these countries have extensive programs for expanding and modernization of cancer care.

In Russia, radiation therapy capacity has been expanded considerably in recent years, but the scope and timeframe for continued public investment are uncertain.

Turkey is a large market with good growth. Turkey has established a national program to reduce low capacity in cancer care, and has also facilitated the establishment of private radiation therapy clinics.

Globally, cancer is a more common cause of death than HIV/AIDS, malaria and tuberculosis combined, and only a small proportion of the population in Africa has access to radiation therapy or other advanced cancer care. Elekta is working to build radiation therapy capacity in several countries.

Summary of 2014/15

In 2014/15, order bookings for Region Europe, Middle East and Africa decreased by 9 percent compared with last year, based on unchanged exchange rates. Net sales amounted to SEK 3,829 million (4,220).

Elekta showed favorable growth in several Western Europe markets, such as Southern Europe and Germany, in terms of both capacity increases and upgrades of installed systems. Demand for the most advanced linear accelerator, Versa HD, was good. Major orders included a number of Versa HD to the Erasmus Medical Center in the Netherlands.

Elekta acquired the Polish distributor RTA, which will strengthens Elekta's position in both private and public healthcare sectors in the growing Polish market.

Elekta also established direct sales in Turkey through the acquisition of Mesi Medikal, a leading Turkish distributor of radiation therapy systems. Turkey is a large market with strong growth as cancer treatment develops in both the public and private sector. During the year, Elekta was awarded a significant contract by the Turkish Ministry of Health to provide cancer care in the country.

USE OF RADIATION THERAPY

25%

Patients receiving radiation therapy
(including retreatment)

CONTRIBUTION MARGIN

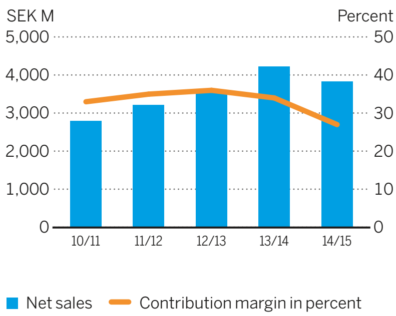
27%

ORDER BOOKINGS DEVELOPMENT

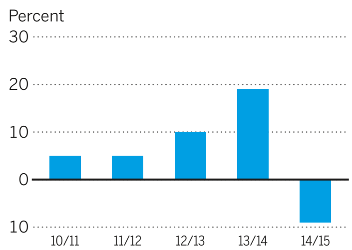
–9%

Based on unchanged exchange rates compared to previous year

CONTRIBUTION MARGIN AND NET SALES



GROWTH IN ORDER BOOKINGS[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

The market trend in the Middle East was weak, due to political and economic uncertainty.

Although North Africa was impacted by political uncertainty, the trend throughout the rest of Africa was positive and good growth in business volume.

In 2014, the implementation of a joint European service organization continued, and the implementation was completed in most markets by year-end. This will improve service and increase customer satisfaction by using resources more efficiently.

Significant progress was made in Elekta's major research project, with project name Atlantic. During the year, the world's first high-field MRI-guided radiation therapy system was installed at the University Medical Center Utrecht (UMCU) in the Netherlands.

Priorities for 2015/16

- Continue working with the successful Versa HD linear accelerator, and enable even greater adaptation of the offering to each customer's special needs
- Launch of Leksell Gamma Knife Icon
- Increased focus on brachytherapy
- Continued investment in software, service to the large installed base of more than 1,500 linear accelerators across Europe

Elekta to bring cancer treatment to millions in Africa

Ian Alexander
Chief Commercial Officer (CCO)

"The launch of Leksell Gamma Knife Icon, together with our Versa HD mean that we are continuing to meet requests for highly advanced solutions, particularly from many of our Western European customers."

Globally, cancer kills more people than HIV/AIDS, malaria and tuberculosis combined. Approximately 40 percent of cancer cases[1] can be prevented and 40 percent can be cured with the right treatment[2]. Together with Elekta, ministries of health in a significant number of African nations are working to build up their radiation therapy infrastructures and save lives.

More than 50 percent of all cancer patients worldwide would benefit from radiation therapy during the course of their disease, either as the sole therapy or in combination with surgery and chemotherapy. Despite being home to 85 percent of the world's population, less than 35 percent of the world's radiotherapy facilities are in low-income countries. Africa is a prime example of the shortfall that leaves most cancer patients in low-income countries without access to potentially life-saving radiation therapy treatment.

Most sub-Saharan countries lack the facilities and trained personnel necessary to provide effective prevention, early detection or adequate treatment of cancer.

Access to radiation therapy on the continent has been hampered by a variety of factors, including education and training. Elekta is committed to improving these circumstances and is investing substantially in its training center in Cape Town (South Africa). Here, clinicians can learn more about the use of linear accelerators, oncology information systems and treatment planning systems. The company is also actively working to address the unmet need for radiation therapy solutions.

In 2015, Elekta is engaged in providing cancer management solutions in several sub-Saharan countries, including: Angola, Kenya, Mozambique, Namibia, Senegal, South Africa, Uganda, and Zimbabwe. Hospital da Casa de Seguranca de Presidente da Republica Luanda in Angola will install a Versa HD™ linear accelerator (linac), an Elekta Synergy® linac with Agility™ and a Flexitron® remote afterloading platform. The linacs and brachytherapy systems represent the first such units in Angola.

1) UICC, World Cancer Day fact sheet
2) IAEA, Inequity in Cancer Care: A Global Perspective

Good development in China

31%

REGION'S SHARE OF GROUP NET SALES

46%

MARKET SHARE OF NEW ORDERS IN THE REGION

AGING POPULATION AND INVESTMENTS IN HEALTH CARE are driving good long-term demand for cancer care in Region Asia Pacific.

Market and driving forces

The countries in Asia Pacific account for nearly 60 percent of the world's population, but less than 30 percent of the world's linear accelerators, which indicates a major unmet need of cancer care. Differences between countries are however significant. Australia, Hong Kong, Japan, Singapore, South Korea and Taiwan have well-established healthcare systems and high capacity for treatment of cancer patients. There is a major shortage of radiation therapy systems and trained healthcare personnel in the rest of the region. Elekta operates in all major countries throughout the region.

The key drivers of demand in the Asian markets are increased longevity and greater economic prosperity, which are leading to increased investments in healthcare. Several countries have national programs in place to expand and improve cancer care.

NET SALES

3,359 SEK M

EMPLOYEES

23%

Region's share of total employees

China is Elekta's largest market in the region, and the second-largest globally. Chinese authorities prioritize investments in healthcare, and also encourages private alternatives. The National Health and Family Planning Commission is largely responsible for this trend, and the expansion of radiation therapy is expected to continue. Elekta has the largest installed base of devices and software systems, with a market share of over 50 percent. The large installed base provides good opportunities for upgrading hardware, software and services.

In India, the vast majority of people lack adequate healthcare. Radiation therapy and other types of specialized healthcare are mainly offered in the private sector, but public investment in radiation therapy is expected to increase in the long term.

In Japan, only 25–30 percent of cancer patients are treated with radiation therapy, compared with over 60 percent in the US, thus representing a growth potential. Elekta is the clear market leader in stereotactic radiosurgery through Leksell Gamma Knife®, and continuously improves the market position for linear accelerators. Elekta is also the market leader in the developed markets of Taiwan and South Korea.

Australia and New Zealand are mature markets and early adopters of new technology. Healthcare is both public and private in Australia, but primarily public in New Zealand.

Summary of 2014/15

During the fiscal year, order bookings in the region declined 1 percent, based on unchanged exchange rates. Net sales increased 7 percent to SEK 3,359 M (3,146).

The Chinese market continued to show a positive trend. In Japan, Elekta continued to increase its market share through successful partnership with key domestic player Toshiba. The performance in Australia was strong during the year, while development in India and the Far East was soft.

In South Korea, Pusan National University Hospital purchased three Versa HD™ linear accelerators and one Elekta Infinity™, at a total order value of nearly USD 15 M. In the Philippines, the first Leksell Gamma Knife® Perfexion™ was delivered to Cardinal Santos Medical Center in Manila. During the year, Elekta's

USE OF RADIATION THERAPY

18%

Patients receiving radiation therapy
(including retreatment)

CONTRIBUTION MARGIN

23%

ORDER BOOKINGS DEVELOPMENT

–1%

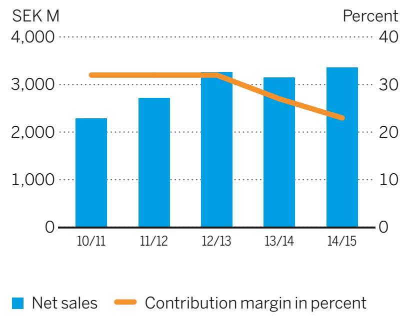
Based on unchanged exchange rates compared to previous year most advanced linear accelerator, Versa HD, was approved by medical regulators in China and Japan, and leading institutions in both countries have already placed the first orders of these sophisticated systems. Several Versa HD were also deployed in Australia and New Zealand.

Sales of MOSAIQ® oncology information system rose throughout the region.

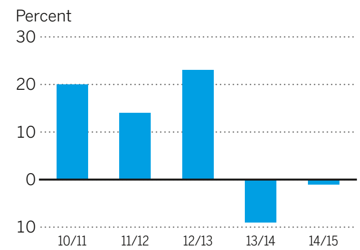
Priorities for 2015/16

The service offering will be broadened and strengthened in order to grow recurring revenue. During the year, the comprehensive Elekta Care™ service concept will be started to be implemented in the region.

CONTRIBUTION MARGIN AND NET SALES



GROWTH IN ORDER BOOKINGS[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

Ian Alexander
Chief Commercial Officer (CCO)

> “In Region Asia Pacific, there is a major unmet need for cancer care while greater economic prosperity is leading to increased investment in healthcare. Elekta’s potential for long-term growth in the region is therefore favorable.”

Versa HD launched in China

China's health care system is going through a period of reform, including both improvements in accessibility and increased privatization. The country's population is aging rapidly, with cancer rates rising and some three million Chinese diagnosed with cancer each year.

The most common types of cancer in China include lung, gastric, colorectal, liver and esophageal cancers. The versatility and increased throughput levels delivered by Versa HD™ make the technology well suited to the Chinese market. Fast treatment with improved precision is extremely important in China, with its increasing need for cancer care and where radiation oncology resources are relatively scarce.

Elekta aims to continue playing a key role in China's journey to a more modern health care system through a range of initiatives. The company rolled out its Versa HD technology in China after it was approved for use by the China Food and Drug Administration in 2014, and continues to develop its Learning and Innovation Center (LINC) in Beijing. Elekta is also providing Chinese hospitals with innovative hardware and software solutions to allow them to provide world-leading treatment to people suffering from cancer and brain disorders.

A number of Versa HD units were sold already in the 2014/15 fiscal year. China's first Versa HD unit was furthermore delivered to the Sun Yat-sen University Cancer Center in Guangdong.

Elekta has had a presence in China since 1982 and today has a market share of over 50 percent of the high-end linac segment, as well as the largest installed base of radiation equipment in China.

World-leading solutions for modern cancer care

WITH FOCUS ON THE PATIENT and in close collaboration with leading clinics and researchers, Elekta generates groundbreaking advances in the form of efficient, reliable and gentle cancer treatments, often at a reduced cost for health care systems.

INSTALLED BASE OF LEKSELL GAMMA KNIFE®

>300

Product development increases the versatility of radiosurgery

ELEKTA NEUROSCIENCE DEVELOPS WORLD-LEADING SOLUTIONS for diagnosis and treatment of cancer and other brain disorders. Leksell Gamma Knife® Icon™ was launched at the fiscal year-end and is further strengthening Elekta's leading position and increasing the versatility of radiosurgery.

Elekta has been a leader in treating cancer and other serious disorders of the brain for decades. Continuous clinical advances and technical developments have strengthened the position of Leksell Gamma Knife as the brain radiosurgery system of choice by leading institutions worldwide.

Elekta Neuroscience has research and development partnerships with many of the world's most prestigious universities and hospitals. In recent years, a number of new solutions have further expanded treatment possibilities and enhanced the efficacy of Leksell Gamma Knife, including the latest generation Leksell Gamma Knife® Icon™ which was presented in April 2015. Icon provides new functionality including the ability to deliver frameless treatments with high accuracy via unique advanced motion management technology. This capability will enable a widening of the customer base and treatment of a growing number of brain disorders and further strengthen Elekta's leading position, as well as the use of radiosurgery.

More effective, faster and gentler

The treatment options for brain metastases are surgery, whole brain radiation therapy and, increasingly, stereotactic radiosurgery using, for example Leksell Gamma Knife, known as Gamma Knife radiosurgery. Clinical trials show that stereotactic radiosurgery is an equivalent, or better, alternative to whole-brain radiation and with less toxicity, Gamma Knife radiosurgery is more effective, faster and gentle for the patient. During the year, a number of new studies were published confirming the unique effectiveness of Leksell Gamma Knife compared with other solutions for radiation therapy.

Growing need for radiosurgery

The number of patients with brain metastases is increasing. Approximately 20–40 percent of all cancer patients develop brain metastases and hence, the global need for radiosurgery is rising fast. Economic development in emerging markets is contributing to increased longevity which, in turn, is increasing the number of cancer cases. Cancer patients are also living longer today, due to improved diagnoses and more effective treatment for the primary cancer that later can result in metastases. For the treatment of benign tumors, the transition from conventional open surgery to radiosurgery treatment continues. As a result, the major, unmet need for radiosurgery, also in mature markets, provides a growing potential.

In emerging markets, the market penetration of radiosurgery is low and the

SHARE OF EMPLOYEES

9%

Elekta Neuroscience

growth potential remains favorable in both the medium and long term.

Stereotactic applications (SRS and SRT) are the fastest-growing segment in radiation therapy. The expected potential for radiosurgery and stereotactic treatment in functional neurosurgery is significant.

Leksell Gamma Knife® Perfexion™ is currently cleared for treatment of brain metastases, AVM, trigeminal neuralgia, intractable tremor, meningioma, acoustic neuroma, operated pituitary tumors and recurrent glioblastoma.

In November 2014, the Centers for Medicare & Medicaid Services (CMS) in the US announced its decision on new reimbursement levels. A bundled code for single session SRS was decided, bringing reimbursement back to previous levels.

The leading stereotactic system

Elekta holds a strong position in minimally invasive neurosurgery with the Leksell Stereotactic System®, the most widely used and reliable stereotactic system on the market. The system is used for biopsies of deep-seated brain tumors, accurate placement and implantation of Deep Brain Stimulation (DBS) electrodes and the injection of cells and therapeutic drugs.

Brain mapping

Elekta also offers Elekta Neuromag®, used to map brain activity with high accuracy, making Elekta the leader in magneto-encephalography (MEG). At an increasing number of centers, MEG has an important role in guiding surgical treatment of epilepsy and brain tumors Elekta Neuromag is also used extensively for research into neurological and psychiatric function.

An important innovation launched during the year was a system for recycling the liquid helium used in Elekta Neuromag. The new system almost completely eliminates the need for new helium, which reduces operating costs considerably.

Maurits Wolleswinkel
Executive Vice President,
Marketing and Strategy

"The flexibility and targeting precision of Leksell Gamma Knife Icon enables physicians to treat virtually any brain disease, and will increase the use of radiosurgery."

Leksell Gamma Knife Icon, from concept to clinic

The launch of Leksell Gamma Knife® Icon™ in April 2015, will allow doctors to perform Gamma Knife radiosurgery including ultra-precise microradiosurgery on a broader range of patients never possible before. Its development is a classic Elekta story of innovation and collaboration.

"The challenges in bringing Icon to the market were largely technical," says Veronica Byfield Sköld, Vice President Product Commercialization at Elekta, "but the uncompromising commitment to accuracy and precision of our research and development teams made them even more complex. This meant they had to rethink and redesign existing technologies."

She explains that each technology on its own has been essentially reinvented to achieve the high standards of Leksell Gamma Knife. "Icon isn't just Leksell Gamma Knife with imaging. Through a unique combination of technologies – including stereotactic cone beam computerized tomography (CBCT) imaging, high-definition real-time motion management to ensure the quality of frameless treatments, and online adaptive dose delivery – precision radiosurgery can be used to treat virtually any type of target in the brain, from cancer to functional disease such as essential tremor. These technologies have been fully integrated into Icon in new ways to achieve the highest precision of any radiotherapy system."

Before the blueprints for Icon ever reached a drawing board, an advisory board of leading neurosurgeons, oncologists and physicists from Europe and the US helped define what it could do. Elekta worked closely with them to prioritize what functionality the system would comprise. Collaborating with the clinicians who actually use Elekta products and solutions is typical for the company and ensures that it delivers the tools they need to deliver the best care possible.

"Working together with our users continues even after launch," Veronica explains. "The feedback we have received from both our existing and future Gamma Knife customers has been very positive. They see great opportunities in new workflows, which will improve their patient care and the efficiency of their clinic."

The technological breakthroughs mean that clinicians can choose either frame-based or frameless methods to immobilize the patient's head, as well as the option to perform the treatment in a single session or in multiple sessions (fractions). And as the only system available that can also perform ultra-precise microradiosurgery, Icon is capable of treating virtually any target in the brain, regardless of type, location or volume.

INSTALLED BASE OF LINEAR ACCELERATORS

>3,100

Major advances in image guided radiation therapy

ELEKTA IS ONE OF THE WORLD'S LEADING manufacturers of linear accelerators. During the year, significant progress was made for the Atlantic research project, the development of a first-generation high-field MRI-guided radiation therapy system, intended to significantly improve radiation therapy.

Elekta Oncology creates innovative clinical solutions for radiation therapy, such as linear accelerators, integrated imaging systems and clinical solutions for positioning and motion management of patients. The most advanced linear accelerator, Versa HD™, was launched in 2013 and has been very well received by the market.

Versa HD was approved for use in several additional countries during the year, including China and Japan, and the first orders were received from leading institutions in both countries. The Erasmus University Medical Center in the Netherlands and Providence Health & Services in the US, accounted for some of the largest orders of Versa HD during the year. Nine Elekta Synergy® linear accelerators were ordered by the Turkish Ministry of Health, and Australia and New Zealand were new markets for Versa HD where several systems were sold and installed.

An important activity for Elekta Oncology is to help customers further improve the safety, performance and efficiency of their equipment. This is conducted through upgrades, expansions, service and training. The market potential increases as the installed base grows.

Major progress in product development

Elekta Oncology is continuously developing new and innovative solutions. This is done in close collaboration with leading hospitals and physicians, often focusing on visualization and image guidance, as well as methods to compensate for body movements during treatment.

During the year, significant progress was made for Atlantic, Elekta's major research project to develop an image guided radiation therapy system incorporating state of the art magnetic resonance imaging (MRI). The clinical development is carried out by a research consortium (the Atlantic consortium), which was formed by Elekta and Philips Healthcare in 2012, and has since been joined by a number of leading institutions. The objective is to offer physicians high-quality images of soft tissues and tumors while treatment is ongoing. The solution will also enable adjustment of the dose in real time. The project's high-field MRI-guided radiation therapy system is the first of its kind in the world, and the first system was installed at the UMCU during the year.

Elekta Oncology also participates in a number of other research projects related to radiation therapy, such as the Elekta International IMRT Consortium, the Elekta Synergy Research Group, the Elekta Clarity Consortium, the Elekta Spine Consortium, the Elekta Lung Research Group and the Elekta Pediatric Research Group.

SHARE OF EMPLOYEES

51%

Elekta Oncology

Todd Powell
Executive Vice President,
Comprehensive Oncology Solutions

"During the year, significant progress was made for Atlantic, Elekta's major research project to develop an MRI-guided radiation therapy system. This is a good example of how Elekta's innovations continue to improve cancer care."

Increased availability in new markets
Elekta focuses to increase the availability of radiation therapy in new markets worldwide since the need for cancer care in many countries is far greater than the supply. Cancer care is undergoing a major expansion in many developing regions, and emerging markets are expected to grow faster than established markets in the long term, mainly due to economic growth and increased longevity.

Elekta's systems and solutions are continuously being adapted in order to be viable for clinics in less-developed markets. One example is Elekta Compact™, a simpler type of linear accelerator that can be expanded with new features as needs grow. Training is a key component of Elekta's growth strategy in new markets as the shortage of trained personnel in radiation oncology is a limiting factor in many countries. This takes place at a number of sites across the World including the Group's LINC (Learning and Innovation Center) training centers for radiation therapy, located in Beijing, China and Atlanta, in the US and training centers, for instance in Japan, UK, and South Africa.

Next revolution within radiation therapy

It has been on the drawing board for more than a decade and is Elekta's largest research and development investment ever. Its working name is Atlantic, the world's first high-field magnetic resonance imaging (MRI)-guided radiation therapy (RT) system – one that will revolutionize radiotherapy.

One of the biggest challenges for providing unrivaled radiation therapy, is the difficulty in visualizing the tumor and surrounding anatomy in real time during treatment. Tumors can change shape from day to day, or move within the body up to a couple of centimeters, even when patients are completely still. To compensate for the uncertainty of the tumor's shape and position, physicians need to include a safety margin, which means that they might also radiate healthy tissue. In order to minimize healthy tissue from being damaged, the dose per session is kept low and patients are treated over several sessions.

With the aim to resolve these difficulties and further improve radiation therapy, the Atlantic Consortium, consisting of the world's leading radiation oncology centers and clinicians, is currently developing the world's first high-field MRI-guided radiotherapy system.

The integration of an advanced 1.5 Tesla MRI system from Elekta's technology partner, Philips, together with a sophisticated Elekta radiotherapy system, will enable simultaneous imaging during beam delivery. This will remove the vast majority of uncertainty, enabling physicians to reduce the safety margin, increase the dose per session and eliminate the tumor with fewer visits to the hospital. This will reduce costs and be much gentler on the patient.

In April, 2014, the initial components of this system were installed at the University Medical Center Utrecht (UMCU) in the Netherlands. Since then, significant progress has been made, several critical milestones have been passed and, in January 2015, Elekta announced that Atlantic would be introduced to the market in 2017.

Each of the Atlantic Consortium members will install and test a system to demonstrate the clinical value of MRI-guided radiation therapy. The Consortium currently consists of: The Christie NHS Foundation Trust (Manchester, UK), the University Medical Center Utrecht (Utrecht, the Netherlands), The University of Texas MD Anderson Cancer Center (Houston, US), The Netherlands Cancer Institute-Antoni van Leeuwenhoek Hospital (Amsterdam, the Netherlands), Sunnybrook Health Sciences Centre (Toronto, Canada), The Froedtert & Medical College of Wisconsin Cancer Center (Milwaukee, US) and The Institute of Cancer Research, working with its clinical partner The Royal Marsden NHS Foundation Trust (London, England).

WHEN COMBINING EXTERNAL RADIATION THERAPY WITH BRACHY-THERAPY THE CERVICAL CANCER SURVIVAL RATE INCREASES

12%

World-leading solutions for internal radiation

ELEKTA BRACHYTHERAPY IS THE WORLD LEADER in solutions for cancer treatment based on internal radiation, known as brachytherapy. Brachytherapy's key growth potential consists of driving adoption of brachytherapy based on the clinical performance as a key part of integrated cancer care and the potential use of brachytherapy to treat an increasing number of cancer types.

Brachytherapy works by placing a radiation source either inside the body or on the surface, in or near the tumor. This enables precise targeting of the tumor, while minimizing the risk of damage to surrounding healthy tissue.

The method is particularly effective in treatment of clearly delineated small tumors. For more complex tumors, brachytherapy is often combined with external radiation and other types of treatment such as chemotherapy and surgery.

Brachytherapy is mainly used in treatment of gynecological, prostate and breast cancers, which account for more than 80 percent of its applications.

The method offers major benefits for both patients and clinics. Because the precision targeting allows for a very high local dose, brachytherapy treatments can consist of a small number of fractions. Thus, treatment time is short and the reduced risk of side effects because of the limited risk of exposure of healthy tissue adds to the patient's quality of life.

New evidence of the method's efficacy

During the year, a number of scientific studies were presented that provided further evidence of brachytherapy's clinical effectiveness, including treatment in combination with a linear accelerator (external radiation). One study demonstrated that a combination of brachytherapy and external radiation therapy is more effective in treatment of cervical cancer. Another study showed that brachytherapy is an appropriate form of treatment for a broader group of patients with breast cancer, compared with previous guidelines.

Broader application

One of brachytherapy's growth potentials is the ongoing development enabling it to be used to treat a growing number of cancer types. One example of this is non-melanoma skin cancer, a rapidly increasing type of cancer that has previously been treated with radiation therapy to a very limited extent. In the 2013/14 fiscal year, Elekta launched Esteya®, a new solution for high-precision skin cancer treatment. The method is short, gentle, and clinically effective, and therefore provides major benefits for both patients and clinics (see also esteya.com). One treatment session usually takes less than ten minutes, and only needs to be repeated a few times. Unlike traditional radiation therapy that is hardly used for these types of skin cancer, the method requires only minimally adapted premises. The treatment can be performed in a normal dermatology clinic after minor adjustments.

Esteya is directed toward a new target group, comprising dermatologists and dermatology clinics, and aimed at expanding their treatment options with a non-invasive alternative to surgery, when surgery is not the treatment option of choice. During the year, additional clinical trials have confirmed the efficacy of Esteya.

Growth driven by training

Education and training complement Elekta's brachytherapy offering and

SHARE OF EMPLOYEES

11%

Elekta Brachytherapy

continue to be an important activity for increasing awareness and adoption of brachytherapy and the benefits offered by this treatment method. Elekta's Brachy-Academy offers a broad and unique peer-to-peer education program for health care personnel and disseminates information about the method in various ways, both online and through offline clinical work-shops and consultancy services (see also brachyacademy.com). Next to the training opportunities in Veenendaal, Netherlands, brachytherapy is also included at Elekta's LINC (Learning and Innovation Center) training centers in Atlanta and Beijing. Training initiatives this past year had an additional focus on physicians and clinics in China, India and Singapore through our LINC center in Shanghai.

Elekta Brachytherapy is the market leader in most of the more than 100 countries where its products are sold. New business opportunities arise primarily through the entire Group's existing contact network and customer base. During the year, a significant number of contracts were secured, including products from both Elekta Brachytherapy and Elekta Oncology.

Continuous product development

Elekta Brachytherapy offers products for delivering radiation, such as afterloaders and applicators, as well as treatment planning software. The highly advanced afterloader platform, Flexitron® is continuously evolving with new upgrades. The Chinese Food and Drug Administration (CFDA) approved the sale and marketing of Flexitron in China in December, 2014.

Elekta offers applicators for more than 15 types of cancer in different parts of the body. During the year, a new applicator for cervix cancer was launched, which combines CT and MR imaging compatibility with optimal shielding of organs at risk during radiation, for optimal image guided brachytherapy application. In the fiscal year of 2013/14, a new type of applicator with an integrated needle/catheter system was launched to expand brachytherapy's use into bladder cancer. One benefit of this is that major surgery may be avoided.

Elekta also launched the Advanced Collapse Cone Engine (ACE) software module this past year. The software's ability to take into account the different types of tissue when calculating dose enables a rapid calculation with great accuracy for the optimal radiation dose. ACE is fully integrated in Oncentra® treatment planning software.

In addition to devices and software and the required regular replacement of the Iridium-192 source, Elekta Brachytherapy also offers service and after-market activities that account for a significant portion of sales including disposables for brachytherapy like catheters, needles.

John Lapré
Executive Vice President,
Research and Innovation and
Elekta Brachytherapy

"A key growth potential is that brachytherapy may be used to treat a growing number of cancer types. One example is skin cancer, which has previously only been treated with radiation therapy to a very limited extent."

Brachytherapy in combination with external beam increases the benefit for patients

Several studies have shown that external beam radiation therapy and brachytherapy complement each other for the benefit of patients. Recent results confirm that for cervical cancer, this radiotherapy combination is the way to go.

Radiotherapy can generally be divided into external beam radiotherapy (EBRT), and internal radiotherapy, frequently referred to as brachytherapy. Unlike EBRT, where the radiation is delivered from outside the body as a beam, brachytherapy involves placing a radiation source inside the body, either into or immediately next to the tumor. This allows for a precise dose delivery and a good treatment option. Brachytherapy combined with other treatments, such as surgery, EBRT or chemotherapy, is often a preferred solution, particularly when the tumor is in an early stage.

A type of cancer that responds well to the combined radiotherapy treatment is cervical cancer, as the cervix has a high tolerance for radiation doses. The conventional and proven regimen to treat cervical cancer is EBRT of the pelvis, followed by a brachytherapy boost.

During the EBRT treatment of the pelvis, the tumor starts to shrink, and continues to do so during the radiation. Then follows the brachytherapy treatment, which delivers a very high and conformal radiation dose to the center of the tumor. As the brachytherapy radiation only reaches the tumor, this treatment spares surrounding organs such as bladder, rectum and small bowel. Treatment guidelines say that brachytherapy together with EBRT is recommended for patients with locally advanced cervical cancer, and recent data from long-term clinical studies confirms that this combination of treatments increases overall and disease-free survival rates for cervical cancer patients.

140 thousand

PATIENTS PER DAY RECEIVE DIAGNOSIS, TREATMENT OR FOLLOW-UP FACILIATED BY SOFTWARE SYSTEMS FROM ELEKTA

Better information for improved cancer care

ELEKTA'S DEVELOPMENT OF SOFTWARE SOLUTIONS is based on the conviction that better information is the key to better cancer care. Software can improve care for patients and increase cost efficiency for the clinics.

The significance of software in cancer care is growing as the number of cancer cases rises, more and more cancer type become treatable and the technical complexity increases. At the same time, healthcare systems are subject to harsh budgetary constraints. Hospitals and clinics are often faced with by the challenge of achieving more with unchanged or reduced resources.

Elekta Software is the world's leading developer of software solutions for patient information, treatment planning and soft tissue visualization within oncology. Elekta Software offers software solutions that enhance the quality of care for patients and increase cost efficiency for care providers. The solutions cover all types and phases of cancer care and are gathered under Information-guided Cancer Care™. Information-guided Cancer Care was launched at the ASTRO meeting (the American Society for Radiation Oncology) 2014.

Information-guided Cancer Care includes Care Management, Treatment Management and Knowledge Management portfolios, which together provide clinics with all the information needed to offer patients a more effective treatment, both clinically and economically.

Care Management – clinical and practice management tools

Care Management solutions support all activities in a cancer clinic or network of clinics. During the year, Elekta launched a new generation of MOSAIQ®, the world's leading oncology information system that helps the patient and care team throughout the continuum of care with treatment safety, communication and workflows for both medical oncology and radiation oncology. MOSAIQ is used to support physicians, nurses, administration and other clinic employees before, during and after the actual treatment.

Treatment Management – treatment planning, delivery and assessment tools

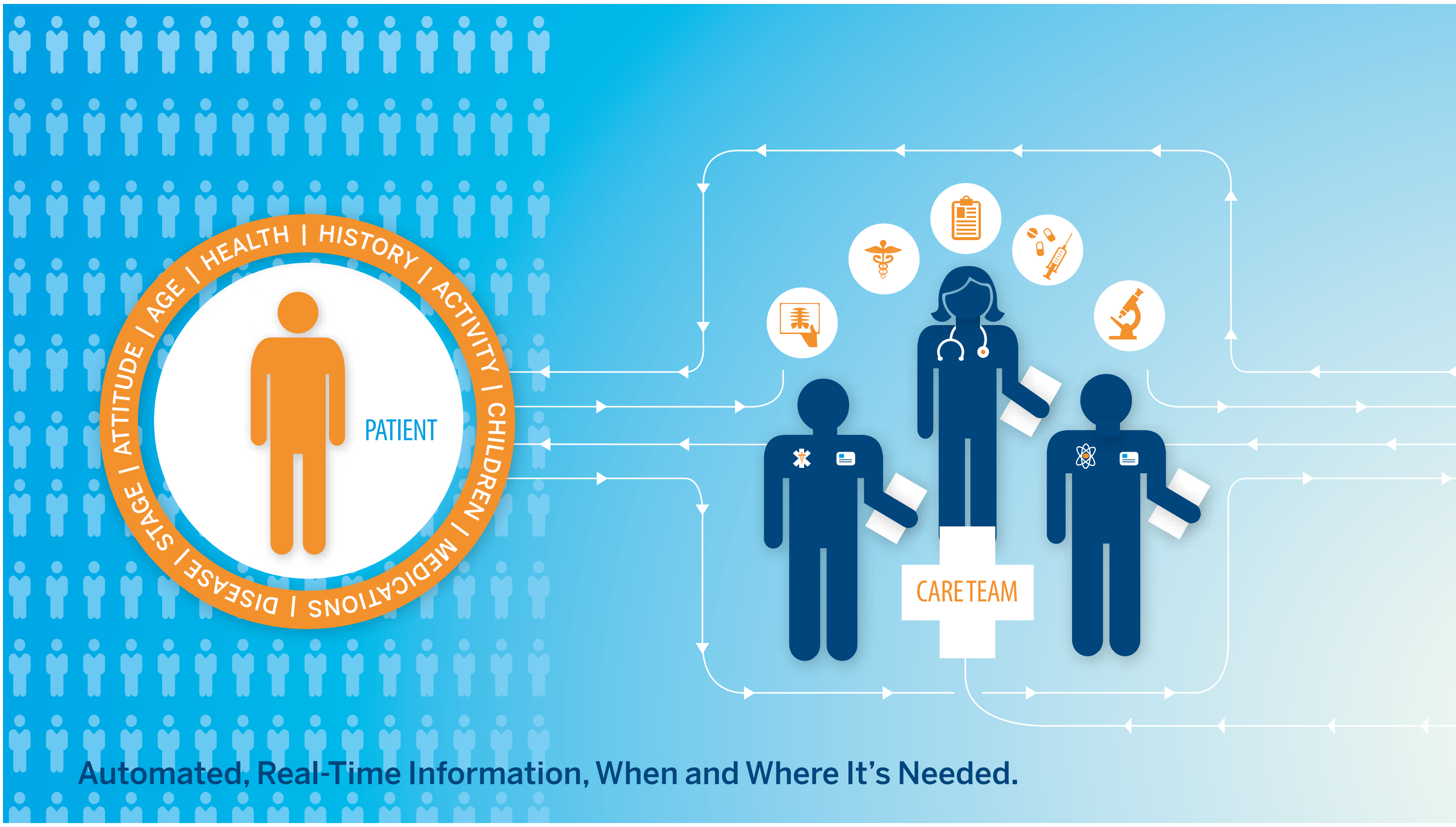
Software for treatment planning is used to develop an optimal treatment plan with the goal of targeting the tumor while sparing as much healthy tissue as possible. At the end of the fiscal year, Elekta released the latest version of Monaco® which featured enhancements in 3D planning and the addition of MRI and forward planning capabilities. Monaco version 5.1, the latest release, now enables users to share treatment plans and plan multiple patients simultaneously leading to faster, more efficient treatment planning. Monaco is a comprehensive treatment planning system supporting all major treatment techniques from Intensity Modulated Radiation Therapy (IMRT), Volumetric Modulated Arc Therapy (VMAT) and stereotactic features. The demand for Monaco was strong during the year.

SHARE OF EMPLOYEES

26%

Elekta Software

INFORMATION-GUIDED CARE

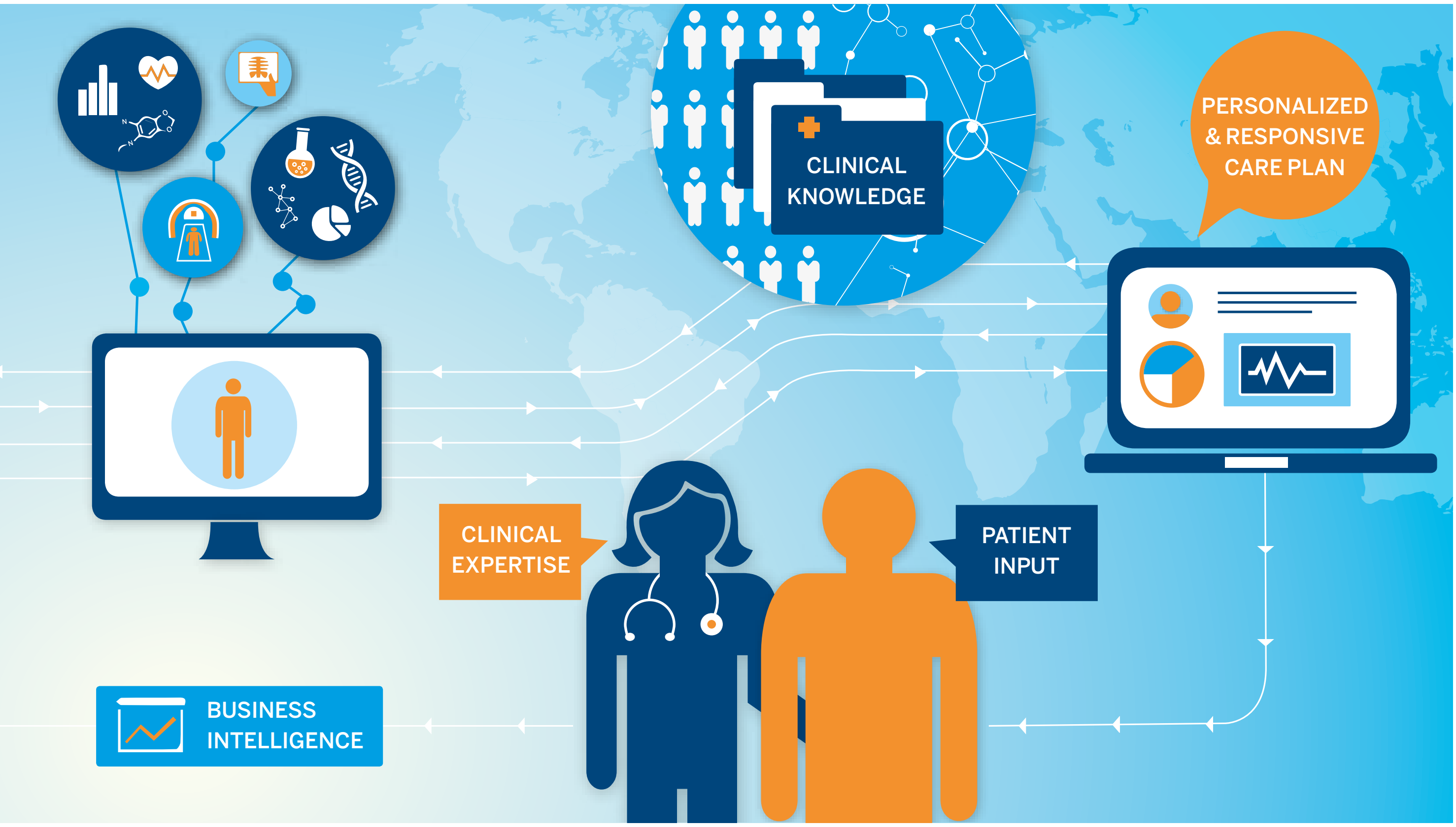


Knowledge management – clinical and business intelligence applications

Most oncology centers only use a fraction of the data available to them. Elekta Knowledge Management enables hospitals and clinics to leverage clinical, operational and financial data to better improve decision making. In April 2015, Elekta debuted its Healthcare Analytics offering, which leverages the data from MOSAIQ® and METRIQ®. Large amounts of data are collected, analyzed and presented in a user-friendly manner. This vast experience from previous cancer treatments can thus provide guidance for decisions throughout the continuum of care. The METRIQ cancer registry is used by 1,200 customers worldwide and is the world's largest combined oncology database, comprising more than two million patients. At present, about two-thirds of the world's cancer patients are treated without care providers having access to this type of information.

Progress in project Atlantic

During the year, software also was a central part of the progress made in the Atlantic research project, which is developing an image-guided radiation therapy system with Magnetic Resonance Imaging (MRI). The project aims to make it possible for physicians to see high-quality images of soft tissues and tumors while treatment is ongoing. This increases precision in radiation therapy, while sparing healthy tissue as much as possible.



User-centered design a top priority

Elekta's software reduces the complexity of treatment through being adaptable, user-friendly and designed for how the clinics work. User-centered design is critical for hospitals and clinics in order to leverage the full potential of software, and is therefore central in all software development. This also includes simplicity when presenting relevant treatment information for patients. To ensure a continued high level of user-centered design, a partnership with customers in four working committees, with the aim of capturing views and improvement suggestions, was formalized during the year.

Growing market

Information-guided Cancer Care contributes to further improved treatment and more cost-efficient cancer care, for both major hospitals and small clinics, which is driving a good demand. This is reinforced by the fact that authorities, in the vast majority of the mature markets, are demanding that clinics measure, document and increase their efficiency.

Elekta Software is the world's leading developer of software solutions for cancer care and is therefore ideally positioned to meet the growing demand in both established and emerging markets. Cancer care is undergoing rapid expansion in many emerging markets, and with that follows a need for software in order to maximize the leverage from investments.

Todd Powell,
Executive Vice President,
Comprehensive Oncology Solutions

"We are convinced that better information will help to transform cancer care. Elekta's solutions for Information-guided Cancer Care enhances quality of care for patients and increase cost efficiency for care providers."

Elekta Healthcare Analytics

Oncology centers generate tremendous volumes of data. And yet, few are able to fully realize the power of this information. Elekta Knowledge Management 's suite of clinical and business applications helps centers harness the power of information. Critical to Elekta delivering on its Information-guided care™ vision, these solutions support data management, reporting, visualization, and analysis.

In particular, Elekta Healthcare Analytics arms cancer centers with the ability to achieve a better understanding of their data with actionable insights. The real-time dashboards help providers make confident, evidence-based decisions to tailor care to each patient, fine-tune therapy strategies and practice quality, and improve performance.

New software solutions improve cancer care

As software continues to play a critical role in cancer care, Elekta believes the future lies in Information-guided Cancer Care™. Elekta is helping clinicians to connect with the information they need to treat patients more effectively.

The three key cornerstones of Information-guided care are: Care Management, Treatment Management, and Knowledge Management.

Care Management arms care teams through clinical and practice management tools with the information relevant to them, when and where they need it. They can harness this data to make informed decisions on a daily operational and financial front. Patients are supported throughout their entire experience, long after their treatment concludes.

Treatment Management combines robust planning, treatment delivery, and continuous assessment of the patient throughout the course of therapy. Care teams can leverage predictive tools to ensure care plans are delivered as intended and adapt treatments at the point-of-care. Integrated dose and image guide assessment provide deeper understanding of patient progress.

All of this information generated within cancer care strongly supports why Elekta's Information-guided cancer care vision resonates so strongly with customers: Oncology centers are alive with data.

This data is critical to tailoring patient care, fine-tuning treatment strategies and practice quality, as well as improving performance. Elekta Knowledge Management enables users to do all of this through its suite of clinical and business applications supporting data management, reporting, visualization, and analysis.

In short, Elekta is committed to providing best-in-class software and knowledge systems to advance patient-centered, information-guided care.


SERVICE REVENUES
33%
OF TOTAL

Services enhances reliability and efficiency

ELEKTA SERVICES HELPS CUSTOMERS maximize their investments through ensuring high reliability and efficient resource utilization. During the year, implementation of the comprehensive Elekta Care™ service concept continued in Europe.

Elekta Services provides and develops services in all of the Group's product areas. The services packages help customers maximize their investments in equipment and software by preventing and promptly resolving downtime or any other disruptions. The offering also includes training and consulting services, for example, to develop and strengthen customer competitiveness and efficiency.

Elekta Services plays a central role in Lifecycle Management, one of the focus areas on Elekta's strategic agenda, and is an important interface with customers. A well-functioning service operation contributes to a high level of customer satisfaction, thus strengthening long-term relationships and increases potential for sales of accessories, upgrades, services and new systems to existing customers.

In mature markets, Elekta Services accounts for a substantial proportion of revenues. In emerging markets, the need for services is increasing as the installed base grows.

Elekta Care

During the year, implementation of the comprehensive Elekta Care™ service concept continued in Europe, entailing harmonization and coordination of the European service operation. The aim is to further improve service and customer satisfaction by using resources more efficiently. This is achieved through providing a direct pan-European telephone number for customers, providing access to central support for all of Elekta's products and fast contact with relevant specialists. A similar organization is already established in the US and the concept will gradually be spread to other markets.

Within the Elekta Care concept, customers are offered a coordinated service and support package in three levels – Silver, Gold and Platinum. The various packages provides the level of service needed by each customer and creates simplicity and clarity for both customers and the service organization.

Elekta Care also includes Remote Services, online services for monitoring and diagnosing customer systems and, in many cases, resolving issues remotely. For example, Elekta's linear accelerators are equipped with 2,000 alarm points, making it possible to diagnosis system issues faster using Elekta IntelliMax®, ensure that the correct components are identified and ordered, and that service is scheduled before the error can impact the customer. Updating software remotely is also possible.

Elekta Care generates many customer benefits. By resolving issues quickly, downtime and other disruptions are minimized. Proactive features enables that issues sometimes can be resolved before being noticed by customers. With fewer disruptions, customers can maximize their investments since more patients can be treated.

Elekta has a strong global network of service units, with more than 900 service engineers. All service engineers undergo

SHARE OF EMPLOYEES

35%

Elekta Services

continuous training of Elekta's Customer Care Support Program. This broad presence enables a rapid response all over the world.

Training creates growth opportunities

In emerging markets, lack of trained personnel is often a limiting factor and training initiatives play a major role in the future of cancer care. Training is therefore a key component of Elekta's growth strategy. Training is conducted in partnership with leading university hospitals, and Elekta also operates training centers for radiation therapy – Learning and Innovation Centers (LINC) – in Beijing, China and Atlanta in the US.

Consulting services boost customer competitiveness

Elekta Services also offers consulting services to boost customer competitiveness and efficiency. These include software consulting help with the use of software to develop efficient workflows and processes, or to maximize the benefits of software already available at the clinic. They may also include customer-specific adaptation of systems, or advice in connection with expansion in order to meet a growing need for care.

Installation and implementation

Elekta's installation and start-up team helps customers rapidly achieve maximum leverage of their new equipment and clinical applications. The service package include planning, project management, installation, testing and verification.

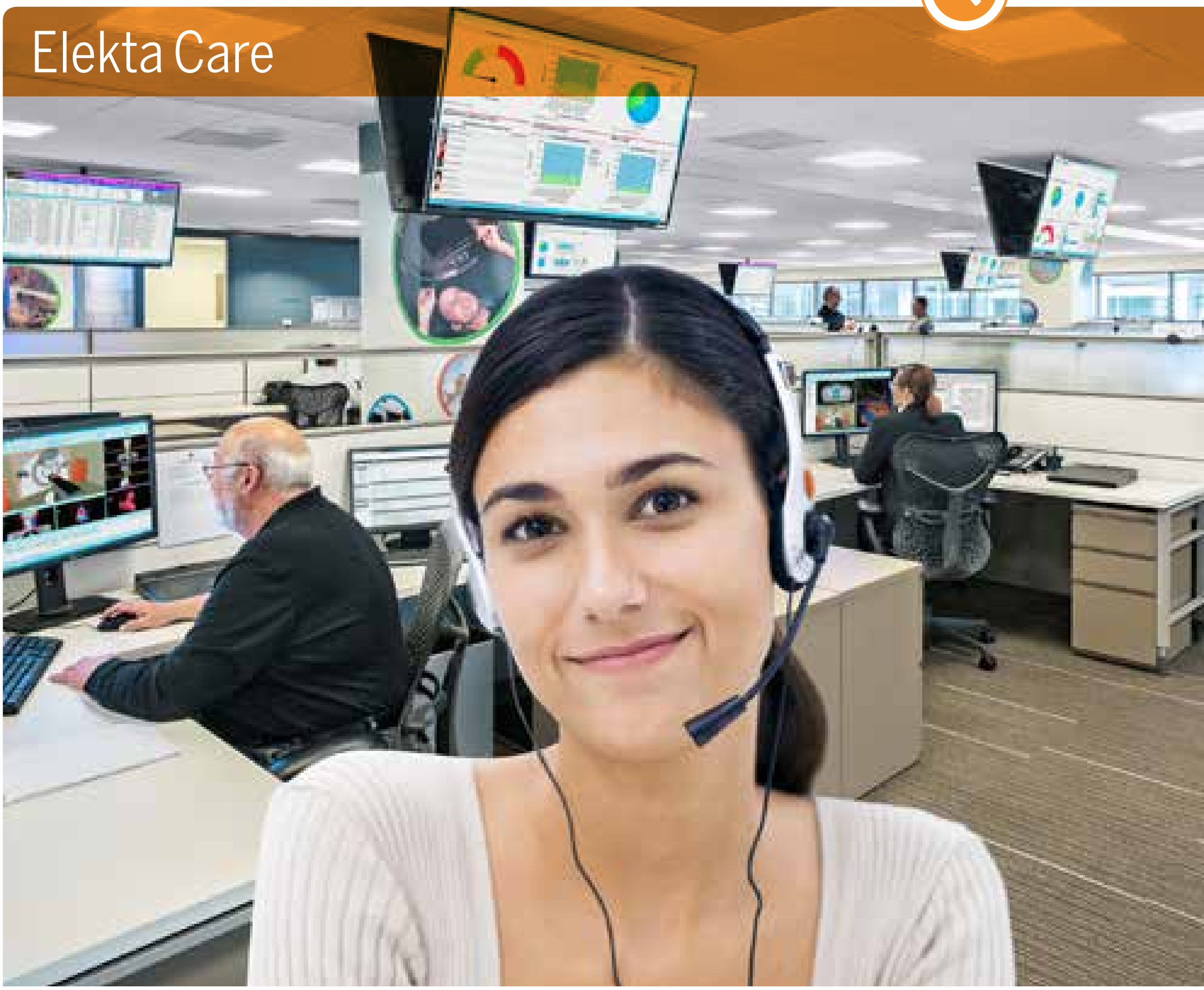
Customer satisfaction

Elekta continuously measures customer satisfaction. This is carried out through both large global surveys and evaluations of each customer case, which provide a basis for systematic improvements.

Tomas Puusepp
President and CEO,
Elekta AB

"By resolving issues quickly, downtime and other disruptions are minimized. Fewer disruptions increases the customers efficiency and more patients can be treated."

Elekta Care



In order to improve our service, it is important to ask customers what they want and need. Elekta Service and Support asked our customers, and the response resulted in an innovation that will benefit both our customers and their patients.

Customers indicated that they wanted Elekta's service and support to be more integrated, including seamless communication between software and hardware, a single link for complete site support and faster response and issue resolution times. The answer is Elekta Care™; the first Elekta-wide program to offer customers an integrated package of service and support for all products in all regions throughout the world.

This means one service agreement, one phone number and a single point of contact for all service and support needs. Customers will get access to the appropriate Elekta people faster and more easily, which in turn will improve the patient experience by shortening care waiting times, transforming care routines and simplifying workflows.

The service you need

The support infrastructure for Elekta Care includes all technical/service support, software and applications support, and remote service with a single customer link. Customers get a live, one-stop link that connects them to a support technician with a complete overview of their clinic and they receive fast support with absolute system competence and experience for rapid problem resolution.

The new integrated service and support structure also enables customers to choose the level of service and support that is right for then. With the choice of tiered service contracts –Silver, Gold and Platinum – more customers will get just what they need.

Sustainability with four focus areas

RESPONSIBLE AND SUSTAINABLE BUSINESS is critical to Elekta's ability to fulfill its key mission – to improve, prolong and save lives.

Elekta's mission is to improve, prolong and save lives, and all equipment and software is developed with the aim of ensuring that patients receive the best treatment possible. A prerequisite for this is responsible and sustainable business. Elekta's work is based on a core value that promote long-term relationships, trust and responsibility, and the aim is to engage all the company's stakeholders in a transparent and ongoing dialog regarding responsible business. Elekta's work with sustainability focuses on four areas of priority, as described below.

Safe and cost-efficient cancer care

Elekta develops safe and efficient solutions for improving cancer care. Product safety is a top priority and permeates the entire operations. The objective is to provide the safest products possible for customers and patients, but also for the Company's own installation and service employees. Elekta's products are developed, manufactured, marketed, sold and serviced in accordance with quality-controlled procedures and processes.

As a manufacturer of medical devices, Elekta must comply with rigorous requirements of international law and product safety standards, such as the IEC/ISO Directives, the European Directive on Medical Devices, the US FDA's Quality Systems Regulation and numerous national directives and laws. These are described in ISO 9001 (Quality Management) and ISO 13485 (Quality Management System for Medical Devices) and in standards that are specifically applicable to medical devices. Quality management systems are reviewed by both internal and third-party auditors and certified by external regulatory bodies and authorities that conduct regular inspections.

Elekta contributes to more effective and gentler treatment options for patients, which may also reduce the need for hospitalization and thus reduces costs for healthcare systems. In addition to helping clinics meet their cost-efficiency requirements, Elekta's products also support customer clinics in their efforts to achieve their environmental targets.

Build relationships with employees and partners

Elekta's Code of Conduct is a a cornerstone of the Company's culture, and is the most important policy document for relationships with employees and partners. The Code contains the basic principles that Elekta's employees and partners are expected to follow. Some of the areas covered are employee rights, product safety, corruption, conflicts of interest and competition.

The Code of Conduct adheres to international principles, such as the Universal Declaration on Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

Elekta continuously works with keeping the Code alive throughout the company, among other things through requesting that all employees sign the Code, arranging workshops on ethical issues and an annual review of the relevance of the contents by the Board of Directors. The Code also plays a key role when integrating acquisitions.

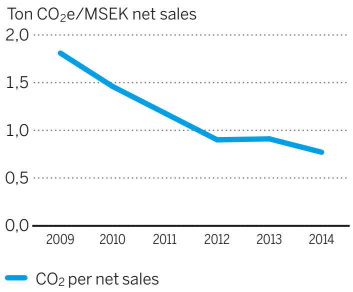
Elekta has zero tolerance of corruption. The Company's anti-corruption policy, an in depth section of the Code of Conduct, covers a wide range of undue practices that could damage Elekta's credibility, for example in connection with agreements, or in relation to gifts and donations. The policy places particular emphasis on relationships with healthcare professionals and other external parties such as suppliers, agents and distributors. The anti-corruption policy has been translated into several languages and all employees must take part in an e-learning course to become familiar with the policy. The policy applies to all companies and employees in the Elekta Group. Together with the Code of Conduct, the policy is communicated and applied in all contractual relations with business partners.

Ultimate responsibility for informing employees and partners about the Code of Conduct and the anti-corruption policy rests with each manager. The Group Compliance Officer supports the implementation and monitors compliance. A whistleblowing procedure enables employees and the public to anonymously report any suspected impropriety. The Compliance Officer reports serious incidents directly to the CEO as well as to the Board of Directors.

Minimize environmental impact

Elekta strives to be an environmentally sustainable organization that continuously reduces the environmental impact of its activities and products. These efforts are based on Elekta's environmental policy and includes minimizing resource consumption during manufacturing, reducing

CO_2-RELATED EMISSIONS[1)]



1) Values for SF6 emissions recalculated.

emissions to air and water and avoiding the use of environmentally hazardous materials.

Elekta's largest environmental impact arises from electricity consumption in production and from heating of premises, as well as transport and business travel.

Elekta publishes detailed information about the Company's climate impact and CO_2 emissions within the framework of the Carbon Disclosure Project (CDP). The CDP provides a basis for investors to assess how companies identify and manage the risks, and opportunities connected to climate changes.

In the 2014 Climate Change Report, Elekta received a score of A93 points (85). The "A" designates that Elekta achieved the CDP's highest score for performance in the area, and 93 is the disclosure score. The CDP's definition of a high value is above 70, to the maximum score of 100. For more detailed information about CDP reporting, visit www.cdproject.net.

Elekta's target is to reduce CO_2-related greenhouse gas emissions from fossil fuel and electricity by 35 percent per unit revenue by 2015, with 2009 as the base year. This target has been achieved and a new target will therefore be set.

Support development of cancer care in emerging markets

Elekta works to improve access to cancer care in countries and regions with lower income levels, among other things,

through adapting systems in order to suit clinics in emerging markets, and by offering financing solutions and training. Elekta's focus includes building up radiation therapy capacity in several African countries, where an estimated 40 percent of all cancer patients do not have access to the treatment that might cure them.

In order to meet the need of training, Elekta invests in a number of education and training centers. Clinical personnel from hospitals can, for instance, receive training in how linear accelerators are used, and how software for planning and information systems works. Elekta also has partnerships with a number of hospitals equipped for offering education and training programs in groups, and to act as mentors for newly established cancer centers for a certain period of time.

Elekta collaborates with a number of organizations in order to strengthen the Company's presence in growth regions, including the Union for International Cancer Control (UICC), a global network dedicated to the fight against cancer, and the International Atomic Energy Agency (IAEA), where joint training programs are held. Elekta also partners with aid organizations such as RadiatingHope, whose mission is to improve cancer care, specifically radiation oncology care, around the globe.

Elekta's products help customer clinics meet their own environmental targets, as well as their requirements for cost-effective treatment. One such example is Elekta's linear accelerators, which use about 30 percent less energy than comparable devices in the market.

Responsibility across the entire value chain

1 Product development

EcoDesign is a key component of product development. It ensures that environmental aspects, such as energy consumption and choice of materials, are accounted for in the development process. EcoDesign is based on a life-cycle perspective and aims to restrict the use of harmful substances, minimize energy and resource utilization from production through to use. EcoDesign also includes encouraging and facilitating product upgrades and recycling, and avoiding composite materials that are more difficult to recycle.

The need for hospitals and clinics to reduce their energy consumption, and thus their costs, means that energy-efficient products are an important part of Elekta's customer offering.

Elekta's work with environmentally sustainable design complies with international standards for EcoDesign requirements for medical devices. Under the European trade association COCIR, Elekta participates in the initiative to implement EcoDesign and energy efficiency to facilitate voluntary affiliation with the ErP Directive (Energy-related products). All Elekta developers of medical devices have participated in EcoDesign training.

Assessment of product risks and safety aspects is an integral and essential part of the product development process. The assessment covers all phases of the product's lifecycle, including installation, management and application.

Elekta also supports knowledge transfers and the sharing of best practices by coordinating several product associations and user meetings, during which researchers and healthcare specialists can present the latest research findings. These meetings are an important source of information for future product development.

2 Suppliers

Elekta has a global base of more than 600 active suppliers to the Group's manufacturing processes. Suppliers in Asia account for about 35 percent of the delivery value, and suppliers in Europe and North America for the remaining 65 percent.

Elekta's supplier relationships are characterized by good business practices and high ethical standards. Elekta's Code of Conduct and anti-corruption policy are included in all standard contracts with suppliers.

Elekta continuously monitors the Company's suppliers in terms of quality systems and delivery performance, but also in relation to occupational health and safety and environmental considerations. The performance of suppliers is monitored at least every second year. Should the supplier not satisfy requirements, Elekta initiates dialog to achieve improvements. During the year, a more detailed process for monitoring and controlling the sustainability efforts of suppliers was prepared, this will be implemented during 2015/16. Elekta also initiated a survey of the Group's use of conflict minerals and is investigating relevant components in the supply chain to ensure that raw materials comes from approved smelters.

3 Manufacturing

Elekta has several production units in the US, China and Europe. The main activities of these units are assembly, testing and quality assurance, which means that their environmental impact is limited. All major production facilities are certified according

THE VALUE CHAIN – FROM PRODUCT DEVELOPMENT TO CARE PROVIDERS AND PATIENTS

1 Product development

2 Suppliers

to ISO 14001 (Environmental management system). During the year, the production facility in Beijing, China became certified.

To achieve Elekta's target for reduced greenhouse gas emissions, SF6 gas must be recovered from production processes. SF6 is one of the most potent greenhouse gases, and a necessary component for generating radiation inside a linear accelerator. At present, the SF6 recovery rate is 95 percent. Toward the end of the year, recovery equipment was installed at the production unit in China, and the expected SF6 recovery rate for the 2015/16 fiscal year is 100 percent.

Another measure that contributes to achieving the emissions target is the move to procuring electricity from renewable energy sources for the production units. A number of Elekta's units use "green" electricity only, while others have opted for a mix that includes renewable electricity.

Elekta works to secure that the working environment in plants and offices is healthy and safe. Applicable laws and directives are followed, and the units are also audited by local authorities. Special protective equipment is provided at all workplaces where required and employees receive appropriate safety training. Elekta has begun the implementation of a health and safety management system, and is preparing for a first certification during the 2015/16 fiscal year.

4 Transportation

Transport and business travel account for a significant portion of Elekta's environmental impact. A Group-wide logistics platform, Logistics Control Tower, is used to reduce this environmental impact by, for example, reducing the amount of transportation, controlling the freight distribution between various transport modes, reducing packaging sizes and streamlining the delivery of spare parts. During the year, a successful transport project for using containers more effectively continued, which led to fewer containers being used and consequently both environmental impact, and transport costs were reduced.

Elekta IntelliMax®, which is included in the Remote Services package, makes it possible to diagnose and resolve system issues, as well as update software, remotely. This reduces the need for on-site service operations, and less travelling for Elekta's service technicians, which subsequently reduces emissions.

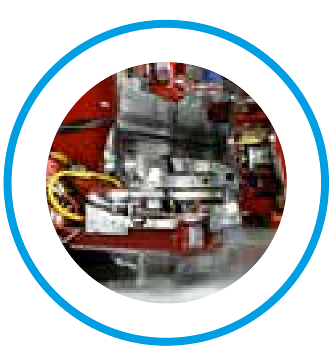
Elekta also has a web conferencing system that is widely used and reduces the need for business travel. At local level, Elekta offers various incentives that encourage employees to use public transport, carpooling and bike-sharing. One such example during the year was the installation of charging points for plug-in hybrid vehicles at the Company's facility in the Netherlands.

5 Usage

Safety is the highest priority throughout the entire value chain and in-depth training in the products functionality and use is conducted in connection with delivery. The software generates safety messages and controls to support the user. Should an incident occur, or error arise, where any product is involved, the hospital is under obligation to submit a report to Elekta. Special procedures have been established for corrective and preventive action, and for updating of products in the market.

Elekta's products help customer clinics meet their own environmental targets, as well as their requirements for cost-effective treatment. One such example is Elekta's linear accelerators, which use about 30 percent less energy than comparable devices in the market. For a hospital, this corresponds to annual energy savings of about 21,000 KWh for each system, and an approximately 10.5 metric ton-reduction of CO_2 emissions.

Close and long-term partnerships with customers continuously generate significant improvements in treatment methods and products. Elekta does not provide specific medical advice on the treatment of individual patients – this is the responsibility of physicians and hospitals. However, Elekta's online Patient Center contains fact sheets, detailed information for patients about various treatment methods and information about the most common types of cancer.



3 Manufacturing

4 Transportation

5 Usage

Collaboration, responsibility, communication and trust

ELEKTA'S CORPORATE CULTURE IS CHARACTERIZED BY COLLABORATION, responsibility, communication and trust. The Group strives continuously to strengthen the organizational culture and to further develop expertise and leadership.

During the year, actions have been taken to strengthen our efficiency and to increase the integration between the Company's product development processes. Efforts are also taking place to further develop a culture characterized by collaboration, responsibility, communication and trust.

The number of employees has doubled since 2005. The complexity of the operations is also increasing, making collaboration between the various regions, product areas and functions even more important. In combination, this creates a need for systematic efforts to further strengthen the organizational culture. To meet this goal, there are activities in a variety of areas, such as values, leadership development, information, performance management, recruitment, and research and development.

Employee survey drives improvements

Elekta works systematically to capture employees' view of the Company and to identify areas for improvement. Global employee surveys are a key tool in this process. Action plans based on these surveys are established. These plans include a review of Elekta's global system for performance management, and internal communication improvements.

Leadership and management pipeline

Elekta strives continuously to further strengthen effective leadership at all levels of the Group. Leadership development takes place through a range of programs designed for managers at various levels, in staff functions as well as in the product areas and regions.

The leadership development programs are part of a system designed to ensure the effective regrowth of managers within the Company. This also includes succession planning, performance management and the evaluation of an individual's potential for managerial positions – the latter also makes use of external specialist expertise.

ELEKTA'S VALUES

Elekta is driven by a desire to improve, prolong and save lives. The Company's values are permeated by a passion for the Company's customers and products, and strengthens Elekta's opportunities to remain being a pioneer that is shaping the future of cancer care.

The decentralized organization provides each manager and employee considerable scope for making decisions about their own work. This freedom also entails high demands on the employees.

Elekta's five core values function as support for decision-making, and as general guidelines in our daily internal and external work.

Long-term relationships

Elekta is renowned for building truly collaborative and long-term relationships with its customers. We see our customers as much more than partners, and these relationships have yielded the breakthroughs that have transformed and continue to transform treatment and practice. These relationships are very much part of how and why we are delivering solutions that redefine clinical care and improve the future of cancer care.

Trust and responsibility

Trust is something that is hard earned and yet so easily lost. Without responsibility there is no trust, and without trust we cannot build the

long-term relationships that drive our collaborations and research. For Elekta, demonstrating our commitment to the very highest level of service and customer care is about a shared responsibility and a trust we will deliver – to our colleagues and our customers.

Resourcefulness
Elekta's pioneering spirit has enabled the Company to push the boundaries of what is possible. Making the most of our resources – whether time, money or simply human endeavor – is key to our competitiveness and the impact of our clinical advances.

Responsiveness
Whether the continuous refinement of our solutions to benefit patients and providers, the service promises we make to all of our customers, or the collaborations and partnerships that we build internally and externally, speed and flexibility of response have been integral in building Elekta's reputation for excellence in the marketplace.

Creativity
Elekta's creative spirit lies at the core of our research and development strategy, the way we do business, and how we work with our customers to forge the relationships that yield the paradigm shifts in treatment and care.

Jason Hoffman
Senior Vice President,
Human Resources

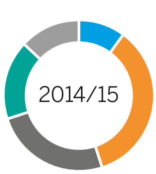
"Elekta's employees work in a high-tech global company, where the aim is to always improve, prolong and save lives. Elekta systematically captures employees' view of the Company to enable improvements."

Personal development

Elekta strives to achieve a clear link between the Group's targets and the personal goals of each employee. The Company's performance management process comprises all employees and focuses on individual goals for performance and professional development. An annual evaluation is based on individuals' performance within their area of responsibility, as well as the degree to which the individual embraces Elekta's core values.

Employees are offered development of skills within their own areas of responsibility, and also for general compliance issues within medical technology.

EMPLOYEES PER FUNCTION



Production 10% Services 35% R&D 24%
Sales 17% Administration 14%

Major diversity in the Group

The global spread of Elekta's operations makes diversity a natural feature within the Group. Elekta has zero tolerance of discrimination in all units and at all levels, whether based on age, gender, religion, sexual orientation, marital status, social or ethnic origin, political belief, disability or any other reason.

Elekta also strives to ensure that all employees with similar experience and qualifications shall receive equal pay for equal work.

Less than one-third of Elekta's employees are women, reflecting Elekta's role in a technology-intensive, and thus traditionally male-dominated, industry. During the year, a survey and analysis of gender distribution within and between the Company's senior management positions was carried out, in terms of role and position. The analysis have provided a basis for continued actions to promote gender equality within the Group. Elekta's Women's Network was founded during the year, a network that supports female employees in their professional development.

Respect for employees' rights

Elekta complies with the applicable labor laws in all countries in which the Company operates and expects the same from its partners. Elekta respects each employee's right to join a trade union of their choice and to bargain collectively in accordance with local laws and applicable conventions. Elekta also promotes the health, safety and welfare of its employees, and expects all of its own employees and partners to respect and contribute to this goal.

Employees around the world

Elekta has approximately 3,850 employees, spread across 28 countries. Some 300 people work in Sweden, where the head office and Elekta Neuroscience product area are based. Most employees work in the US and Canada (1,000), followed by the UK (750) and China (550). One in four employees works in research and development.

Elekta recognizes great performance

Kristian Wiberg, Principal Systems Engineer

Everyone at Elekta makes an effort to deliver the best products, solutions and services to its customers. Some people, by design or by nature, make a more significant contribution to the company's growth and prosperity. These are the people that Tomas Puusepp, President and CEO, recognized and rewarded with the annual President's Award.

Elekta's success is a direct result of the input of its employees. To show appreciation for their dedication, innovation and resourcefulness, Tomas Puusepp, called on all employees to nominate colleagues for the annual President's Award.

The award was established in 2006 to highlight the special achievements of one or more employees over the fiscal year. For 2014/15, the primary selection criteria for the President's Award were the four strategic focus areas: Lifecycle management, Commercial transformation, Innovation Leadership, and Expand addressable market.

"Reward and recognition programs such as this are an important method of motivating employees said Tomas Puusepp, when opening the nomination process this year. "Although not everyone can win, just being nominated demonstrates that people are valued for their performance." The result was 104 nominations, which represent the "tip of the iceberg," according to Tomas Puusepp, as there are so many other outstanding individuals.

This year's winners were: Luiza Leach, Roberto Pellegrini, Kazuyuki (Kaz) Suzuki and Kristian Wiberg.

What makes a winner?

Kristian Wiberg, Principal Systems Engineer, was awarded the President's Award 2014/15 for his contribution to Elekta's innovation. His colleagues who nominated him explained how he was instrumental in the development of Leksell Gamma Knife® Icon™.

"Kristian goes all the way – from analysis and drawing board calculations to installing and ensuring that the design works," says his manager, Per Carlsson, Director System Design.

"Before the first Icon installation in Marseille, France, he not only assured that it would work by taking an active part in production and testing in Sweden, but he personally trained the service and installation engineers at the test site as well," says Per Carlsson.

A Nordic large cap

Elekta B-shares have been listed on the NASDAQ Stockholm since 1994. Total number of registered shares on April 30, 2015 was 382,828,775 whereof treasury shares amounted to 1,541,368 series B-shares. Total trading in Elekta shares on NASDAQ Stockholm during the period May 1, 2014 – April 30, 2015 amounted to 487.6 million shares (405.6), corresponding to 128 percent (106) of the total number of shares. The average number of shares traded each day during the period amounted to 1,339,675 (1,628,950). Market capitalization on April 30, 2015 amounted to SEK 29,740 M (34,697), a decrease by 14 percent.

Distribution of shares April 30, 2015

			Percentage of	
Class of share	**No. of shares**	**No. of votes**	**capital**	**votes**
A-shares	14,250,000	142,500,000	3.7%	27.9%
B-shares	368,578,775	368,578,775	96.3%	72.1%
Total	**382,828,775**	**511,078,775**	**100.0%**	**100.0%**

See Note 24 for more information on Elekta's share capital.

Dividend and proposal to repurchase shares

Elekta's goal is to provide shareholders with a favorable return and value growth. The policy is to distribute at least 30 percent of profit for the year in the form of dividend, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment needs. For 2014/15, the Board proposes, in accordance with the Company's dividend policy, a total dividend of SEK 0.50 (2.00) per share. Total dividend amounts to approximately SEK 191 M and 35 percent of net profit for the year. See page 74 for more information on dividend.

The Board intends to propose to the Annual General Meeting 2015 to renew the Board's authorization to repurchase a maximum of 5 percent of the number of shares outstanding in Elekta AB.

Share program

The Annual General Meetings in 2009–2014 have resolved to adopt share programs, called Performance Share Plans. Performance Share Plan 2011/14, resolved by the Annual General Meeting in 2011, was concluded during the year. Outstanding programs as per April 30, 2015 were Performance Share Plan 2012/15, 2013/16 and 2014/17 respectively. The resolutions entailed that the conditions and the guidelines stated in the respective plans shall form the basis for the receipt of shares by key employees of Elekta upon fulfillment of certain performance requirements during the periods 2012/13–2014/15, 2013/14–2015/16 and 2014/15–2016/17, respectively. The EPS target under Performance Share Plan 2012/15 has not been met and therefore no allotment of shares will take place. The scope of Performance Share Plans 2013/16 and 2014/17 are summarized in the tables below. See Note 5 for more information on the plans.

Share program 2013/2016

Originally designated number of shares	773,000
Theoretical value at time of allotment, SEK	77,300,000
Allotment of shares	2016-09-13
Number of shares as of April 30, 2015	781,319

Share program 2014/2017

Originally designated number of shares	976,726
Theoretical value at time of allotment, SEK	92,788,970
Allotment of shares	2017-09-21
Number of shares as of April 30, 2015	961,395

Under the Performance Share Plan 2014/17, the performance targets are measured and earned by one-third each financial year from 2014/2015 until 2016/2017. The results for the 2014/2015 financial year, as disclosed in the table below, did not meet the minimum performance level to deliver any performance shares.

Outcome of share program 2014/17

	2014/15			Allocation of performance shares		
Financial target	**Minimum, %**	**Maximum, %**	**Actual, %**	**Outcome, %**	**Weight, %**	**Allocation, %**
EBITA growth 2014/15 vs. 2013/14	7	11.0	–40	0	50	0
Business volume growth 2014/15 vs. 2013/14	5	10.5	–11	0	50	0
Total allocation of performance shares						**0**

Convertible bonds

In April 2012 Elekta conducted an issue of convertible bonds. The issue raised approximately SEK 1,894 M for the Company, before transaction costs. The conversion price is SEK 97.50 and bondholders have the right to require conversion into shares at any time until March 28, 2017. At full conversion, the number of shares of Series A will increase by a total of 730,768 and the number of shares of Series B will increase by a total of 18,699,932. As per April 30, 2015, a total of 22,095 B-shares have been subscribed through conversion of convertible bonds into shares, whereof 191 were converted in 2014/15 fiscal year.

OWNERSHIP STRUCTURE APRIL 30, 2015

Shareholding, No. of shares	No. of shareholders	Percentage of shareholders	No. of shares	Percentage of share capital	Average No. per shareholder
1–500	18,263	61.7%	2,895,004	0.8%	159
501–1,000	4,141	14.0%	3,403,156	0.9%	822
1,001–10,000	6,060	20.5%	18,108,218	4.7%	2,988
10,001–100,000	841	2.8%	23,792,749	6.2%	28,291
100,001–	304	1.0%	334,629,648	87.4%	1,100,755
Total	**29,609**	**100.0%**	**382,828,775**	**100.0%**	**12,929**

Source: SIS Ägarservice AB and Euroclear AB

MAJOR SHAREHOLDERS APRIL 30, 2015

Owner	No. of shares	Percentage of capital	Percentage of votes
Laurent Leksell and companies	23,106,624	6.0%	29.6%
Swedbank Robur fonder	21,632,073	5.7%	4.2%
Harding Loevner fonder	19,230,568	5.0%	3.8%
Generation Investment Management	19,147,519	5.0%	3.7%
Didner & Gerge fonder	14,990,342	3.9%	2.9%
Första AP-fonden	14,354,877	3.8%	2.8%
Fjärde AP-fonden	13,943,539	3.6%	2.7%
AMF Insurance & Funds	13,040,204	3.4%	2.6%
SEB Fonder	8,449,855	2.2%	1.7%
Alecta	7,100,000	1.9%	1.4%
Other	227,833,174	59,5%	44.6%
Total	**382,828,775**	**100.0%**	**100.0%**

Source: SIS Ägarservice AB and Euroclear AB

The table above lists the 10 largest known shareholders in Elekta AB as of April 30, 2015. Foreign ownership was approximately 44 (43) percent. Of these shares, 46 (65) percent of holdings were held by trustees. As a result, there may be other large shareholders with undisclosed holdings, even if no other foreign shareholder has declared holdings above 5 percent.

The proportion of Swedish institutional ownership was 22 (21) percent.

CHANGE IN SHARE CAPITAL UNTIL APRIL 30, 2015

Year	Transaction	Total number of shares	Total share capital
1994	New issue	7,397,180	36,985,900
1994	Exercise of warrants	7,897,180	39,485,900
1997	New issue	10,497,451	52,487,255
2000	New issue	27,853,617	139,268,085
2001	Conversion of debentures	31,661,867	158,309,335
2001	Exercise of warrants	31,678,867	158,394,335
2002	Exercise of warrants	32,181,742	160,908,710
2003	Exercise of warrants	32,647,067	163,235,335
2003	Conversion of debentures	32,781,267	163,906,335
2003	Exercise of warrants	32,953,967	164,769,835
2003	Redemption of shares	31,066,254	155,331,270
2004	Exercise of warrants	31,567,454	157,837,270
2005	Exercise of warrants	31,596,236	157,981,180
2005	Bonus issue	31,596,236	189,577,416
2005	Split 3:1	94,788,708	189,577,416
2005	Cancellation of repurchased shares	94,114,008	188,228,016
2005	Exercise of warrants	94,194,372	188,388,744
2006	Exercise of warrants	94,451,456	189,902,912
2006	Redemption of shares	93,649,756	187,299,512
2006	Exercise of warrants	93,741,598	187,483,196
2007	Exercise of warrants	93,880,090	187,760,180
2007	Conversion of debentures	93,900,016	187,800,032
2007	Exercise of warrants	92,272,445	187,806,632
2007	Cancellation of repurchased shares	93,903,316	184,544,890
2008	Exercise of warrants	93,075,863	186,151,726
2008	Cancellation of repurchased shares	92,124,563	184,249,126
2009	Exercise of warrants	92,237,944	184,475,888
2010	Exercise of warrants	94,188,044	188,376,088
2011	Exercise of warrants	94,769,763	189,539,526
2012	Exercise of warrants	95,701,670	191,403,340
2012	Split 4:1	382,806,680	191,403,340
2012	Conversion of convertible loan	382,807,329	191,403,665
2013	Conversion of convertible loan	382,828,114	191,414,057
2014	Conversion of convertible loan	382,828,765	191,414,383
2015	Conversion of convertible loan	382,828,775	191,414,388

FINANCIAL CALENDAR

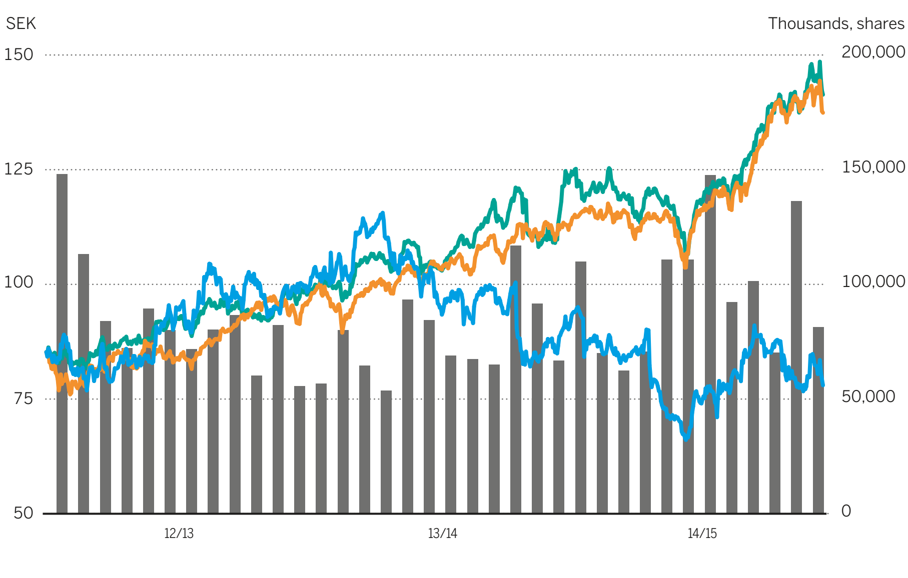
Three-month interim report May–July 2015/16	September 1, 2015
Annual General Meeting	September 1, 2015
Six-month interim report May–October 2015/16	December 4, 2015

DATA PER SHARE[1)]

	2010/11	2011/12	2012/13	2013/14	2014/15
Earnings per share					
before dilution, SEK	2.76	3.26	3.52	3.01	1.45
after dilution, SEK	2.73	3.23	3.52	3.00	1.45
Cash flow per share[2)]					
before dilution, SEK	1.31	–7.07	3.17	1.31	1.78
after dilution, SEK	1.30	–7.01	3.17	1.24	1.78
Shareholders' equity per share					
before dilution, SEK	10.22	13.19	14.55	16.39	17.41
after dilution, SEK	10.61	13.31	14.55	20.32	17.41
Dividend, SEK	1.00	1.25	2.00[3)]	2.00[3)]	0.50[6)]
Share price, Elekta Series B, April 30, SEK	68.85	85.25	99.65	91.00	78.00
Market capitalization, April 30, SEK M	25,954	32,309	38,127	34,697	29,740
Lowest share price, SEK	42.88	51.95	76.88	82.10	66.10
Highest share price, SEK	70.85	90.75	104.50	115.60	95.05
Average number of shares					
before dilution, 000's	373,364	376,431	380,672	381,277	381,287
after dilution[5)], 000's	378,028	380,125	380,672	400,686	381,287
Number of shares, April 30[4)]					
before dilution, 000's	374,951	378,991	381,270	381,287	381,287
after dilution, 000's	383,618	384,284	381,270	400,696	381,287

1) In September 2012 a 4:1 share split was conducted. The data per share and number of shares has been restated pro forma.
2) Excluding the acquisitions of RMI and Elekta Korea 2010/11: SEK 1.94 before dilution and SEK 1.90 after dilution, Nucletron 2011/12: 1.78 before dilution and 1.76 after dilution.
3) Ordinary dividend SEK 1.50 and extraordinary dividend SEK 0.50.
4) Number of registered shares at closing excluding treasury shares (1,541,368 per April 30, 2015).
5) Number of shares used in the calculation of earnings per share in accordance with IAS 33.
6) Proposed dividend.

THE ELEKTA SHARE



Source: Six Trust and Fidessa

Five year review, key figures and definitions

INCOME STATEMENT

SEK M	2010/11	2011/12	2012/13	2013/14	2014/15
Net sales	7,904	9,048	10,339	10,694	10,839
Operating expenses excl. amortization, depreciation and non-recurring items	–6,161	–6,916	–7,932	–8,393	–9,387
EBITDA before non-recurring items	**1,743**	**2,132**	**2,407**	**2,301**	**1,452**
Depreciation	–76	–90	–110	–118	–146
EBITA before non-recurring items	**1,667**	**2,042**	**2,297**	**2,183**	**1,306**
Amortization	–165	–205	–239	–295	–366
Other non-recurring items	–	12	–46	–161	–3
Operating result	**1,502**	**1,849**	**2,012**	**1,727**	**937**
Financial net	–38	–141	–212	–225	–221
Profit before tax	**1,464**	**1,708**	**1,800**	**1,502**	**716**
Taxes	–433	–480	–449	–350	–158
Profit for the year	**1,031**	**1,228**	**1,351**	**1,152**	**558**
Attributable to					
Parent Company shareholders	1,031	1,227	1,340	1,148	552
Non-controlling interests	0	1	11	4	6

CASH FLOW

SEK M	2010/11	2011/12	2012/13	2013/14	2014/15
Operating flow	1,355	1,576	1,894	1,692	1,299
Changes in working capital	–340	–641	–24	–417	524
Cash flow from operating activities	*1,015*	*935*	*1,870*	*1,275*	*1,823*
Continuous investments	–265	–432	–578	–781	–956
Cash flow after continuous investments	**750**	**503**	**1,292**	**494**	**867**
Acquisition of operations	–259	–3,166	–84	4	–188
Cash flow from investing activities	*–524*	*–3,598*	*–662*	*–777*	*–1,144*
Cash flow after investments	**491**	**–2,663**	**1,208**	**498**	**679**
Cash flow from financing activities	*–227*	*3,164*	*–380*	*–888*	*186*
Cash flow for the year	**264**	**501**	**828**	**–390**	**865**

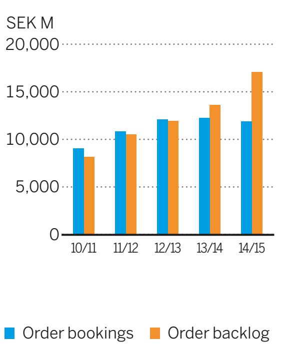
BALANCE SHEET

SEK M	April 30, 2011	April 30, 2012	April 30, 2013	April 30, 2014	April 30, 2015
Intangible assets	2,692	6,457	6,424	6,845	8,174
Tangible fixed assets	236	407	487	624	881
Financial assets	67	147	236	359	371
Deferred tax assets	206	233	92	143	224
Inventories	540	755	850	1,078	1,297
Receivables	3,858	5,341	5,651	6,596	6,972
Cash and cash equivalents	1,363	1,895	2,567	2,247	3,265
Total assets	**8,962**	**15,235**	**16,307**	**17,892**	**21,184**
Shareholders' equity	3,833	5,010	5,560	6,257	6,646
Interest-bearing liabilities	881	4,530	4,552	4,486	6,033
Interest-free liabilities	4,248	5,695	6,195	7,149	8,505
Total shareholders' equity and liabilities	**8,962**	**15,235**	**16,307**	**17,892**	**21,184**

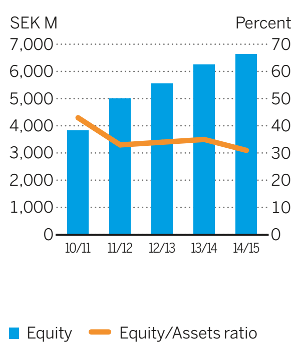
KEY FIGURES

	2010/11	2011/12	2012/13	2013/14	2014/15
Order bookings, SEK M	9,061	10,815	12,117	12,253	11,907
Order backlog, SEK M	8,147	10,546	11,942	13,609	17,087
Operating margin, %	19	20	19	16	9
Profit margin, %	19	19	17	14	7
Shareholders' equity, SEK M	3,833	5,010	5,560	6,257	6,646
Capital employed, SEK M	4,714	9,540	10,112	10,743	12,678
Net debt, SEK M	–482	2,635	1,985	2,239	2,768
Equity/Assets ratio, %	43	33	34	35	31
Net debt/Equity ratio, multiple	–0.13	0.53	0.36	0.36	0.42
Interest cover ratio, multiple	26.1	9.5	9.1	7.5	3.8
Return on shareholders' equity, %	30	29	27	21	9
Return on capital employed, %	35	28	21	17	9
Capital turnover ratio, multiple	0.9	0.8	0.7	0.7	0.6
Investments in tangible and intangible assets, SEK M	274	432	544	726	982
Depreciation, SEK M	–241	–295	–349	–414	–512
Cash conversion, %	59	33	76	32	81
Average number of employees	2,621	3,162	3,336	3,631	3,679

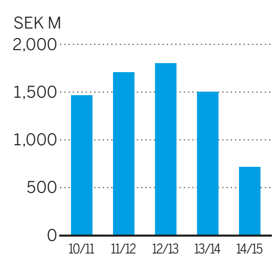
ORDER BOOKINGS AND ORDER BACKLOG



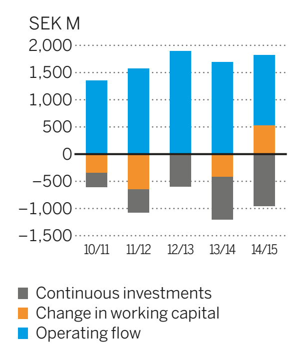
EQUITY AND EQUITY/ASSETS RATIO



PROFIT BEFORE TAX



CASH FLOW AFTER CONTINUOUS INVESTMENTS



DEFINITIONS

Average number of employees
Total annual number of paid working hours divided by number of standard working hours per year.

Capital employed
Total assets less interest-free liabilities.

Capital turnover ratio
Net sales divided by average total assets.1)

Cash conversion
Cash flow after continuous investments divided by profit for the year adjusted by depreciation and amortization for the year.

Cash flow per share
Cash flow after investments in relation to the weighted average number of shares.

Contribution margin per region
Net sales less cost of products sold and expenses directly attributable to the respective region.

Earnings per share
Net profit for the year attributable to Parent Company shareholders in relation to the weighted average number of shares (excluding treasury shares).

EBITA
Operating result items plus amortization.

Equity/Assets ratio
Total equity in relation to total assets.

Interest cover ratio
Profit before tax plus financial expenses in relation to financial expenses.

Net debt
Interest-bearing liabilities less cash and cash equivalents.

Net Debt/Equity ratio
Net debt in relation to total equity.

Operating margin
Operating result in relation to net sales.

Profit margin
Profit before tax in relation to net sales.

Return on capital employed
Profit before tax plus financial expenses in relation to average capital employed.1)

Return on shareholders' equity
Net profit for the year attributable to Parent Company shareholders in relation to average shareholders' equity excluding non-controlling interests.1)

Shareholders' equity per share
Shareholders' equity excluding non-controlling interests in relation to the number of shares at year-end (excluding treasury shares).

Value added per employee
Operating profit plus salaries, other remuneration and social security costs and cost of incentive programs divided by average number of employees.

Working capital
Short-term interest-free assets less short-term interest-free liabilities, excluding current tax and derivatives.

1) Average based on the last five quarters.

Board of Directors' Report

The Board of Directors and the CEO of Elekta AB (publ.), corporate identity number 556170-4015 and registered office in Stockholm, hereby submit the consolidated financial statements and annual report for the fiscal year 2014/15, covering the period May 1, 2014 – April 30, 2015. Amounts in parentheses indicate values for the previous fiscal year. Elekta AB (publ.) is referred to as "Elekta AB", "the Company" or "the Parent Company" and the Elekta Group, which includes Elekta AB and its subsidiaries, is referred to as "Elekta" or "the Group".

ELEKTA'S OPERATIONS

Elekta is a medical technology company which aims to improve, prolong and save lives through clinical solutions for treating cancer and brain disorders. The Company develops clinical treatment solutions for radiation therapy and radiosurgery, as well as workflow-enhancing software systems, across the spectrum of cancer care. Elekta is a leader in clinical solutions for image guided radiation therapy and stereotactic radiosurgery, giving oncologists and neurosurgeons an unmatched capability to treat tumors and functional targets with ultra-high precision while sparing healthy tissue.

Elekta's products comprise hardware as well as software and service with focus on clinical solutions . Elekta's operations are divided into three geographical regions:

- North and South America
- Europe, Middle East and Africa
- Asia Pacific

MARKET OUTLOOK

The global market development for Elekta's solutions is driven by the need of cancer care.

The world's cancer burden is growing at a faster pace and cancer has become the biggest cause of mortality in the world with more than 8 million deaths in 2012. More than 14 million new cancer cases were added in 2012, a yearly number forecasted to rise by 75 percent over the next two decades. In addition, the number of people surviving cancer is growing as a result of improved health care and cancer is sometimes turning into a chronic disease. There are over 33 million cancer patients with over 5 year survival and even larger patient populations need to be managed by health systems around the world. The cost of cancer care is increasing and the demands for cost efficiency in health systems and among care providers are an important market dynamic, which supports radiation therapy. This benefits solutions within radiation therapy which is one of the most cost-effective treatment solutions. The evolving consolidation and integration in care delivery will further support comprehensive and complete solution-suppliers, such as Elekta.

A complete radiation therapy program includes various technologies in Elekta's product portfolio. Each solution is addressing various cancer types as well as cancer patients and are all important complementing solutions. New advancement in precision, accuracy and effectiveness will increase the need of radiation therapy. Information management solutions is an important element in care delivery where hospital information systems and cancer informatics are other important elements of Elekta's solutions. There is a significant shortage of radiation therapy capacity, which is an important fact in understanding the potential and market outlook in many developing economies.

COMPETITION

The main competitor in the global market, with a comprehensive product range and overlap with Elekta, is Varian Medical Systems. Elekta is overall the world's second largest supplier of radiation therapy solutions. For the developing world, Elekta is the largest supplier. Elekta is the market leader in many segments, such as intracranial radiosurgery, HDR brachytherapy and information management solutions.

From a competitive perspective there are also various companies addressing specific segments within radiation therapy. Niche-companies, such as Accuray with radiosurgery solutions, Bebig with brachytherapy products, and Philips and Raysearch with treatment planning solutions, are part of our competitive landscape. Hospital Information System (HIS) companies are addressing the HIS market with hospital wide solutions where cancer care is one of many different specialties. In addition there are a number of companies with products and applications supporting different aspects of cancer care processes.

LONG TERM FINANCIAL AMBITIONS

Elekta's aim is to achieve sustainable profitable growth. Elekta conducts its operations based on a long-term plan, regularly reviewed and evaluated by the Board of Directors, and with a perspective of at least three years. The following financial ambitions form the base in the long-term planning:

- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement rate to exceed the sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio not to exceed 0.50

THE FINANCIAL YEAR 2014/15

- Order bookings decreased 3 percent to SEK 11,907 M (12,253), a decrease of 13 percent based on constant exchange rates.
- Net sales increased 1 percent to SEK 10,839 M (10,694), a decrease of 8 percent based on constant exchange rates.
- EBITA before non-recurring items amounted to SEK 1,306 M (2,183). Currency effects were neutral.
- Profit for the year amounted to SEK 558 M (1,152).
- Earnings per share amounted to SEK 1.45 (3.01) before dilution and SEK 1.45 (3.00) after dilution.
- Cash flow after continuous investments amounted to SEK 867 M (494), representing a cash conversion of 81 percent (32).
- In accordance with the dividend policy, the Board of Directors proposes a dividend of SEK 0.50 (2.00) per share for 2014/15. No extraordinary dividend is proposed under the three-year program which was initiated in 2013.

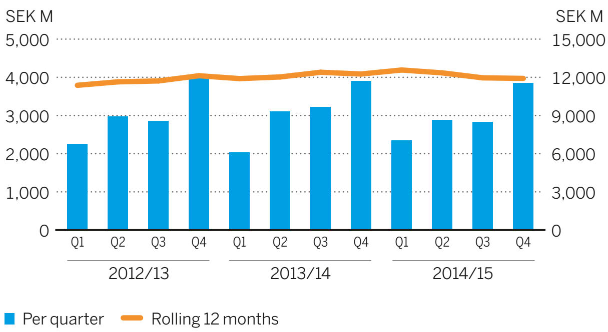
Order bookings and order backlog

Order bookings decreased 3 percent to SEK 11,907 M (12,253), equivalent to a decrease of 13 percent based on constant exchange rates. The order backlog was SEK 17,087 M on April 30, 2015, compared to SEK 13,609 M on April 30, 2014. The order backlog has been negatively affected by adjustments of SEK 700 M related to projects in North America, Latin America and India. In North America the hospital consolidation has led to order cancellations, and certain projects in Latin America and India have not been making sufficient progress and are therefore not expected to be completed within a reasonable time frame, primarily due to customers' financing difficulties.

Order backlog is converted at closing exchange rates. The translation of the backlog at exchange rates on April 30, 2015, compared to exchange rates on April 30, 2014, resulted in a positive translation difference of SEK 2,397 M.

The order backlog as per 30 April 2015 is expected to be revenue recognized as follows: 40 percent in fiscal year 2015/16, 25 percent in 2016/17, 15 percent in 2017/18 and 20 percent in 2018/19 and later.

ORDER BOOKINGS



SEK M	2014/15	2013/14	Change, %
North and South America	3,952	4,491	–12
Europe, Middle East and Africa	4,470	4,620	–3
Asia Pacific	3,485	3,142	11
Group	**11,907**	**12,253**	**–3**

Market comments

North and South America

Order bookings in the region decreased 12 percent to SEK 3,952 M (4,491), corresponding to a 25 percent decrease based on constant exchange rates. Net sales increased by 10 percent to SEK 3,651 M (3,328), corresponding to a decrease of 4 percent based on constant exchange rates. The contribution margin in the region amounted to 30 percent (33). Order bookings in the US was significantly down mainly due to fewer large orders. However, performance in Latin America was good and resulted in double-digit growth in order bookings. The US market is mainly a replacement market with growth primarily in services and software. Hospital consolidation continues and is driving the market towards more comprehensive solutions and larger projects, resulting in greater volatility.

See pages 18–21 for more information on region North and South America.

Europe, Middle East and Africa

Order bookings in the region decreased 3 percent to SEK 4,470 M (4,620), corresponding to a 9 percent decrease based on constant exchange rates. Net sales decreased by 9 percent to SEK 3,829 M (4,220), corresponding to a decrease of 14 percent based on constant exchange rates. The contribution margin in the region amounted to 27 percent (34). Most markets in Western Europe showed stable development, except the UK. In emerging markets, order intake was mixed. Russia showed strong growth in the later part of the year and order bookings in Sub-Sahara Africa grew with high single digits. The Middle East and most of Northern Africa declined significantly due to civil unrest and war. During the year, a significant order was received from Turkey's Ministry of Health.

See pages 22–25 for more information on region Europe, Middle East and Africa.

Asia Pacific

Order bookings in the region increased by 11 percent to SEK 3,485 M (3,142), corresponding to a 1 percent decrease based on constant exchange rates. Net sales increased by 7 percent to SEK 3,359 M (3,146), corresponding to a decrease of 3 percent based on constant exchange rates. The contribution margin in the region amounted to 23 percent (27).Markets in Asia Pacific had a mixed development for the year. Demand in China increased, while the markets in Japan and India declined. Development in other markets in Asia Pacific varied, but has generally been affected by weaker economic development and the strengthening of the US dollar. During the period, Versa HD® was cleared for sale and marketing in both Japan and China.

See pages 26–29 for more information on region Asia Pacific.

Net sales

Net sales increased 1 percent to SEK 10,839 M (10,694), equivalent to a decrease of 8 percent based on constant exchange rates.

SEK M	2014/15	2013/14	Change, %
North and South America	3,651	3,328	10
Europe, Middle East and Africa	3,829	4,220	–9
Asia Pacific	3,359	3,146	7
Group	**10,839**	**10,694**	**1**

Earnings

Gross margin was 40 percent (43). The margin decrease is mainly a result of lower sales volumes and an unfavorable product mix. Operating expenses increased by approximately 3 percent based on constant exchange rates. Selling and administrative expenses amounted to SEK 2,383 M (1,974) corresponding to 22 percent (18) of net sales.

EBITA before non-recurring items amounted to SEK 1,306 M (2,183). Non-recurring items amounted to SEK –3 M (–161) and relate to transaction costs (last year included restructuring and legal costs). The effect from changes in exchange rates were neutral, including hedges.

Operating result was SEK 937 M (1,727), corresponding to an operating margin amounted to 9 percent (16).

Net financial items amounted to SEK –221 M (–225). Profit before tax amounted to SEK 716 M (1,502). Tax amounted to SEK –158 M (–350). Profit for the year amounted to SEK 558 M (1,152).

Earnings per share amounted to SEK 1.45 (3.01) before dilution and SEK 1.45 (3.00) after dilution.

Return on shareholders' equity amounted to 9 percent (21) and return on capital employed amounted to 9 percent (17).

Investments and depreciation

Continuous investments increased to SEK 956 M (781) with investments in intangible assets increasing to SEK 679 M (492). Investments in intangible assets are mainly related to ongoing R&D programs. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 512 M (414).

Research and development

Elekta conducts research and development (R&D) aimed at strengthening and enhancing its position as technology leader. R&D expenditure, before capitalization of development costs, increased by 18 percent (34) and amounted to SEK 1,421 M (1,202), equal to 13 percent (11) of net sales. Costs related to the R&D function amounted to SEK 952 M (866). Capitalization and amortization of development costs in the R&D function amounted to a net of SEK 469 M (335). Capitalization amounted to SEK 680 M (484) and amortization to SEK 211 M (149).

Cash flow

Cash flow after continuous investments increased by SEK 373 M to SEK 867 M (494) including a negative effect of SEK 100 M from payments related to the restructuring program which was active during the year. Cash flow from operating activities improved to SEK 1,823 M (1,275) mainly as an effect of a reduction in working capital of SEK 524 M.

The high level of investments continues and has affected cash flow negatively by SEK 175 M compared to last year. Cash conversion was 81 percent (32).

See pages 98–99 for more information on the consolidated cash flow.

Financial position

Cash and cash equivalents amounted to SEK 3,265 M (2,247) and interest-bearing liabilities amounted to SEK 6,033 M (4,486). Thus, net debt amounted to SEK 2,768 M (2,239). Equity amounted to SEK 6,646 M (6,257). Net debt/equity ratio was 0.42 (0.36).

The balance sheet has been significantly affected by changes in exchange rates. The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 153 M (70). The translation difference in long-term interest-bearing liabilities amounted to SEK 548 M (3). Shareholder's equity was affected by exchange rate differences amounting to SEK 746 M (360.

See pages 98–99 for more information on the consolidated balance sheet.

Significant events during the year

Acquisitions

On July 24, 2014, Elekta acquired 100 percent of the shares in Mesi Medikal (Mesi), a leading distributor of radiation oncology solutions in Turkey. The acquisition significantly strengthens Elekta's market position in a country with a shortage of radiotherapy devices and software and a growing incidence of cancer.

On March 17, 2015, Elekta completed its acquisition of the leading distributor in Poland, RTA. The intention to acquire RTA was announced on August 25, 2014. RTA is specializing in cutting-edge radiation therapy technologies and the acquisition will allow Elekta to leverage RTA's existing customer relationships in order to strengthen Elekta's position in Poland's private and public health care sectors.

On April 1, 2015, Elekta announced the acquisition of the service business as well as personnel of Mexican distributor, Asesores Electrónicos Especializados S.A. de C.V. (AEESA). The acquisition will bring Elekta closer to its Mexican customers, facilitating growth in a market with strong potential. The transaction is structured as an asset acquisition.

Please refer to Note 34 for more details on the acquisitions.

Financing

On November 11, 2014, the loan of SEK 400 M with the Swedish Export Corporation was replaced by a new loan of EUR 50 M with a four year tenor.

On March 26, 2015, Elekta issued a SEK 1 billion bond with five year maturity under its existing Medium Term Note Program with a total limit of SEK 5 billion. The bond is divided in two tranches, one fixed and one floating. The first tranche of SEK 300 M has a fixed coupon rate of 1.58 percent to be paid annually and the second tranche of SEK 700 M has a floating interest rate of 3 months STIBOR plus an interest margin of 1.20 percent to be paid quarterly.

Legal dispute

On December 2, 2014 Elekta announced that humediQ GmbH has initiated legal proceedings against two companies in the Elekta group. The dispute relates to an agreement from October 2011 for exclusive supply of Identify™ under the Elekta label. Identify is a patient identification and setup verification product. In 2014, a dispute arose between Elekta and humediQ relating to certain terms of the agreement and humediQ is claiming damages from Elekta for an amount of approximately EUR 16 M. Elekta believes that the claims have no merit and intends to defend them vigorously and assert counterclaims against humediQ.

Employees

The average number of employees during the year was 3,679 (3,631). The number of employees on April 30, 2015 totaled 3,844 (3,775). Value added per average employee amounted to SEK 1,137 K (1,243).

SIGNIFICANT EVENTS AFTER YEAR-END

Change of President and CEO of Elekta

On May 13, 2015, Elekta announced that Niklas Savander had, with immediate effect, stepped down from the position as President and CEO of Elekta AB (publ). The Board of Directors had appointed Tomas Puusepp as President and CEO as of May 13, 2015. Tomas Puusepp has, during 2014/15, been an Executive Director of the Elekta Board and served as President and CEO of Elekta during fiscal years 2005/06 to 2013/14.

Changes to the Executive Management team

On June 2, 2015, Elekta announced a reorganization of the Company including changes to its Executive Management team. The new organization will be effective as of July 7, 2015. The new Executive Management team is presented on page 85.

Patent lawsuit against Varian Medical Systems

On June 16, 2015, William Beaumont Hospital and Elekta Ltd. filed a patent infringement suit against Varian Medical Systems, Inc. in the United States District Court for the Eastern District of Michigan. The patents in suit are owned by William Beaumont Hospital and exclusively licensed to Elekta Ltd. The suit charges that Varian's True Beam linear accelerator infringes the patents.

CORPORATE SOCIAL RESPONSIBILITY

Responsible and sustainable business is critical to Elekta's ability to fulfill its business objectives. Elekta's CSR activities embrace ethical, social, product and environmental responsibilities and are based on the Group's Code of Conduct. All Elekta employees, as well as all business partners, are expected to comply with ethical behavior as described in e.g. the Anti-Corruption Policy.

The Elekta principles for employment practices, employee rights and human rights, as described in the Code of Conduct, are deployed on local level throughout the Company. Product safety and quality in products and services are key for Elekta and permeate all activities from product development and manufacturing to service activities. Elekta is striving to reduce the environmental impact of the Company's products and activities and to comply with all relevant environmental laws and regulations. The environmental responsibility is described in the Group's environmental policy. See pages 54–59 for more information about our responsibilities.

QUALITY

Elekta continuously works to improve quality in all processes. Quality work ensures that relevant government requirements are fulfilled. Elekta conducts regular audits to ensure compliance with established requirements from various medical technology supervisory authorities. Where appropriate, Elekta's development and production units are certified in accordance with the relevant ISO 9000 and ISO 13485.

IT

During the year, the new vendor agreement for IT Operational Services was implemented. This included further server consolidation and the migration of all key IT assets into secure, energy efficient co-location data center facilities. This has become the foundation for a more cost efficient and environmentally conscious IT operation, whilst providing a progressive user experience for all employees, including the recent implementation of modern communication and collaboration solutions to aid productivity and help bring Elekta together as a more social enterprise.

The deployment of enterprise business solutions has strengthened data governance and enabled the creation of a new information strategy. This is supporting the corporate governance and control agenda and also making analytics more available throughout the corporation to aid decision making and provide new insights into our customer's requirements and the opportunities afforded by their installed base of clinical equipment.

RISKS

Elekta's presence in a large number of geographical markets leaves for potential exposure from political and economic risk on a global scale and in individual countries or regions. In some markets weak economic development and strained finances may mean less availability of financing for private customers and reduced future health care spending by governments.

Elekta operates in a competitive landscape. The medical equipment industry is characterized by relatively swift technological alterations with advances in industrial knowhow. Elekta's products are developed in close collaboration with research institutes. For Elekta it is of great significance that these prospective and intimate relationships are maintained, in order to understand customer needs.

New products and improved methods for treatment are continously released and future developments on the medical equipment market might have an impact on Elekta's ability to compete. Thus, it is crucial that new products and technical solutions developed by Elekta are protected from the risk of improper use by competitors. When possible and deemed appropriate, Elekta protects its intellectual property rights by way of patents, copyrights and trademark registrations.

Elekta sells its products through its direct sales force and through an external network of agents and distributors. The Company's continued success is dependent on its ability to establish and maintain successful relationships with customers and collaborations with external sales channels.

Corruption is a risk and an obstacle for development and growth in some countries of which Elekta has operations. Elekta has implemented an anti-corruption policy to discourage corruption.

Elekta's operations comprise several geographical markets. This does expose the Group to a vast number of laws, regulations, policies and guidelines regarding topics such as health, security, environment, trade restrictions, competition, exchange control and delivery of products. As a manufacturer of medical equipment, Elekta's operation is guided by demands and standards set by regulatory authorities. Rule changes might bring about increased costs or hinder sales of Elekta's products. Regulatory processes may interfere with the possibility to introduce products.

Much like other companies within the same field of business Elekta is dependent on assessments and decisions made by authorities such as Läkemedelsverket in Sweden or the FDA (Food and Drug Administration) in the USA. Assessments of that sort are inclusive of product safety as well as permission to market and sell medical equipment. Applications to these authorities demand comprehensive documentation and unforeseen circumstances might interfere with the ability to introduce products, hinder or limit to the commercial appeal and/or cause a severe financial cost.

Elekta has to fulfill rigorous demands in accordance with international rules and product safety standards from International Electrotechnical Commission (IEC) and International Organization for Standardization (ISO), Rådets direktiv 93/42/EEG on medical products, FDA's demands on quality systems, as well as a number of other domestic directives and rules. These are explained in Elekta's quality system in accordance with ISO 9001 and ISO 13485. Quality systems are reviewed and certified by external regulatory authorities and is regularly inspected by FDA. To deviate from safety regulations is an example of a circumstances which might result in delays and prohibit deliveries of Elekta products.

Elekta is continuously evaluating conditions to enter new markets. The process takes into consideration both opportunities and risks involved. There are regulatory registration requirements with each market that potentially could delay product introductions and certifications.

The political stability in certain countries and the security situation for employees traveling to exposed areas are constantly evaluated.

Elekta depends on the capability of producing advanced medical equipment, which requires highly qualified personnel. The Company's ability to attract and retain qualified personnel and management is of great importance and will have a significant impact on the future success of the Group.

Elekta's ability to commercialize its solutions is dependent on the reimbursement level that hospitals and clinics can obtain. Reimbursement systems vary depending on country. Alterations in the existing reimbursement systems related to medical products or implementation of new regulations might have a direct impact on demand for Elekta's products.

Elekta's delivery of treatment equipment relies on customers' capability to receive the delivery at site. Depending on contractual terms a delay can result in postponed invoicing and also affect timing of revenue recognition. The Group's credit risks are normally limited, since customer operations are, to a large extent, financed either directly or indirectly by public funds. See also Note 2 and Note 21 for more information on credit risk and credit exposure.

Elekta is dependent on a limited number of suppliers for delivery of critical components. There is a risk of delivery difficulties occurring due to circumstances beyond Elekta's control. Critical suppliers are regularly followed-up regarding delivery precision and quality of components.

Integrating third party components with Elekta products might bring about product responsibility for the components. Unforeseen problems can convey delays, hinder or limit the products' commercial use and/or translate to a cost for the company.

From time to time Elekta is involved in disputes associated with the business operations. Situations in question might revolve around disputes over product liability, contractual questions, immaterial rights and alleged flaws in delivery of goods or services. Disputes can be costly, time consuming and hamper with the ongoing operations. In addition, it can be difficult to predict the outcome of intricate disputes. Disputes related to Elekta's product liability can concern alleged negligence, warranty issues or mistreatment and might bring about major costs unrelated to the final verdict. Elekta has product liability insurances. However, there is still a risk that future demands will exceed or fall outside of the insurance coverage.

In its operation, Elekta is subject to a number of financial risks such as currency risk, interest rate risk, credit risk and liquidity risk. Currency risks arise primarily as a product of future business transactions, recognized assets and liabilities along with net investments in foreign operations. Interest rate risk concerns the risk of fluctuating rate levels effecting Elekta's result negatively, particularly rising long-term loan costs. Credit risk ascend from financial credit risk related to liquid cash and cash equivalents, derivative financial instruments and receivables from banks and financial institutes along with credit exposure towards customers and distributors. Liquidity risk relates to the risk of being unable to fulfill payment obligations as a result of inadequate liquidity or difficulty to take on external loans. Note 2 provides further details and information regarding financial risks and financial risk management.

SENSITIVITY ANALYSIS

Elekta's operation is bound to projects whereof the base consists of relatively big deliveries to customers. The lead time from delivery to installation can threfore vary from period to period. Quarterly variations of delivery volumes occurs, which has a high impact on net sales and net income each quarter. Elekta's gross margin can also vary from period to period depending on product and geographic mix and currency movements. During the year, Elekta had a gross margin of 40 percent (43).

As a result of its international operations and structure, Elekta has an exposure to exchange rate fluctuations. This pertains primarily to expenses in SEK and GBP against revenue in USD and EUR. Based on the year's income, expense and currency structure a general change of 1 percentage point in the SEK exchange rate against other currencies would affect the Group's operating profit by approximately +/– SEK 17 M (22). Short-term the effect is reduced through hedging.

Based on the balance sheet structure at year-end a general change of 1 percentage point in the interest on borrowings and investments would affect the Group's profit before tax by approximately +/– SEK 16 M (11).

OUTLOOK

A comprehensive action program has been initiated with the objectives to return to growth, improve profitability, reduce costs and continue to focus on cash flow. We expect negative growth in net sales to continue during the first half of 2015/16, while growth is expected to return during the second half of 2015/16.

PARENT COMPANY

The Parent Company of the Group, Elekta AB, conducts no operating activities but provides group management, joint group functions and financial management. Profit for the year amounted to SEK 658 M (584) inclusive of dividends from subsidiaries of SEK 810 M (588). Total assets amounted to SEK 11,392 M (9,673) of which shares in subsidiaries amounted to SEK 2,142 M (1,877) and receivables from subsidiaries amounted to SEK 6,467 M (5,865). Cash and cash equivalents at year-end amounted to SEK 2,630 M (1,793). Shareholders' equity amounted to SEK 2,319 M (2,414). Interest-bearing liabilities amounted to SEK 8,728 M (7,086), of which SEK 2,739 M (2,726) constituted long-term liabilities to subsidiaries . The average number of employees during the year was 33 (32). The number of employees on April 30, 2015 was 35 (33). For further information refer to the Parent Company's financial reports and the accompanying notes.

Shares

During the year 191 new Series B-shares were subscribed through conversion of convertible loan. Total number of registered shares on April 30, 2015 was 382,828,775 divided between 14,250,000 A-shares and 368,578,775 B-shares. One series A-share entitles the holder to 10 votes and series B-shares entitle the holder to one vote for each share. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, series A-shares are subject to right of first refusal. All A-shares are owned by Laurent Leksell via companies, also the only shareholder representing more than ten percent of total votes. On 30 April, 2015, treasury shares amounted to 1,541,368 (1,541,368) equivalent to 0.4 percent (0.4) of the total number of outstanding shares as well as of share capital. Regarding treasury shares, par value is 0.50 SEK per share and average cost is 49.70 SEK per share.

See pages 64–66 for more information on Elekta's share.

Dividend and proposal to repurchase shares

For 2014/15, the Board proposes, in accordance with the Company's dividend policy to distribute at least 30 percent of net profit, a dividend of SEK 0.50 (2.00) per share. Total dividend amounts to approximately SEK 191 M and 35 percent of net profit for the year. The proposal comprises an ordinary dividend of 0.50 SEK which means that no extraordinary dividend is proposed under the three-year program which was initiated in 2013. An extraordinary dividend of 0.50 SEK per share was given for both 2012/13 and 2013/14 on top of the ordinary dividend of 1.50 SEK per share each year.

The Board intends to propose to the 2015 Annual General Meeting to renew the Board's authorization to repurchase a maximum of 5 percent of the number of shares outstanding in Elekta AB.

Appropriation of profit

Amounts in SEK.

Distributable shareholders' equity of the Parent Company	April 30, 2015
Premium reserve	584,865,063
Retained earnings	728,459,522
Profit for the year	657,809,659
Total	**1,971,134,244**

The Board of Directors and the President and CEO propose:	
to be distributed to the shareholders, a total dividend of SEK 0.50 per share[1)]	190,643,704
and that the remaining amount be carried forward	1,780,490,540
Total	**1,971,134,244**

1) The total amount distributed may change up until the record date depending on changes in the number of shares.

The Board's statement on the proposed dividend

In making this proposal for dividend, the Board has taken into account the Company's dividend policy, solidity as well as general financial position, whereby the Company's ability to timely fulfill existing and foreseeable payment obligations as well as potential acquisitions and other investments. The equity ratio is reassuring, under the assumption that the Company and the Group continue to be profitable. The Group reports an equity/assets ratio of 31 percent (35). Concerning the Company's and the Group's result and position in general, refer to the statements of income, statements of comprehensive income, balance sheets and statements of cash flow and notes.

It is the assessment of the Board of Directors that the proposed dividend neither prevents the Company, and other companies within the Group, from fulfilling its obligations, nor from making the necessary investments. The proposed dividend can therefore be justified in respect of Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (the prudence rule).

Articles of association

The Articles of Association state that board members are appointed and dismissed by the Annual General Meeting. The Articles of Association contain no specific regulations regarding changes to the Articles of Association.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT

The Board of Directors proposes that the Annual General Meeting on September 1, 2015 approve the following guidelines for remuneration and other terms of employment for the executive management of the Group. The guidelines will be valid for employment agreements entered into after the Annual General Meeting and for any changes made to existing employment agreements thereafter. It is proposed that the Board be given the ability to deviate from the below-stated guidelines in individual cases where specific reasons or requirements exist. The guidelines in the following proposal are, in principle, unchanged compared to the guidelines which were proposed by the Board of Directors and approved by the Annual General Meeting on August 28, 2014.

Guidelines

It is of fundamental importance to Elekta and its shareholders that the guidelines for remuneration and other terms of employment for the executives of the Group attract, motivate and retain competent employees and managers, both in the short and long-term. To achieve this goal, it is important to ensure fairness and internal equity, while maintaining market competitiveness in terms of the structure, scope and level of executive compensation within Elekta. Employment conditions for executive management should comprise a balanced mix of fixed salary, a variable salary component, annual incentive, long-term incentives, pension and other benefits, as well as notice and severance payments, where applicable.

Total target cash compensation

Total target cash compensation, (fixed plus variable salary components), should be competitive in the geographic market where the executive is resident. The level of total target compensation should be reviewed annually to ensure that it is above market median and within the third quartile for similar positions in that market. Market medians are established with the assistance of external compensation benchmarking. Since compensation should be performance-driven, the target annual variable salary component should account for a relatively high portion of the total target compensation.

Compensation components

The Group compensation system comprises various forms of compensation. This ensures well-balanced remuneration, thereby strengthening and underpinning short and long-term objective setting and achievement.

Fixed salary

Executive Management's fixed salary shall be individual and based on the content and responsibility of the position, the individual's competence and experience in relation to the role held, as well as the geography in which the position is based.

Variable salary

In addition to a fixed salary, Executive Management also has a variable salary component. The variable component is structured as a portion of the total cash remuneration package and is primarily related to the achievement of common Group financial performance goals. The Key Performance Indicators (KPIs) for variable salary components shall primarily be related to the outcome of specific financial and functional objectives within the Group compensation and benefit system.

The size of the variable salary component depends on the position held and may amount to between 30 percent and 70 percent of the fixed salary for on-target performance. Performance against fixed targets and payment for results achieved are measured quarterly. Quarterly payments against variable salary components are capped at 100 percent.

The goals for the variable salary component are established annually by the Board so as to sustain the business strategy and objectives. Other KPIs may be used to drive focus on non-financial objectives of particular interest.

Annual incentive

For performance related to financial goals within the variable salary plan exceeding 100 percent of the target, there is the opportunity for additional compensation called annual incentive. The annual incentive entails a potential to earn a maximum of 60 percent of the target variable salary component. Accordingly, the maximum payout level for the sum of the variable salary component and the annual incentive is capped at a 160 percent of the original target for variable compensation. The plan also contains a minimum performance level or threshold under which no variable salary or annual incentive will be paid out.

Equity-based long-term incentive programs

The Board uses long-term incentives to ensure alignment between shareholder interests and executive management, senior managers and other key colleagues. On an annual basis, the Board of Directors evaluates whether an equity-based long-term incentive program should be proposed to the Annual General Meeting.

In order to strengthen long-term thinking in decision-making and ensure achievement of long-term objectives, while also covering situations where equity-based solutions may be inappropriate or precluded by law, the Board may also selectively decide on other types of non-equity-based long-term incentive programs. Monetary long-term incentives can be used as remuneration and need to be in line with practice in each market. They must also require continued employment in the Group.

Retention measures

In order to ensure long-term engagement and retention of key staff in connection with the acquisition of new business, the divestment of operations or other transitional activities, an additional annual incentive with a deferred payment of 12–24 months may or may not be applied. This deferred incentive requires continued employment until an agreed future date for any payment to be made and is applied only in special and rare circumstances, which means that it is not part of any ordinary executive remuneration scheme. The deferred incentive should never exceed 50 percent of the contractual annual variable salary component and shall in other aspects comply with the Group bonus plan.

Pensions

When establishing new pension agreements, senior executives who are entitled to pension benefits should only be enrolled in defined-contribution schemes. The standard retirement age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guideline is that the size of pension contributions be based only on the fixed salary. Certain individual adjustments may occur based on local market practice

Other benefits

Benefits such as company cars and health, medical and sickness-related insurance schemes, should be of a more limited value compared with other items of the compensation package and in line with the market practice for the respective geographic market.

Notice periods and severance agreements

Periods of notice in Elekta follow local labor legislative requirements in the geographies in which they are based. Senior executives generally have notice periods of between 6 and 12 months. In the event of a material change of control, the President and CEO shall have the right to terminate the employment with 6 months' notice within 120 days, and the President and CEO shall be entitled to severance payment equal to 12 months employment including all employment benefits except for annual incentives and company car.

Severance agreements entitling executives to lump sum payments will in principle not be signed.

Preparation and decision process

During the year, Elekta's Executive Compensation & Capability Committee (ECCC) provided the Board with recommendations regarding principles for formulating the Group's remuneration system and remuneration of senior executives and senior managers. The recommendations covered formulation of the bonus system, distribution between fixed and variable remuneration and the size of any salary increases. The ECCC also proposed criteria for assessing the performance of senior executives and senior managers. Any decisions on remuneration for the CEO is taken by the Board in its entirety.

The Board has discussed the proposals from the ECCC and its motion to the Annual General Meeting is based on the recommendation submitted. Elekta's ECCC comprises the Chairman of the Board and three independent Board members. The President and CEO attend the committee's meetings. The Group Vice President Human Resources acts as the ECCC secretary.

Corporate Governance Report 2014/15

Elekta AB (publ) is a Swedish public limited liability company listed on NASDAQ Stockholm. Elekta considers good corporate governance including risk management and internal control to be important elements of a successful business operation through providing opportunities for maintaining confidence among customers, patients, shareholders, authorities and other stakeholders. Elekta's Corporate Governance Report 2014/15 was prepared by the Company's Board of Directors and has been reviewed by the Company's external auditor.

Below Elekta AB (publ) is referred to as "Elekta AB", "the Company" or "the Parent Company" and the Elekta Group, which includes Elekta AB and its subsidiaries, is referred to as "Elekta" or "the Group".

Chairman's comments 2014/15

Elekta is a human care company pioneering significant innovations and clinical solutions for treating cancer and brain disorders. Contributing to treating over 1 million patients worldwide every year, we have a major responsibility towards our customers and their patients. As a manufacturer of medical devices, Elekta's operations are governed by requirements and standards established by regulatory authorities in various countries as well as our policies, procedures including our Code of Conduct. Elekta is also listed on NASDAQ Stockholm. Together, this places high demands on the Elekta's governance, including risk management and internal control.

In recent years, we have worked intensively with Elekta's strategy and international development as well as corporate governance, including risk management and internal control. We have established the Elekta Governance Framework which describes how the Group is directed and controlled, with the purpose to create, preserve and realize value for our shareholders. This is further described below.

During the year, the Board focused on our markets, strategy, operations and financial performance. We visited Elekta's offices in Japan and China, where we also reviewed our Asian operations. The Board also focused on risk management and internal control, including a systematic risk assessment and several activities to ensure reliable and transparent financial reporting and best practices when it comes to compliance. This includes for example the establishment of the Internal Audit function and the Compliance function. We initiated a Global Internal Control project and a revision of the Elekta Code of Conduct and Whistle Blowing procedure. This work has been carried out by the Board, the Audit Committee, Elekta's management and functions for Internal Audit, Internal Control and Compliance.

We evaluated the work of the Board, assisted by external consultants to identify areas for continued development and improvement of the functioning and effectiveness of our Board. The evaluation was provided to and has facilitated the work of the Nomination Committee.

Elekta's performance during the year was below expectations and a comprehensive action program to return to growth, improve profitability, and continue to focus on cash flow was initiated after the closing of the fiscal year. We in the Board are fully confident with the actions established by the Executive Management and in the positive future of Elekta. We will continue to support and closely monitor Elekta's strategy, operations and performance to ensure that we reach our strategic and financial objectives, and continue to provide excellence through Elekta's solutions and services to our customers and patients treated around the world.

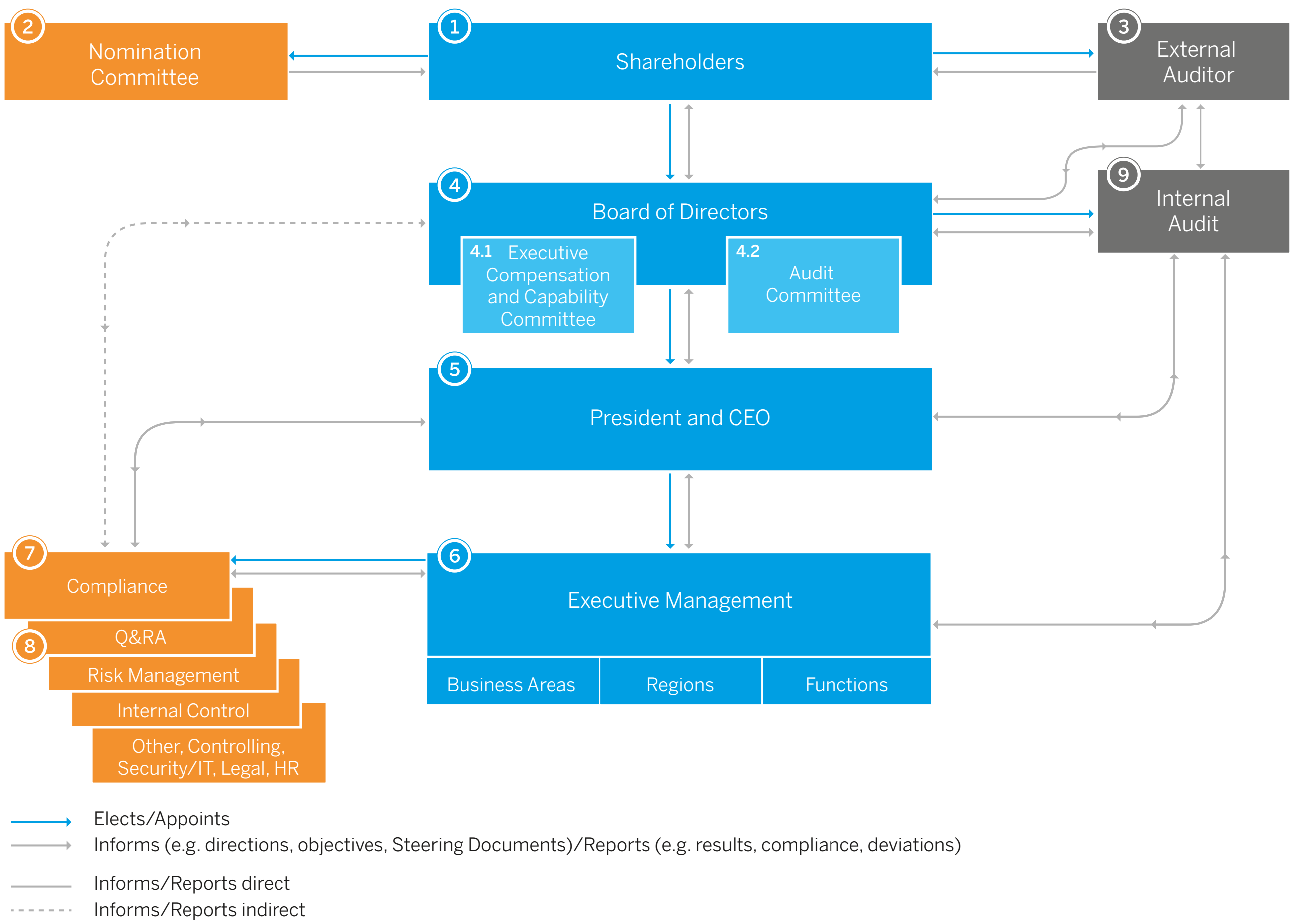
July 20, 2015

Laurent Leksell
Chairman of the Board

Elekta has implemented and complies with the Swedish Corporate Governance Code ("the Code") with one exception during the 2014/15 fiscal year. Elekta's Nomination Committee resolved to appoint the Chairman of the Board of Directors, Laurent Leksell, as Chairman of the Nomination Committee, motivated by the fact that in his capacity of the major shareholder, he is well suited to effectively lead the work of the Nomination Committee in order to achieve the best results for the Company's shareholders. According to point 2.4 of the Code, the Chairman of the Board of Directors is not to be the Chairman of the Nomination Committee.

ELEKTA GOVERNANCE STRUCTURE

As at April 30, 2015[1)]



1) As part of the new organization effective from July 7, 2015, the Business Areas and Regions have been consolidated to Solutions and Commercial respectively. Product Areas is called Business Areas throughout the Corporate Governance Report.

Examples of External Steering Documents, Laws and regulations:
- The Swedish Companies Act
- The Swedish Annual Accounts Act
- The Swedish Accounting Act
- NASDAQ Stockholm Rule Book for Issuers
- The Swedish Corporate Governance Code
- International Financial Reporting Standards (IFRS)
- Requirements and standards from supervisory authorities in the field of medical technology
- Other applicable Swedish and international laws and regulations

Examples of Internal Steering Documents:
- Articles of Association
- Working Instructions for the Board of Directors, Working Instructions for the Chief Executive Officer, Instructions regarding financial reporting for the Board of Directors, Working Instructions for the Audit Committee, Directive for the Executive Compensation and Capability Committee and Charter for the Internal Audit function
- Objectives and strategies
- Mission, vision and values
- Code of Conduct
- The organizational structure with defined roles and responsibilities and delegation of authority
- Other policies and procedures, such as Anti-Corruption Policy, Whistle Blowing Procedure, Communication Policy, Quality Policy, Environmental Policy, IT Policies and HR Policies, including processes and work instructions in the Elekta Business Management System
- Financial Guide
- Guide regarding Risk Management and Internal Control over financial reporting

1 SHAREHOLDERS

Ownership structure

At the end of the fiscal year, Elekta AB had 29,609 shareholders, of whom 55 percent were domiciled in Sweden. At April 30, 2015, the largest shareholders were Laurent Leksell with companies, with 29.6 percent of the votes, and Swedbank Robur funds with 4.2 percent of the votes. Read more about the share and shareholders on pages 64–66.

Shares and votes

Elekta AB's share is listed on NASDAQ Stockholm. On April 30, 2015, the total number of registered shares in Elekta AB was 382,828,775, divided between 14,250,000 Series A-shares and 368,578,775 Series B-shares. At General Meetings of Shareholders, which is the forum in which shareholders may exercise influence, Series A-shares entitle the holder to ten votes, while Series B-shares carry one vote each. Read more about the share and shareholders on pages 64–66.

Dividend policy

Elekta's goal is to provide shareholders with a favorable return and value growth. The policy is to distribute at least 30 percent of profit for the year in the form of dividend, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment requirements.

General Meeting of Shareholders

The General Meeting of Shareholders is Elekta AB's highest decision-making body. In addition to the Annual General Meeting of Shareholders, Extraordinary General Meetings of Shareholders may be held at the discretion of the Board of Directors or, if requested, by the external auditor or by shareholders owning at least ten percent of the shares. Decisions are normally made by simple majority, and in elections, the person receiving the most votes is deemed elected. The Swedish Companies Act requires certain decisions, such as amendment of the Articles of Association and the transfer of treasury shares to employees participating in equity-based long-term incentive programs, to be made by qualified majority. Disclosures on direct or indirect shareholding in Elekta AB representing at least one-tenth of the voting rights, and information about authorizations by the General Meeting of Shareholders for the Board of Directors to decide upon repurchases of treasury shares is set out on page 64.

Annual General Meeting of Shareholders

The Annual General Meeting of Sharehoders is held in Stockholm, Sweden. The date and venue for the meeting will be announced on Elekta's website www.elekta.com not later than in connection with the third interim report May–January. Notification of the Annual General Meeting is published according to the rules of the Swedish Companies Act, not earlier than six weeks and not later than four weeks in advance of the meeting.

Shareholders who cannot attend in person may be represented by an authorized proxy. Only shareholders included in the shareholder register are entitled to vote. Shareholders with trustee-registered shares who wish to vote must request that they be entered in the shareholder register by the record date for the Annual General Meeting. The Annual General Meeting is held in Swedish, but all relevant documentation is also available in English. At the Annual General Meeting, shareholders have the opportunity to ask questions. Elekta always strives to ensure that the members of the Board of Directors, the Executive Management and the external auditor are present at the meeting.

2014 Annual General Meeting of Shareholders

The 2014 Annual General Meeting of Shareholders was held in Stockholm on August 28, 2014. The meeting was attended by 648 shareholders, either personally or by proxy, corresponding to 56.0 percent of the votes in the Company. All of the Company's members of the Board of Directors were present at the meeting. The 2014 Annual General Meeting of Shareholders resolved on the following:

- Adoption of the income statement and the balance sheet for the Parent Company and the consolidated income statement and the consolidated balance sheet
- A dividend payment of SEK 2.00 per share to shareholders, of which SEK 1.50 comprises an ordinary dividend and SEK 0.50 an extraordinary dividend
- Discharge of the members of the Board of Directors, and President and CEO, from liability
- Adoption of fees to the Board of Directors totaling SEK 4,370,000 (4,005,000) of which SEK 1,040,000 (1,000,000) to the Chairman of the Board of Directors and SEK 445,000 (425,000) to each of the other external members of the Board of Directors, as well as SEK 90,000 (70,000) to the Chairman of the Executive Compensation and Capability Committee and SEK 50,000 (35,000) to each of the other members of the Committee, and SEK 200,000 (175,000) to the Chairman of the Audit Committee and SEK 110,000 (70,000) to each of the other members of the Committee
- Fees to the external auditor should be paid in accordance with approved accounts
- Re-election of members of the Board of Directors Hans Barella, Luciano Cattani, Laurent Leksell, Siaou-Sze Lien, Tomas Puusepp, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson. Laurent Leksell was re-elected Chairman of the Board of Directors
- Re-election of PwC as external auditor, with Authorized Public Accountant Johan Engstam as Auditor in Charge
- Adoption of the Board of Directors proposed guidelines for remuneration to executive management
- Adoption of the Board of Directors proposed equity-based long-term incentive program, Performance Share Plan 2014, to encompass approximately 180 key employees of the Group, with the exception of the transfer of treasury shares to employees
- Adoption of procedure for appointment of Nomination Committee for the 2015 Annual General Meeting of Shareholders

The minutes of the 2014 Annual General Meeting of Shareholders are available at www.elekta.com. No other General Meetings of Shareholders were held during the 2014/15 fiscal year.

2015 Annual General Meeting of Shareholders

The 2015 Annual General Meeting of Shareholders will be held in Stockholm, Sweden, at Radisson Blu Waterfront Hotel on September 1, 2015 at 1:00pm.

More information regarding the 2015 Annual General Meeting of Shareholders is available at www.elekta.com.

2 NOMINATION COMMITTEE

Procedure for appointment of Nomination Committee

The 2014 Annual General Meeting of Shareholders resolved that the Nomination Committee for the 2015 Annual General Meeting of Shareholders would be appointed through a procedure whereby the Chairman of the Board of Directors, before the end of the second quarter of the fiscal year, would contact the four largest shareholders of voting rights, besides the or those shareholders the Chairman of the Board of Directors may represent as of the last banking day of September. These shareholders would be given the opportunity to appoint one person each that, together with the Chairman of the Board of Directors, would constitute the Nomination Committee. The Chairman of the Nomination Committee would be the member of the Nomination Committee being appointed by the largest shareholder of voting rights. The Nomination Committee would be entitled to appoint a person as co-opt member to the Nomination Committee. Such co-opted member would not participate in the Nomination Committee's resolutions. No remuneration would be paid to the members of the Nomination Committee. This procedure was described in detail in the notice of the 2014 Annual General Meeting of Shareholders and in the minutes of the 2014 Annual General Meeting of Shareholders, which are available at www.elekta.com.

Composition of the Nomination Committee for the 2015 Annual General Meeting of Shareholders

The composition of the Nomination Committee for the 2015 Annual General Meeting of Shareholders was announced in a press release on November 3, 2014. The Nomination Committee for the 2015 Annual General Meeting of Shareholders comprises:

- Laurent Leksell Chairman of the Nomination Committee and Chairman of the Board of Directors – representing his own and related parties' holdings
- Åsa Nisell – appointed by Swedbank Robur Funds
- Jens Barnevik – appointed by Didner & Gerge Funds
- Anders Oscarsson – appointed by AMF and AMF Funds
- Ossian Ekdahl – appointed by the First Swedish National Pension Fund

The Nomination Committee has appointed Laurent Leksell as Chairman of the Nomination Committee. The Nomination Committee has further resolved to co-opt Caroline Leksell Cooke without voting rights to the Nomination Committee. The assignment for the Nomination Committee is valid until the end of the next Annual General Meeting of Shareholders, or, where applicable, until a new Nomination Committee has been appointed.

Preparation for the 2015 Annual General Meeting of Shareholders

The Nomination Committee is to present proposals for resolutions by the 2015 Annual General Meeting of Shareholders in relation to the following:

- Chairman of the Annual General Meeting of Shareholders
- Chairman of the Board of Directors and other members of the Board of Directors
- Fees to the Board of Directors broken down into amounts for the Chairman of the Board of Directors, other members of the Board of Directors and members of the Board of Directors' committees
- External auditor and fees to the auditor
- Where deemed necessary, proposal to amend the procedure for the Nomination Committee

The Nomination Committee held seven meetings prior to the 2015 Annual General Meeting of Shareholders. During the year, the Chairman of the Board of Directors also the Chairman of the Nomination Committee, Laurent Leksell, initiated a thorough evaluation of the Board of Directors performed by an external consultant. The Board of Directors' work, expertise, composition and independence of its members were evaluated, partly to assess the preceding year, but also to identify areas for development for the Board of Directors. In addition members of the Nomination Committee have conducted individual meetings with a selection of members of the Board of Directors.

The Nomination Committee's complete proposals for the 2015 Annual General Meeting of Shareholders and reasoned statement will be published in the notice convening the 2015 Annual General Meeting of Shareholders which will be available at www.elekta.com.

3 EXTERNAL AUDITOR

Appointment of the external auditor

The external auditor of Elekta AB is appointed by the Annual General Meeting of Shareholders for a period until the end of the next Annual General Meeting of Shareholders.

External auditor and Auditor in Charge

The 2014 Annual General Meeting of Shareholders re-elected PwC as external auditor with Johan Engstam as Auditor in Charge. PwC has been the external auditor of Elekta AB since the 2012 Annual General Meeting of Shareholders.

Johan Engstam was born in 1966 and is an Authorized Public Accountant. During the year, he was also the Auditor in Charge of Transmode AB. He has no assignments in any other company that affect his independence as the Auditor in Charge of Elekta AB.

Responsibility

The audit engagement includes the audit of the annual accounts and consolidated accounts of Elekta AB, the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the President and CEO of Elekta AB.The audit engagement also includes to review whether the guidelines for remuneration to executive management adopted by the Annual General Meeting of Shareholders have been complied with.

Work during the year

PwC has performed the audit of Elekta AB and the Group for the fiscal year 2014/15, based on a risk based External Audit plan, resulting in unqualified Auditor's report and statement, which are available on page 131 and at www.elekta.com.

During 2015 the Audit Committee has established guidelines regarding what type of services, in addition to audit services, so called permissible non-audit services that Elekta may procure from the external auditor in order to assure that the impartiality and independence of the external auditor is not put at risk. Permissible non-audit services may not exceed 70 percent of the cost for audit services measured over a three year period. The Audit Committee may decide exceptions under certain circumstances.

Non-audit services procured from the external auditor during the fiscal year 2014/15 adhered to the guidelines established and comprised tax consultancy and other services such as consultancy work related to internal control and acquisitions.

The fees to the external auditor for the fiscal year 2014/15 are reported in Note 8.

4 BOARD OF DIRECTORS

Appointment of the Board of Directors

The Board of Directors of Elekta AB ("the Board") is appointed by the Annual General Meeting of Shareholders for a period until the end of the next Annual General Meeting of Shareholders. According to the Articles of Association of Elekta AB, the Board is to have between three and ten members with not more than five deputy members. There are no other rules in the Articles of Association concerning the appointment or removal of members of the Board.

Composition and independence of the Board of Directors

The Board comprises eight members who were re-elected by the 2014 Annual General Meeting of Shareholders together with the Chairman of the Board. The members of the Board are Laurent Leksell who is also the Chairman of the Board, Hans Barella, Luciano Cattani, Siaou-Sze Lien, Tomas Puusepp, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson. There are neither deputy Board members nor employee representatives on the Board.

The General Counsel service as secretary for the Board.

The composition of the Board meets applicable independence requirements as six of the eight members of the Board have been deemed independent in relation to the Company, the Executive Management and major shareholders. These six members are Hans Barella, Luciano Cattani, Siaou-Sze Lien, Wolfgang Reim, Jan Secher and Birgitta Stymne Göransson.

Attendance at Board meetings and independence are shown in the table on pages 82–83.

Responsibility

The Board's work is regulated by the Swedish Companies Act, the Articles of Association, the Code and the Working Instructions for the Board of Directors.

The Board is responsible for the organization of Elekta AB and the management of the Company's operations in the interest of the Company and all shareholders. This includes appointing a President and CEO who is responsible for managing the day-to-day operations in accordance with instructions from the Board. The responsibility for the Board also includes:

- Establishing overall goal and strategy
- Ensuring an effective system for follow-up and control of the operations
- Ensuring a satisfactory process for monitoring the compliance with laws and regulations
- Defining guidelines to govern the ethical conduct
- Ensuring that the external information and communications are characterized by openness, and that they are accurate, reliable and relevant

The Working Instructions for the Board of Directors establish that the Board is to:

- Hold at least seven ordinary meetings per year
- Adopt finance and foreign exchange policies
- Adopt Code of Conduct
- Approve long-term plan and budget, including investment budget
- Approve investment and similar issues where the amount of the transaction exceeds SEK 5 M if such transaction falls outside the approved investment budget
- Decide on acquisition or sale of real property or shares, or acquisition or sale of the assets of, or a major part of the assets of, another company
- Decide on the establishment and liquidation of subsidiaries
- Adopt guidelines for remuneration to executive management to be approved by the Annual General Meeting of Shareholders
- Decide on terms of employment for the President and CEO according to guidelines for remuneration to executive management approved by the Annual General Meeting of Shareholders
- Adopt annual report, year-end report and interim reports

Within the Board, there is no special distribution of responsibilities among the members of the Board in addition to the duties that the Board has delegated to the Executive Compensation and Capability Committee and to the Audit Committee respectively.

Work during the year

During the fiscal year 2014/15, the Board held 10 minuted meetings. Attendance at Board meetings is shown in the table on pages 82–83. These meetings are normally held at the Elekta's head office in Stockholm, but at least once a year, the Board visits Elekta's offices and facilities around the world. Representatives from the Executive Management and other senior

THE WORK OF THE BOARD OF DIRECTORS INCLUDING IMPORTANT AGENDA ITEMS IN 2014/15

2014 | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER

One meeting
- Market overview, Business and Financial update
- Meeting with the external auditor and review of full-year external audit report
- Report from the Audit Committee
- Adoption of year-end report 2013/14
- Decision on financial objectives, dividend proposal and proposal for share buy-back authorization
- Adoption of budget
- Report on Long Term Incentive Plan

One meeting
- Business and Financial update
- Adoption of annual report 2013/14
- Approval to summon the Annual General Meeting of Shareholders

Two meetings
- Market overview, Business and Financial update
- Report from the Audit Committee
- Adoption of interim report May–July for the fiscal year 2014/15
- Report from the Internal Audit function
- Report from the Compliance function
- Report from the Executive Compensation and Capability Committee
- Review of Code of Conduct and other relevant Internal Steering Documents
- Statutory Board meeting with appointment of members of the Audit Committee and the Executive Compensation and Capability Committee respectively, and decision on signatory power

One meeting
- Visit to Elekta's offices in Japan and China
- Market overview, Business and Financial update
- Strategy discussion and business update with focus on Asia Pacific

Two meetings
- Business and Financial update
- Review and decision on current product development program with a focus on software development

managers regularly attended Board meetings to report on matters within their respective area of responsibility. For ordinary Board meetings, an agenda with decision supporting material is available ahead of the meetings. The work of the Board including important agenda items in 2014/15 is shown in the table below.

4.1 EXECUTIVE COMPENSATION AND CAPABILITY COMMITTEE

Appointment of the Executive Compensation and Capability Committee

The Board shall appoint an Executive Compensation and Capability Committee ("ECCC"), which shall consist of at least two members of the Board, whereof at least one of the members shall be independent of the Company and its executive management.

Composition

The Executive Compensation and Capability Committee consists of four members appointed by the Board at the first Board meeting following the election of the Board by the Annual General Meeting of Shareholders for a term of one year. The members of the Committee are Laurent Leksell who is also the Chairman of the Committee, Luciano Cattani, Siaou-Sze Lien and Wolfgang Reim. Attendance at Committee meetings and independence are shown in the table on pages 82–83 The President and CEO also attends the Committee's meetings and the Group VP Human Resources service as secretary for the Committee.

Responsibility

The objective of the Executive Compensation and Capability Committee is to ensure a fair and equitable remuneration scope and structure for managers at Elekta. Such remuneration should be designed to contribute to generating maximum value for shareholders and customers, while maintaining the Group's market competitiveness. It should further be designed to ensure the Group's ability to attract, motivate and retain managers who are key to reach the business objectives of the Group. This applies to remuneration structures for senior executives in Executive Management and for other remuneration structures targeting all Elekta managers. The objective of the Committee is also to ensure succession planning and reviews of managements succession plans for senior management levels and other Group-critical positions, and to ensure Gender and Diversity analysis and actions. The objective of the Committee is further to ensure senior management competencies and capabilities including organization development programs. The Committee works in accordance with Directive for the Executive Compensation and Capability Committee adopted by the Board. The Committee keeps the Board regularly informed and refers matters to the Board for decision as necessary.

Work during the year

During the fiscal year 2014/15, the Executive Compensation and Capability Committee held five minuted meetings. Attendance at Committee meetings is shown in the table on pages 82–83. The most important agenda items at the meetings were:

- Remuneration review including variable remuneration for Executive Management
- Compensation analysis for the Extended Management group
- Evaluation of Elekta's Performance Share Plan
- Preparations for a new long-term incentive plan for 2015
- Follow-up of compliance with the guidelines for remuneration to executive management approved by the Annual General Meeting of Shareholders 2014
- Succession planning and reviews of management succession plans for senior management levels and other Group-critical positions
- Initiation of a Gender and Diversity analysis, resulting in the initiation of actions within this focus area and the establishment of the Elekta Women's Network
- Preparation of the Board's recommendations regarding guidelines for remuneration to executive management for the next Annual General Meeting of Shareholders

4.2 AUDIT COMMITTEE

Appointment of the Audit Committee

The Board shall appoint an Audit Committee, which shall consist of at least three members of the Board with at least one qualifying as a financial expert. The majority of the Committee members are to be independent of the

NOVEMBER	DECEMBER	2015	JANUARY	FEBRUARY	MARCH	APRIL

One meeting (November)
- Market overview, Business and Financial update
- Meeting with the external auditor and review of external audit report
- Report from the Audit Committee
- Adoption of interim report May–October for the fiscal year 2014/15
- Report from the Executive Compensation and Capability Committee
- Approval of refinancing direction

One meeting (January)
- Business and Financial update
- Update on refinancing
- Report from the Executive Compensation and Capability Committee

One meeting (March)
- Business and Financial update
- Report from the Audit Committee
- Adoption of interim report May–January for the fiscal year 2014/15
- Report from the Executive Compensation and Capability Committee
- Approval of directive for long-term plan and budget
- Decision on refinancing by the establishment of a MTN program
- Review of Succession Planning
- Evaluation of President and CEO
- Review of Board evaluation

Board of Directors

LAURENT LEKSELL

First elected: 1972

■ *Board chairman*

■ *Chairman of the Executive Compensation and Capability Committee*

Attendance: ■ 10/10 ■ 5/5

Total fees: ■ 1,040,000 ■ 90,000

Year of birth: 1952

Education:
MBA and PhD from Stockholm School of Economics

Independence:
Not independent in relation to the Company and the Executive Management and, being the Company's largest shareholder, not independent in relation to major shareholders

Other Board assignments:
Board chairman: Stockholm City Mission[1)] and Leksell Social Ventures

Board member: International Chamber of Commerce (ICC)

Holdings in Elekta AB (own and closely related parties):
14,250,000 A-shares, 8,856,624 B-shares, 3,562,500 A-convertibles and 2,500,681 B-convertibles

Principal work experience and other information:
Founder of Elekta and Executive Director, from 2005 to 2013. Former President and CEO of Elekta during the years from 1972 to 2005.

Among other things, Visiting Scholar at Harvard Business School, Assistant Professor and Faculty member of Stockholm School of Economics, IFL and Insead Fontainebleau

HANS BARELLA

First elected: 2003

■ *Member of the Board*

■ *Chairman of the Audit Committee*

Attendance: ■ 8/10 ■ 4/4

Total fees: ■ 445,000 ■ 200,000

Year of birth: 1943

Education:
Master of Science in Electrical Engineering/Business Administration from the Technical University in Eindhoven, the Netherlands

Independence:
Independent of the Company and the Executive Management and independent of major shareholders

Other Board assignments:
–

Holdings in Elekta AB (own and closely related parties):
2,000 B-shares

Principal work experience and other information:
President and CEO at Philips Medical Systems and member of the Group Management Committee of Royal Philips from 1997 to 2002.

Former Board chairman of Sapiens GmbH and Super Sonic Imagine SA, COCIR, European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry

LUCIANO CATTANI

First elected: 2008

■ *Member of the Board*

■ *Member of the Executive Compensation and Capability Committee*

Attendance: ■ 9/10 ■ 5/5

Total fees: ■ 445,000 ■ 50,000

Year of birth: 1945

Education:
Master of Science in Economics from the University of Rome

Independence:
Independent of the Company and the Executive Management and independent of major shareholders

Other Board assignments:
Board member: Sorin SpA

Holdings in Elekta AB (own and closely related parties):
20,000 B-shares and 10,000 B-convertibles

Principal work experience and other information:
President for EMEA at Stryker Corporation from 2001 to 2004, Group President International at Stryker Corporation from 2005 to 2008 and Executive Vice President International Public Affairs at Stryker Corporation from 2008 to 2010

SIAOU-SZE LIEN

First elected: 2011

■ *Member of the Board*

■ *Member of the Executive Compensation and Capability Committee*

Attendance: ■ 10/10 ■ 5/5

Total fees: ■ 445,000 ■ 50,000

Year of birth: 1950

Education:
Bachelor of Science in Physics from Nanyang University and an Master of Science in Computer Science from Imperial College in London

Independence:
Independent of the Company and the Executive Eanagement and independent of major shareholders

Other Board assignments:
Board member: Nanyang Technological University (NTU), NTU's Confucius Institute and Japfa Ltd

Holdings in Elekta AB (own and closely related parties):
10,000 B-shares

Principal work experience and other information:
Senior Executive Coach at Mobley Group Pacific Ltd after a 28-year career at Hewlett-Packard. Until 2006, Senior Vice President, Hewlett-Packard Services for the Asia-Pacific & Japan region

1) In June 2015, Laurent Leksell resigned as Board chairman of Stockholm City Mission.

TOMAS PUUSEPP[2)]

First elected: 2013
Executive Director of the Board

Attendance: 10/10
Total fees: –

Year of birth: 1955

Education:
Electrical Engineer, studies in Physics at the Royal Institute of Technology in Stockholm and at the University of Stockholm and Management (IEP) at IMD in Lausanne

Independence:
Not independent in relation to the Company and the Executive Management but is independent in relation to major shareholders

Other Board assignments:
Board Chairman: Global Medical Investments GMI AB

Board member: The Swedish American Chamber of Commerce in New York and American Chamber of Commerce in Stockholm

Holdings in Elekta AB (own and closely related parties):
620,000 B-shares and 150,000 B-convertibles

Principal work experience and other information:
Various positions at the Research Institute for Nuclear Physics, Scanditronix and Ericsson before being employed by Elekta in 1988. Since then, he has held various management positions within the Company, including head of Elekta's neurosurgery operations, President of Elekta's subsidiary in North America, global head of Elekta's sales, marketing and service operations and President and CEO of Elekta during fiscal years 2005/06 to 2013/14

WOLFGANG REIM

First elected: 2011
Member of the Board
Member of the Executive Compensation and Capability Committee

Attendance: 10/10 2/5
Total fees: 445,000 *50,000*

Year of birth: 1956

Education:
Master in Natural Sciences and PhD in Physics from the Federal Institute of Technology ETH in Zürich

Independence:
Independent of the Company and the Executive Management and independent of the major shareholders

Other Board assignments:
Board chairman: Ondal Medical Systems GmbH

Board member: GN Store Nord A/S, Klingel GmbH from and Medlumics S.L.

Holdings in Elekta AB (own and closely related parties):
17,500 B-shares

Principal work experience and other information:
Independent consultant focusing on the medical technology industry. Until the end of 2006 CEO of Dräger Medical AG. At Siemens 1986 until 2000, among other positions as President of the Special X-Ray Products Division and CEO of the Ultrasound Division.

JAN SECHER

First elected: 2010
Member of the Board
Member of the Audit Committee

Attendance: 10/10 4/4
Total fees: 445,000 110,000

Year of birth: 1957

Education:
Master of Science in Industrial Engineering and Management from Linköping University in Sweden

Independence:
Independent of the Company and the Executive Management and independent of the major shareholders

Other Board assignments:
Board chairman:
Peak Management AG

Board Member: The European Chemical Industry Council from October 2014

Holdings in Elekta AB (own and closely related parties):
8,800 B-shares and 2,340 B-convertibles

Principal work experience and other information:
President and CEO of Perstorp AB from September 2013. Previous President and CEO of Ferrostaal AG from 2010 to 2012, operating partner of the US private equity fund Apollo in London from 2009 to 2010, CEO of Clariant AG in Basel from 2006 to 2008 and CEO of SICPA in Lausanne from 2003 to 2005. Before he held various leading positions in the ABB Group during the years from 1982 to 2002

BIRGITTA STYMNE GÖRANSSON

First elected: 2005
Member of the Board
Member of the Audit Committee

Attendance: 10/10 4/4
Total fees: 445,000 110,000

Year of birth: 1957

Education:
MBA from Harvard Business School and Master of Science in Chemical Engineering and Biotechnology from the Royal Institute of Technology in Stockholm

Independence:
Independent of the Company and the Executive Management and independent of the major shareholders

Other Board assignments:
Board chairman: Medivir AB and Fryshuset Foundation.

Board member: HL Display AB, Rhenman & Partners Asset Management AB, Advania, Bioinvent AB, Midsona AB and Sophiahemmet

Holdings in Elekta AB (own and closely related parties):
6,100 B-shares and 1,900 B-convertibles

Principal work experience and other information:
President and CEO of Memira Group 2010 to 2013. CEO of Semantix Group 2005 to 2009 and COO/CFO of Telefos 2001 to 2005. Before that several management positions including CFO at Åhléns AB, Corporate Controller at KF, product manager at Gambro and senior management consultant at McKinsey & Company

[2)] Tomas Puusepp was appointed President and CEO of Elekta AB as of May 13, 2015. For remuneration to Tomas Puusepp, se Note 5 on page 114.

Company and its executive management. At least one member of the Committee who is independent of the Company and its executive management shall also be independent of the Company's major shareholders.

Composition

The Audit Committee consists of three members appointed by the Board at the first Board meeting following the election of the Board by the Annual General Meeting of Shareholders for a term of one year. The members of the Committee are Hans Barella who is also the Chairman of the Committee, Jan Secher and Birgitta Stymne Göransson. Attendance at Committee meetings and independence are shown in the table on pages 82–83.

The President and CEO, the CFO and the Chief Audit Executive also attend the Committee's meetings as well as the external auditor as applicable. The General Counsel serves as secretary for the Committee.

Responsibility

The objective of the Audit Committee is to monitor the Group's financial reporting and the effectiveness of the Group's internal control, internal audit and risk management. The objective is also to keep itself informed about the external audit of the annual report and consolidated report of Elekta AB as well as to review and monitor the impartiality and independence of the external auditor, and pay particular attention if the external auditor provides the Group with services other than audit services, Further, the objective is to assist the Nomination Committee to prepare the proposal to the Annual General Meeting of Shareholders regarding election of external auditor. The Committee works in accordance with Working Instructions for the Audit Committee adopted by the Board. The Committee keeps the Board regularly informed and refers matters to the Board for decision as necessary.

Work during the year

During the fiscal year 2014/15, the Audit Committee held four minuted meetings. Attendance at Committee meetings is shown in the table on pages 82–83. The most important agenda items at the meetings were:

- Review of interim reports, year-end report and annual report 2014/15
- Review of risks
- Review of accounting principles
- Balance sheet review and cash flow analyses
- Monitoring of the Global Internal Control project
- Review of the Finance organization
- Review of Charter for the Internal Audit function
- Approval of Internal Audit plan
- Review of Internal Audit Reports
- Review of Compliance Reports
- Review of External Audit plan
- Review of External Audit reports
- Evaluation of the external audit

5 PRESIDENT AND CEO

Appointment of the President and CEO

The Board appoints Elekta AB's President and CEO.

Niklas Savander has served as President and CEO of Elekta AB since May 1, 2014 up until May 12, 2015. Niklas Savander was born in 1962 and holds a MSc in International Marketing and National Economics from Helsinki Swedish School of Economics, and a MSc in Mechanical Engineering and Production Planning from Helsinki University of Technology. During the fiscal year 2014/15, Niklas Savander did not have any significant assignments outside Elekta and had no shareholdings or ownership interests in companies with significant business relations with Elekta. As per April 30, 2015. Niklas Savander held 14,080 B-shares in Elekta AB (own and closely related parties).

Remuneration to the President and CEO is described in Note 5.

Tomas Puusepp was appointed President and CEO of Elekta AB as at May 13, 2015. Tomas Puusepp has also served as President and CEO of Elekta AB from May 1, 2005 until April 30, 2014. More information about Tomas Puusepp is provided in the presentation of the Executive Management on page 85 and in the presentation of the Board on pages 82–83.

Responsibility

The President and CEO is responsible for the day-to-day management of the Company in accordance with applicable laws and regulations as well as Internal Steering Documents including Working Instructions for the Chief Executive Officer adopted by the Board and other instructions from the Board. The President and CEO also represents the Group in various contexts, leads the work of Executive Management and makes decisions in consultation with the members of Executive Management.

6 EXECUTIVE MANAGEMENT

Appointment of the Executive Management

The President and CEO appoints the members of the Executive Management applying the Grand Parent principle.

Composition

During the fiscal year 2014/15, Elekta's Executive Management consisted of the President and CEO, the Chief Financial Officer, the Chief Operating Officer, the Executive Vice President Corporate Strategy up until March 31, 2015 , the Executive Vice Presidents of the four business areas and the three regions. Elekta's Organization is shown in the table below.

After the end of the fiscal year 2014/15, Elekta has announced a reorganization and changes to the Executive Management, effective from July 7, 2015. The Executive Management will from that date consist of the President and CEO, the Chief Commercial Officer, the Chief Financial Officer, the Chief Operating Officer, the Executive Vice President Region North America, the Executive Vice President Comprehensive Oncology Solutions, the Executive Vice President Research and Innovation, the Executive Vice President Marketing and Strategy, the Executive Vice President Legal and Compliance, and the Executive Vice President Human Resources.

A presentation of the Executive Management effective from July 7, 2015 is provided on page 85. Remuneration to the Executive Management is described in Note 5.

ELEKTA'S ORGANIZATION

As at April 30, 2015[1)]

6 Executive Management

Business Areas	Regions	Functions
• Elekta Neuroscience • Elekta Oncology • Elekta Brachytherapy • Elekta Software	• North America • Europe, Africa, Latin America, Middle East • Asia Pacific	• Operations • Finance • Corporate Strategy

1) As part of the new organization effective from July 7, 2015, the Business Areas and Regions have been consolidated to Solutions and Markets respectively.

Executive Management[1,2]

TOMAS PUUSEPP[3]

Year of birth: 1955
Role: President and CEO
Employed since: 1988
Holdings[4]: 620,000 B-shares and 150,000 B-convertibles
Education: Electrical Engineer, studies in Physics at the Royal Institute of Technology in Stockholm and at the University of Stockholm and Management (IEP) at IMD in Lausanne

IAN ALEXANDER

Year of birth: 1958
Role: Chief Commercial Officer (CCO)
Employed since: 2008–2011 and since 2012
Holdings[4]: 1,332 B-shares

HÅKAN BERGSTRÖM

Year of birth: 1956
Role: Chief Financial Officer (CFO)
Employed since: 2001
Holdings[4]: 140,052 B-shares and 35,013 B-convertibles
Education: Bachelor Degree in Economics from Umeå University

JOHAN SEDIHN

Year of birth: 1965
Role: Chief Operating Officer (COO)
Employed since: 1993
Holdings[4]: 79,462 B-shares and 20,203 B-convertibles
Education: MSc in Industrial Engineering and Management from Linköping University

BILL YAEGER

Year of birth: 1961
Role: EVP Region North America
Employed since: 2000–2008 and since 2011
Holdings[4]: 4,200 B-shares
Education: BSc in Electrical Engineering from University of Connecticut, MSc in Computer Engineering, and MBA from Syracuse University

TODD POWELL

Year of birth: 1965
Role: EVP Comprehensive Oncology Solutions
Employed since: 2005 (IMPAC 1992)
Holdings[4]: –
Education: BSc Hons in High Energy Physics, Mathematics from California State University. Emphasis in Finance, Mergers and Acquisitions, and Strategies for Stable Innovation from Stanford Graduate School of Business

JOHN LAPRÉ

Year of birth: 1964
Role: EVP Research and Innovation and Elekta Brachytherapy
Employed since: 2011 (Nucletron 2009)
Holdings[4]: 2,500 B-shares
Education: MSc in Human Nutrition and Physiology, and PhD in Toxicology from Wageningen University

MAURITS WOLLESWINKEL

Year of birth: 1971
Role: EVP Marketing and Strategy
Employed since: 2011
Holdings[4]: –
Education: MSc in Mechanical Engineering from Delft University of Technology, and MSc in General Management from Nyenrode University

JONAS BOLANDER

Year of birth: 1966
Role: EVP Legal and Compliance
Employed since: 2001
Holdings[4]: –
Education: Master of Laws from Stockholm University

After the end of the fiscal year 2014/15, Elekta has announced a reorganization and changes to the Executive Management, effective from July 7, 2015.
As at April 30, 2015 the Executive Management consisted of:

- Niklas Savander, President and CEO[5]
- Håkan Bergström, Chief Financial Officer (CFO)
- Johan Sedihn, Chief Operating Officer (COO)
- Maurits Wolleswinkel, EVP Elekta Neuroscience
- Bill Yaeger, EVP Elekta Oncology
- John Lapré, EVP Elekta Brachytherapy
- Todd Powell, EVP Elekta Software
- James P Hoey, EVP Region North America
- Ian Alexander, EVP Region Europe, Africa, Latin America, Middle East
- Gilbert Way, EVP Region Asia Pacific

1) The new organization effective as at July 7, 2015.
2) Valerie Binner, will assume the role as EVP Human Resources as at August 1, 2015.
3) For further information about Tomas Puusepp, see pages 82–83.
4) Own and closely related parties.
5) For further information about Niklas Savander, see page 84.

Responsibility

The President and CEO is responsible for and leads the work and meetings of Executive Management. Executive Management makes joint decisions following consultation with various parts of the Group. The Executive Vice Presidents of the regions and business areas have the same responsibilities and decision-making authorities at the meetings.

Work during the year

Executive Management meetings are normally held one or two days each month, and are often held in conjunction with visits to the Group's various offices and facilities. Elekta's General Counsel participates at the meetings as secretary.

During the fiscal year 2014/15, eleven minuted meetings with Executive Management were held. The most important agenda items at the meetings were strategic and operational issues such as product development, acquisitions/divestments, investments, market development, organization, long-term plan and budget, and monthly and quarterly business and financial review.

7 COMPLIANCE

Appointment

The Compliance function headed by a Global Compliance Officer has been effective since June 2, 2014.

Responsibility

The Compliance function's responsibilities include among other things to review and evaluate compliance issues within the organization and to ensure that management and employees of the Group are in compliance with the rules and regulations in the most significant risk areas such as business ethics including anti-corruption and interactions with healthcare professionals, export control and competition law. The Global Compliance Officer reports functionally to the General Counsel but functions as an independent and objective body ensuring compliance concerns are being appropriately resolved and reported to the Audit Committee of the Board of Directors.

Work during the year

- Compliance risk assessment
- Strengthened the compliance program including development of a third party risk management plan
- Revision of the Elekta Code of Conduct and the Whistle Blowing procedure
- Recruitment of a Regional Compliance Officer for North America and Latin America
- Development of certain key policies
- Review and investigation of compliance issues

8 QUALITY AND REGULATORY AFFAIRS (Q&RA)

Appointment

The Quality and Regulatory Affairs (Q&RA) function is headed by a Global Vice President Quality & Regulatory Affairs, Global Q&RA.

Responsibility

The Q&RA funtion's responsibilities include, among other things, to support management to comply with regulatory requirements for products, quality systems and market entry. The function interacts and provides transparency to management and external regulatory bodies. The function is responsible for the quality system infrastructure and compliance, product clearances and approvals, and post market vigilance and recall reporting. The function is also responsible for and conducts internal audits on the quality system and regulatory compliance. The Global Vice President Quality & Regulatory Affairs reports to the CEO.

Work during the year

- Implemented a global document control system covering Elekta
- Secured more than 400 product approvals worldwide
- Improved the market access submission process and internal audit process
- Conducted more than 200 internal audits
- Handled 17 inspections from different authorities, all with positive outcomes
- Participated in standardization work, interacted with authorities in different regulatory forums and represented different industry associations in discussions with authorities worldwide

9 INTERNAL AUDIT

Appointment

The Internal Audit function headed by a Chief Audit Executive has been effective since August 25, 2014.

Responsibility

The Internal Audit function is an independent and objective assurance and consulting activity. The Chief Audit Executive reports functionally to the Chairman of the Board and the Audit Committee, and administratively to the Chief Financial Officer. The scope of the Internal Audit function encompasses the examination and evaluation of the adequacy and effectiveness of Elekta's governance, risk management and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the Group's objectives as part of the assurance activity. It also encompasses the consulting activity and advisory support in relation to Elekta's governance, risk management, and internal control processes.

The Internal Audit function works in accordance with the Charter for the Internal Audit function adopted by the Board.

Work during the year

- Development of a Charter for the Internal Audit function
- Establishment of an Internal Audit plan
- Internal Audit of Risk and Control matrices for processes in scope for the Global Internal Control project, Control Self-Assessment and other risk areas
- Special investigations
- Advisory support to the Internal Control function
- Member of Program Management Office for the Global Internal Control project
- External Audit co-ordination
- Audit Committee meeting planning
- Internal Audit Reports to Executive Management, the Audit Committee and the Board of Directors

ELEKTA GOVERNANCE FRAMEWORK

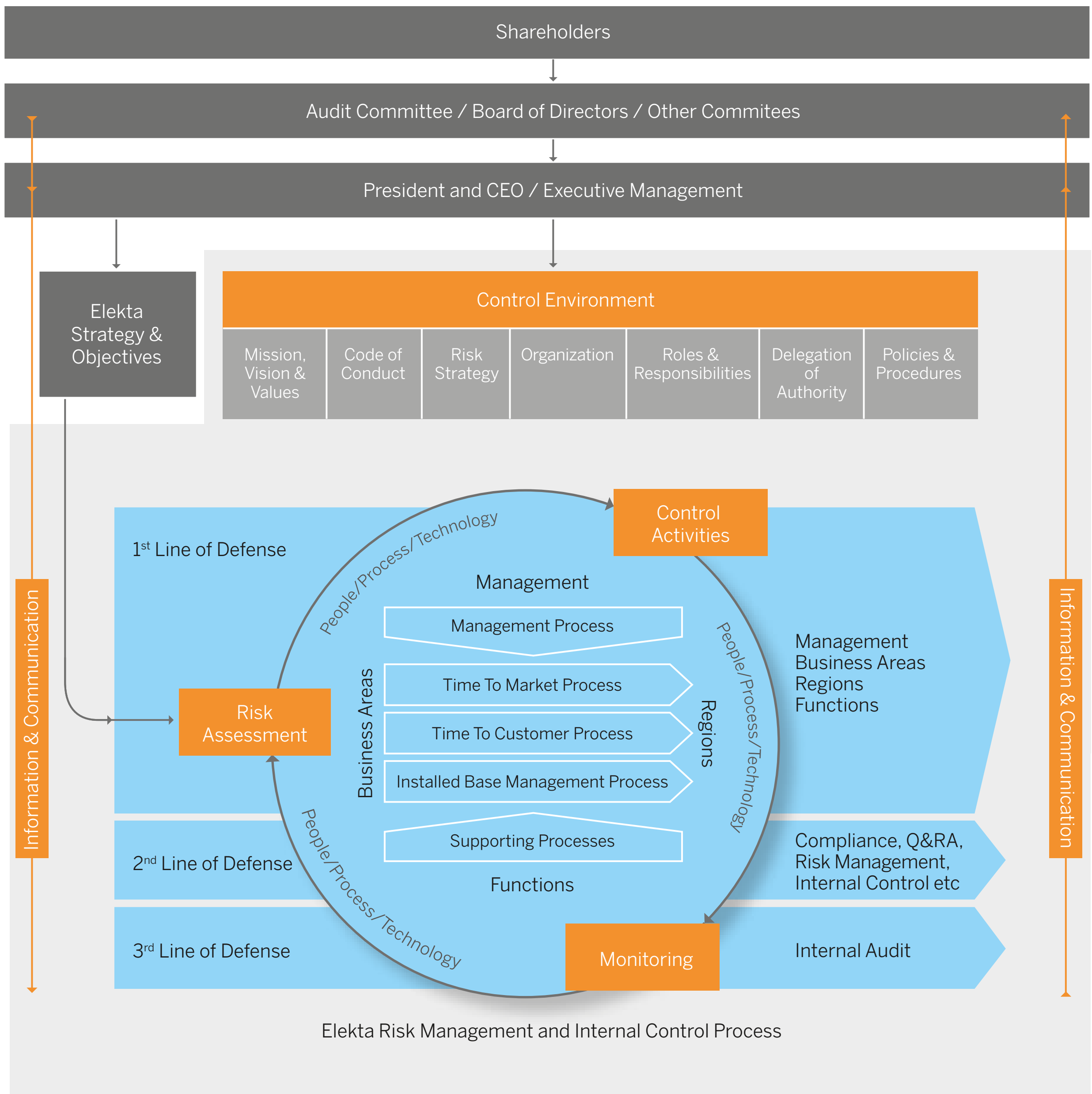
Elekta Governance Framework – overall aims and responsibilities

Elekta Strategy & Objectives

The Group has established Elekta Governance Framework which describes how the Group is directed and controlled. It specifies the distribution of rights and responsibilities including decision-making among different corporate bodies according to laws and regulations and Internal Steering Documents. By doing this it provides the structure through which the Elekta objectives are set, the means of attaining these objectives and monitoring performance. The objectives reflect choices made on how the Group seeks to create, preserve and realize value for its stakeholders. Governance is two-fold; it concerns both the effectiveness and the accountability. The effectiveness is measured by performance and accountability includes all the issues surrounding disclosure and transparency.

ELEKTA GOVERNANCE FRAMEWORK

As at April 30, 2015[1)]



1) As part of the new organization effective from July 7, 2015, the Business Areas and Regions have been consolidated to Solutions and Commercial respectively.

Elekta Risk Management and Internal Control Process
Objective setting is a prerequisite to internal control and a key part of the Elekta Strategy and Management processes. Therefore, the Elekta Governance Framework encompasses both the Strategy and Management processes, outlining the establishment of both long-term objectives and strategies with at least a three year perspective and short-term objectives and plans with a one year perspective, and the Risk Management and Internal Control process.

Shareholders, Board of Directors, Audit Committee, Other Committees, President and CEO, and Executive Management
The Board, appointed by the Shareholders, and its Committees assume the overall responsibility for establishing effective governance of Elekta including risk management and internal control. The responsibility for designing, implementing and conducting effective governance including risk management and internal control is delegated to the President and CEO, who is assisted by Executive Management, other operational managers and personnel, the so called "First Line of Defense". In addition specifically established functions such as Compliance, Quality and Regulatory Affairs (Q&RA), Risk Management, Internal Control etc provide guidance and assessment on governance, risk management and internal control related to their areas of expertise, the so called "Second Line of Defense" which also comprise Board and management oversight at different levels. The Internal Audit function, the so called "Third Line of Defense", provides independent and objective assurance and advisory support to management on governance, risk management and internal control.

Elekta Risk Management and Internal Control Process

The starting point for Elekta's work on risk management and internal control is the 2013 updated Internal Control – Integrated Framework (Framework), and the Enterprise Risk Management Integrated Framework (ERM Framework), both established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO Framework is based on 17 fundamental principles linked to the five components; Control Environment, Risk Assessment, Control Activities, Monitoring, and Information and Communication.

Elekta has defined risk management and internal control as a process, effected by the Board and its Committees, the President and CEO, Executive Management and other managers and personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to:

Operations
- Effectiveness and efficiency of operations
- Safeguarding assets against loss

Reporting
- Reliability, timeliness and transparency of internal and external financial and non-financial reporting

Compliance
- Adherence to applicable laws and regulations, and Internal Steering Documents

Risk Management and Internal Control over Financial Reporting is a "subset" of the Risk Management and Internal Control Process. See further "The Board of Directors' Report on Risk Management and Internal Control over Financial Reporting" below.

Business Areas, Regions, Functions, Management, People, Process, Technology
The Risk Management and Internal Control Process is applicable for the entire Elekta operations including Business Areas, Regions, Functions, Management, People, Process and Technology[1].

Control environment
The control environment is the set of standards, processes, and structures that provide the basis for carrying out risk management and internal control across the Group. The Board and Executive Management establish the tone at the top regarding the importance of internal control including expected standards of conduct. The control environment has a pervasive impact on the other four components of risk management and internal control.

Elekta's control environment comprises mission, vision and values, Code of Conduct, risk strategy, organization, roles and responsibilities, delegation of authority and policies and procedures. Policies and procedures clarifies certain important aspects of the control environment such as the Board independence from management, a commitment to attract, develop and retain competent individuals as well as performance measures, incentives and rewards to drive accountability for performance. To govern the operations, Elekta has established a Business Management System with Internal Steering Documents. The most important elements of this System are:
- Working Instructions for the Board of Directors, Working Instructions for the Chief Executive Officer, Instructions regarding financial reporting for the Board of Directors, Working Instructions for the Audit Committee, Directive for the Executive Compensation and Capability Committee and Charter for the Internal Audit function
- Mission, vision and values
- Code of Conduct
- The organizational structure with defined roles and responsibilities and delegation of authority
- Other policies and procedures such as Anti-Corruption Policy, Whistle Blowing Procedure, Communication Policy, Quality Policy, Environmental Policy, IT Policies and HR Policies
- Processes and work instructions, for example, the Strategy and Management processes, the main Business processes (Time To Market, Time To Customer and Installed Base Management), as well as Supporting processes

In addition to the Business Management System, Elekta has established a Financial Guide and a Guide regarding Risk Management and Internal Control over financial reporting. See further "The Board of Directors' Report on Risk Management and Internal Control over Financial Reporting" below.

[1] As part of the new organization effective from July 7, 2015, the Business Areas and Regions have been consolidated to Solutions and Commercial respectively.

Risk Assessment

All business activities involve risks from external and internal sources. Risk is defined as the possibility that an event will occur and adversely affect the achievement of objectives. Risks that are effectively managed may lead to opportunities and value creation, while risks that are not could result in damages and losses.

A risk assessment is performed once a year in connection with the Strategy and Management processes in order to identify the risks to the achievement of objectives relating to strategy, operations, reporting and compliance. Risk assessments are performed by evaluating the identified risks from two different perspectives; the degree of impact the risk would have if it occurs, and the probability of the risk occurring. The risks are documented in the Group's Risk Map which is updated during the year, as necessary. Risk responses to mitigate the risks in alignment with established risk strategies and risk tolerance as applicable are established and risk owners are appointed to manage the risks. Risk responses may fall within the following categories; accepting the risk, avoiding the risk, reducing the risk, sharing the risk and transferring the risk.

In addition a risk assessment is performed once a year specifically regarding internal control over financial reporting. See further "The Board of Directors' Report on Risk Management and Internal Control over Financial Reporting" below.

Read more about Elekta's risks and financial risk management on pages 72–73 and in Note 2.

Control Activities

Control activities are the actions established through Elekta's policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

Control activities are performed at all levels of the Group, within processes and over the IT-environment. Control activities may be preventive or detective and comprise a range of manual or automated activities, such as authorizations and approvals, verifications, reconciliations, and business performance reviews, or a combination of the two.

Monitoring

Monitoring is done through ongoing evaluations, separate evaluations, or some combination of the two to ascertain whether the five components of risk management and internal control are present and functioning.

Monitoring takes place on a real time basis by operational managers and personnel and periodically by management at different levels of the Group, and the Audit Committee and the Board, and includes for example the following:

- Review of business and financial performance
- Review of Group Risk Map
- Review of order bookings and revenue recognition
- Review of Compliance Reports from the Compliance function
- Review of Internal Audit Reports from the Q&RA function related to, for example, the quality system and regulatory compliance
- Review of Internal Audit Reports from the Internal Audit function
- Review of External Audit Reports from the external auditor

Information and Communication

Information and Communication relates to both internal and external information and communication. The Group obtains or generates and uses relevant and quality information from both internal and external sources to support the functioning of risk management and internal control. Internal communication is the means by which information is channeled down the organization on expected standards of conduct and established objectives, strategies and plans, but also channeled up the organization on performance and deviations to support internal decision making including taking corrective actions. External communication enables inbound communication of relevant external information, but also information to external parties in response to laws and regulations and expectations.

Elekta has several internal communication channels including for example an intranet, information letters and regular meetings. The aim is to ensure that essential information is available internally to relevant personnel in order for them to execute their areas of responsibility and make well-founded decisions effectively and efficiently. This includes the Elekta Business Management System with Internal Steering Documents and the Financial Guide and the Guide regarding Risk Management and Internal Control over financial reporting. This also includes communication regarding long-term objectives and strategies, and short-term objectives and plans.

In relation to the launch of the new Code of Conduct in June 2015 a revised Whistle Blowing procedure and system will be implemented whereby employees can anonymously report misconduct. This involves an interactive voice response phone and web based worldwide service available 24/7/365.

THE BOARD OF DIRECTORS' REPORT ON RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors Report on Risk Management and Internal Control over Financial Reporting has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code, and constitutes an integral part of the Corporate Governance Report. The Annual Accounts Act requires that that Company in its Corporate Governance Report describes the most important components of the Company's system of risk management and internal control over financial reporting.

Risk management and internal control over financial reporting relates primarily to the objectives reliability, timeliness and transparency of external financial reporting and adherence to applicable laws and regulations and Internal Steering Documents, but also to safeguarding assets against loss and effectiveness and efficiency of operations as applicable.

Risk management and internal control over financial reporting aims to provide reasonable assurance of the reliability and usefulness of external financial reporting in the form of:

- interim reports, year-end reports and annual reports,
- press releases on news and events that may significantly affect the Group's valuation and future prospects,
- presentations and telephone conferences for financial analysts, investors and media representatives on the day of publication of interim reports and year-end reports and in conjunction with the release of important news and events,

- capital markets days arranged by the Group at one of its major entities or in conjunction with major scientific conferences,
- information on the Elekta website: www.elekta.com, and

that the external financial reporting is prepared in accordance with laws and regulations, applicable accounting standards i.e. the International Financial Reporting Standards (IFRS), and other requirements on listed companies e.g. the NASDAQ Stockholm Rule Book for Issuers.

Elekta's work on risk management and internal control over financial reporting is based on the 2013 updated Internal Control – Integrated Framework (Framework), and the Enterprise Risk Management Integrated Framework (ERM Framework), both established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO Framework is based on 17 fundamental principles linked to the five components; Control Environment, Risk Assessment, Control Activities, Monitoring and Information and Communication.

Control Environment

Important elements of the Control Environment applicable for Elekta's financial reporting are the Financial Guide, including the accounting policy, reporting instructions, authorization policy and finance policy, and the Guide regarding Risk Management and Internal Control over financial reporting. In addition there are other important elements of the Control Environment for financial reporting such as the Communication Policy and processes and work instructions to be found in the Elekta Business Management System.

Risk Assessment

Risk assessment includes identifying risk that the qualitative characteristics of useful financial information according to IFRS are not fulfilled and that the financial reporting assertions cannot be supported. Risk assessment criteria includes occurrence, completeness, accuracy, cut-off, classification, existence, rights and obligations, and valuation for profit and loss and balance sheet items in the financial reporting as applicable, but also information processing relating to input, processing and recording of data.

A risk assessment regarding internal control over financial reporting is performed once a year and covers profit and loss and balance sheet items in the financial reporting and related areas and processes. The work is documented in a Risk Map and included in Risk and Control Matrices (RACMs) per area and process.

Control Activities

Control activities mitigate the risks identified to achieve set objectives through adherence to risk tolerance levels in terms of globally defined minimum internal control requirements included in Internal Steering Documents in the form of a Guide regarding Risk Management and Internal Control over financial reporting. The control activities are documented in Risk and Control Matrices (RACMs) per area, process and risk.

Control activities are aimed at preventing errors and irregularities from occurring at the first time and/or detecting errors and irregularities that may have occurred. Control activities can be manual or automated, such as authorizations and approvals, verifications, reconciliations, and business performance reviews, or a combination of the two.

Control activities comprise the following areas and processes:

- Entity level controls – over the Control Environment
- IT General controls – over IT systems components, processes and data for a given IT environment including logical access, program change management, back-up and recovery
- Process controls – over processes such as Order Recognition, Order to Cash, Revenue Recognition, Purchase to Pay, Inventory, Payroll and Financial Statement Close

The globally defined minimum internal control requirements over financial reporting comprise the approximately 300 identified controls relating to the above medium or high risk rated areas and processes.

Monitoring

Monitoring of internal control over financial reporting is done through ongoing evaluations, separate evaluations, or some combination of the two to ascertain whether the five components of risk management and internal control are present and functioning.

Ongoing evaluations are routine operations, built into processes performed on a real time basis.

Special evaluations may be performed through:

- Periodic reviews of whether the five components of risk management and internal control are operating as intended by financial managers and general management at local, regional, business area and Group level as applicable
- Control Self Assessment, CSA, a tool for local management to report on the current status of effective design and operating effectiveness of the globally defined minimum internal control requirements over financial reporting documented in Risk and Control Matrices (RACMs)
- Internal Audit of CSA and other areas according to the Internal Audit plan

During the fiscal year 2014/15 Control Self Assessment, CSA, has been performed by a pilot Elekta Group entity of the Global Internal Control project representing approximately 25 percent of Group external sales. This CSA has also been subject to internal audit.

Information and Communication

Information and communication regarding risk management and internal control over financial reporting relates to both internal and external information and communication.

Internal information of important Internal Steering Documents for risk management and internal control over financial reporting such as the Financial Guide and the Guide regarding Risk Management and Internal Control over financial reporting including Risk Map and Risk and Control Matrices (RACMs), as well as the Communication Policy and processes and work instructions and other relevant information in the Elekta Business Management System, are channeled down the organization and communicated to relevant personnel on the Group's intranet. Internal information regarding the status of the effective design and operating effectiveness of risk management and internal control over financial reporting are channeled up the organization based on the result of the monitoring in order for management at different levels to be able to take corrective actions as necessary. The President and CEO and the Chief Audit Executive respectively in turn inform the Audit Committee and the Board of the result of the monitoring in order for them to be able to fulfill their oversight responsibility. This Communication normally takes place at the ordinary Audit Committee meetings and Board meetings respectively.

Elekta provides the financial markets and other stakeholders with continuous external information and communication regarding the Group's and the Company's financial performance and position in accordance with the Communication Policy. External information and communication regarding financial reporting is provided in the form of:

- interim reports, year-end reports and annual reports,
- press releases on news and events that may significantly affect the Group's valuation and future prospect,
- presentations and telephone conferences for financial analysts, investors and media representatives on the day of publication of interim reports and year-end reports and in conjunction with the release of important news and events,
- capital markets days arranged by the Group at one of its major entities or in conjunction with major scientific conferences,
- information on the Elekta website: www.elekta.com, including reports, press releases and presentations.

Elekta observes a silent period to each interim and year-end report.

Activities in the fiscal year 2014/15

During the fiscal year 2014/15 a Global Internal Control project was launched. The main purpose is to implement globally defined minimum internal control requirements over financial reporting in the Group entities to prevent or detect material misstatements in the financial reporting. The globally defined minimum internal control requirements over financial reporting are documented in Risk and Control Matrices (RACMs) and linked both to risks for not achieving the objectives for financial reporting and to control activities for areas and processes in scope. The RACMs include approximately 300 identified controls relating to the below medium or high risk rated areas and processes:

- Entity level controls – over the Control Environment
- IT General controls – over IT systems components, processes and data for a given IT environment including logical access, program change management, back-up and recovery
- Process controls – over processes such as Order Recognition, Order to Cash, Revenue Recognition, Purchase to Pay, Inventory, Payroll and Financial Statement Close.

The project is managed by a Program Management Office with representatives from the Internal Audit function and the Internal Control function. The project comprises the five phases, Risk Mapping, Internal Steering Documents, Control Design, Pilot and Testing, and Global Deployment and Governance of the globally defined minimum internal control requirements over financial reporting. The four first phases for the areas and processes in scope were all finished in December 2014 and the fifth phase started January 2015. The present project scope covers Group entities representing approximately 80 percent of Group external sales.

Relevant project information and a Guide regarding Risk Management and Internal Control over financial reporting including Risk Map and Risk and Control Matrices (RACMs) are available to relevant personnel on the Group's intranet,

For the fiscal year 2014/15 the Global Internal Control project resulted in one-off order backlog cancellations and additional bad debt provisions on project realization. This was based on a thorough assessment of the risks that the Group is currently exposed to.

The Internal Audit function was established August 25, 2014 through the employment of the Chief Audit Executive and an Internal Audit plan was established and executed.

Activities in the fiscal year 2015/16

During the fiscal year 2015/16 the work with the Global Internal Control project from the fiscal year 2014/15 will continue with the finalization of the implementation including gap remediation for the areas and processes in scope for the Group entities in scope. In addition, the remaining material Group entities will be subject to implementation and additional processes will be added to the scope.

The Internal Audit plan will have its main focus on risks related to the financial reporting and on specific risk areas such as emerging markets and aquired entities.

Consolidated income statement

SEK M	Note	2014/15	2013/14
Net sales	4	10,839	10,694
Cost of products sold		–6,533	–6,047
Gross profit		**4,306**	**4,647**
Selling expenses		–1,335	–1,056
Administrative expenses		–1,048	–918
R&D expenses		–952	–866
Exchange rate differences		–31	81
Operating result before non-recurring items		**940**	**1,888**
Transaction and restructuring costs		–3	–100
Other non-recurring items		–	–61
Operating result	4–9	**937**	**1,727**
Income from participations in associates	11	0	–15
Financial income	11	25	23
Financial expenses	11	–259	–231
Exchange rate differences	11	13	–2
Profit before tax		**716**	**1,502**
Income taxes	14	–158	–350
Profit for the year		**558**	**1,152**
Profit attributable to:			
Parent Company shareholders		552	1,148
Non-controlling interests		6	4
Earnings per share:			
Earnings per share before dilution, SEK		1.45	3.01
Earnings per share after dilution, SEK		1.45	3.00
Average number of shares before dilution, thousands		381,287	381,277
Average number of shares after dilution, thousands		381,287	400,686

Consolidated statement of comprehensive income

SEK M	Note	2014/15	2013/14
Profit for the year		**558**	**1,152**
Other comprehensive income:			
Items that will not be reclassified to the statement of income:			
Remeasurements of defined benefit pension plans		–6	–3
Tax	14	2	1
Total items that will not be reclassified to the statement of income		**–4**	**–2**
Items that subsequently may be reclassified to the statement of income:			
Revaluation of cash flow hedges		–182	–9
Translation differences from foreign operations		746	360
Tax	14	39	–1
Total items that subsequently may be reclassified to the statement of income		**603**	**350**
Other comprehensive income, net		**599**	**348**
Total comprehensive income		**1,157**	**1,500**
Comprehensive income attributable to:			
Parent Company shareholders		1,151	1,498
Non-controlling interests		6	2

COMMENTS ON THE CONSOLIDATED INCOME STATEMENT

In the income statement presented on the previous page non-recurring items have been separately recognized. The table below presents the income statement down to operating result before and after non-recurring items with non-recurring items allocated by function.

		2014/15			2013/14			
SEK M	Note	Excluding non-recurring items	Transaction costs	Including non-recurring items	Excluding non-recurring items	Restructuring costs	Legal costs	Including non-recurring items
Net sales	4	10,839	–	10,839	10,694	–	–	10,694
Cost of products sold		–6,533	–	–6,533	–6,047	–49	–	–6,096
Gross profit		**4,306**	**–**	**4,306**	**4,647**	**–49**	**–**	**4,598**
Selling expenses		–1,335	–	–1,335	–1,056	–22	–	–1,078
Administrative expenses		–1,048	–3	–1,051	–918	–5	–61	–984
R&D expenses		–952	–	–952	–866	–24	–	–890
Exchange rate differences		–31	–	–31	81	–	–	81
Operating result	4–9	**940**	**–3**	**937**	**1,888**	**–100**	**–61**	**1,727**

Net sales

Net sales increased 1 percent to SEK 10,839 M (10,694), equivalent to a decrease of 8 percent based on constant exchange rates.

	Net sales, SEK M	Change, %	Operating result, SEK M
Q1	1,865	–2%	–122
Q2	2,567	5%	310
Q3	2,552	7%	250
Q4	3,855	–3%	499
Full year 2014/15	**10,839**	**1%**	**937**

Earnings

Gross margin was 40 percent (43). The margin decrease is mainly a result of lower sales volumes and an unfavorable product mix.

EBITA before non-recurring items amounted to SEK 1,306 M (2,183). The effect from changes in exchange rates were neutral, including hedges.

Operating result decreased by 46 percent and amounted to SEK 937 M (1,727). Operating margin was 9 percent (16).

Products, materials and consumables comprises the largest single cost item, accounting for 44 percent (44) of the group's total operating expenses. The second largest item is personnel costs at 33 percent (32).

Research and development expenditures before capitalization of development costs increased 18 percent to SEK 1,421 M (1,202) equal to 13 percent (11) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 447 M (317), of which SEK 469 M (335) relates to the R&D function. Capitalization within the R&D function amounted to SEK 680 M (484) and amortization to SEK 211 M (149).

The change in unrealized exchange rate effects from cash flow hedges amounted to SEK –182 M (–9) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from cash flow hedges in shareholders' equity was SEK –118 M (62) exclusive of tax. According to Elekta's currency hedging policy, anticipated sales in foreign currency may be hedged up to 24 months.

Net financial items amounted to SEK –221 M (–225).

Income before tax amounted to SEK 716 M (1,502). Tax expense amounted to SEK –158 M (–350) or 22 percent (23). Profit after tax amounted to SEK 558 M (1,152).

Result overview

SEK M	2014/15	2013/14
Operating result/EBIT before non-recurring items	**940**	**1,888**
Amortization:		
Capitalized development costs	236	172
Acquisitions	130	123
EBITA before non-recurring items	**1,306**	**2,183**
Depreciation	146	118
EBITDA before non-recurring items	**1,452**	**2,301**

Consolidated balance sheet

SEK M	Note	April 30, 2015	April 30, 2014
ASSETS			
Non-current assets			
Intangible assets	15	8,174	6,845
Tangible fixed assets	16	881	624
Shares in associated companies	18	9	5
Other financial assets	19	362	354
Deferred tax assets	14	224	143
Total non-current assets		**9,650**	**7,971**
Current assets			
Inventories	20	1,297	1,078
Accounts receivable	21	4,207	4,197
Accrued income		1,895	1,699
Current tax assets	14	92	31
Derivative financial instruments	2	83	103
Other current receivables	22	695	566
Cash and cash equivalents	23	3,265	2,247
Total current assets		**11,534**	**9,921**
Total assets		**21,184**	**17,892**
EQUITY AND LIABILITIES			
Equity			
Parent Company shareholders:			
Share capital	24	192	192
Contributed funds		740	740
Reserves		395	–209
Retained earnings		5,310	5,526
Parent Company shareholders, total		*6,638*	*6,249*
Non-controlling interests		*8*	*8*
Total equity		**6,646**	**6,257**
Non-current liabilities			
Long-term interest-bearing liabilities	25	4,958	4,361
Deferred tax liabilities	14	732	687
Long-term provisions	26	259	131
Other long-term liabilities		20	8
Total long-term liabilities		**5,969**	**5,187**
Current liabilities			
Short-term interest-bearing liabilities	25	1,075	125
Accounts payable		1,262	1,295
Advances from customers		2,165	1,686
Prepaid income	27	1,673	1,200
Accrued expenses	28	1,789	1,526
Current tax liabilities	14	119	219
Short-term provisions	26	99	169
Derivative financial instruments	2	162	13
Other current liabilities		225	215
Total current liabilities		**8,569**	**6,448**
Total equity and liabilities		**21,184**	**17,892**
Assets pledged	30	18	9
Contingent liabilities	31	59	55

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The Group's consolidated balance sheet has been significantly affected by changes in exchange rates. The balance sheets of the foreign subsidiaries are translated at the closing rate as per the closing date. The exchange rates used for translation as per 30 April 2015 and 30 April 2014 respectively are presented in the table on page 107.

Assets and capital employed

The Group's total assets increased by SEK 3,292 M to SEK 21,184 M (17,892). Fixed assets totaled SEK 9,650 M (7,971) of which goodwill amounted to SEK 5,338 M (4,549). Current assets, excluding cash and cash equivalents, increased by SEK 595 M to SEK 8,269 M (7,674). Accounts receivable, accrued income and inventories increased by 6 percent (18). Inventory value in relation to net sales was 12 percent (10). Cash and cash equivalents increased by SEK 1,018 M to SEK 3,265 M (2,247) at year-end, totaling 15 percent (13) of total assets. Of total bank balances SEK 18 M (9) were pledged primarily for commercial guarantees. The Group's capital employed increased to SEK 12,678 M (10,743). Capital turnover ratio was 0.6 (0.7).

Liabilities and shareholders' equity

Interest-free liabilities and provisions increased by 1,356 to SEK 8,505 M (7,149). Interest-bearing liabilities totaled SEK 6,033 M (4,486). Net debt amounted to SEK 2,768 M (2,239). Total equity was SEK 6,646 M (6,257). Return on shareholders' equity amounted to 9 percent (21) and return on capital employed amounted to 9 percent (17). Net debt/equity ratio was 0.42 (0.36) and equity/assets ratio was 31 percent (35).

Working capital

Elekta's operations is to a large extent project based. Payment flows from projects generally occur in connection with order receipt, delivery and acceptance, which generates fluctuations in working capital. Thus, movements in working capital depend on the progress of projects and the timing of certain events in relation to terms in the contract. Invoicing and payments from the customer occur in accordance with the terms of the contract while revenue is recognized based on accounting principles. Therefore cash flow from projects does not always coincide with the recognition of revenue and may result in either an asset (accrued income) or a liability (advances from customers).

Elekta's payment terms varies significantly between regions and specific customers. For example, in China, the majority of Elekta's customers are in the public sector. Financing and payments are normally structured by a bank through a letter of credit arrangement. When Elekta has met certain performance conditions, payments are obtained from the issuing bank. The majority of the proceeds are normally due at shipment. As another example, the USA is largely a private hospital market with replacement investments. The operating cycle in the projects are typically shorter than Elekta's average. In a typical customer relationship, Elekta receives partial payments at order receipt, delivery, installation and acceptance. North America is the region where Elekta has the lowest DSO. Lastly, customers in Europe are typically public hospitals and contracts are awarded through public procurement processes. In such cases, terms and conditions are often pre-defined by the customer. This means that Elekta get paid late in the operating cycle and payment times are generally longer than normal. There are many examples of projects where customers pay after acceptance of installation. Europe is therefore the region with highest DSO levels.

Accounts receivable amounted to SEK 4,207 M (4,197) as per 30 April, showing a small increase in SEK but representing a decrease of approximately 15 percent based on constant exchange rates. The majority of non-due accounts receivable are normally due within 90 days. During the year, Elekta has not sold any accounts receivable with recourse.

In a limited number of customer projects, Elekta is providing financing through extended payment terms. Such receivables amounted to SEK 180 M (194) as per 30 April and are included in "Other financial assets" in the balance sheet and specified as "Contractual receivables" in note 19.

Customer advances represent projects for which invoiced amounts exceed revenue recognized. Advances from customers amounted to SEK 2,165 M (1,686) as per 30 April, an increase of 28 percent in SEK but less than 10 percent based on constant exchange rates. The increase is mainly driven by a number of projects with large early payments from customers, especially in the emerging markets, in region Europe, Middle East and Africa.

Working capital

SEK M	April 30, 2015	April 30, 2014
Working capital assets		
Inventories	1,297	1,078
Accounts receivable	4,207	4,197
Accrued income	1,895	1,699
Other operating receivables	695	566
Sum working capital assets	**8,094**	**7,540**
Working capital liabilities		
Accounts payable	1,262	1,295
Advances from customers	2,165	1,686
Prepaid income	1,673	1,200
Accrued expenses	1,789	1,526
Other operating liabilities	324	384
Sum working capital liabilities	**7,213**	**6,091**
Net working capital	**881**	**1,449**
Percent of net sales	8%	14%

Net working capital amounted to SEK 881 M (1,449) at year-end, corresponding to 8 (14) percent of net sales.

Changes in consolidated equity

SEK M	Note	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Elekta AB's owners, total	Non-controlling interests	Total equity
Opening balance May 1, 2013		192	740	–614	52	5,177	**5,547**	13	**5,560**
Profit for the year						1,148	**1,148**	4	**1,152**
Remeasurements of defined benefit pensions plans		*–*	*–*	*–*	*–*	*–3*	***–3***	*–*	***–3***
Cash flow hedges		*–*	*–*	*–*	*–9*[1]	*–*	***–9***	*–*	***–9***
Translation differences from foreign operations		*–*	*–*	*362*	*–*	*–*	***362***	*–2*	***360***
Tax relating to components of other comprehensive income	14	*–*	*–*	*–2*	*1*	*1*	***0***	*–*	***0***
Other comprehensive income		0	0	360	–8	–2	**350**	–2	**348**
Total comprehensive income		**0**	**0**	**360**	**–8**	**1,146**	**1,498**	**2**	**1,500**
Acquisition of non-controlling interest	34	–	–	–	–	–33	**–33**	0	**–33**
Dividend		–	–	–	–	–763	**–763**	–7	**–770**
Conversion of convertible loan		0	0	–	–	–	**0**	–	**0**
Transactions with the shareholders, total		**0**	**0**	**–**	**–**	**–796**	**–796**	**–7**	**–803**
Closing balance April 30, 2014		**192**	**740**	**–254**	**45**	**5,526**	**6,249**	**8**	**6,257**
Opening balance May 1, 2014		192	740	–254	45	5,526	**6,249**	8	**6,257**
Profit for the year		–	–	–	–	552	**552**	6	**558**
Remeasurements of defined benefit pensions plans		*–*	*–*	*–*	*–*	*–6*	***–6***	*–*	***–6***
Cash flow hedges		*–*	*–*	*–*	*–182*[1]	*–*	***–182***	*–*	***–182***
Translation differences from foreign operations		*–*	*–*	*746*	*–*	*–*	***746***	*0*	***746***
Tax relating to components of other comprehensive income	14	*–*	*–*	*–2*	*41*	*2*	***41***	*–*	***41***
Other comprehensive income		0	0	744	–141	–4	**599**	0	**599**
Total comprehensive income		**0**	**0**	**744**	**–141**	**548**	**1,151**	**6**	**1,157**
Dividend		–	–	–	–	–763	**–763**	–6	**–769**
Conversion of convertible loan		0	0	–	–	–	**0**	–	**0**
Transactions with the shareholders, total		**0**	**0**	**0**	**0**	**–763**	**–763**	**–6**	**–769**
Closing balance April 30, 2015		**192**	**740**	**490**	**–95**	**5,310**	**6,638**	**8**	**6,646**

[1] Of which transferred to the income statement in 2014/15: –39 and 2013/14: 140.

COMMENTS ON CHANGES IN CONSOLIDATED EQUITY

In 2014 Elekta paid a total dividend of SEK 763 M. The dividend payment has affected equity through a reduction of retained earnings.

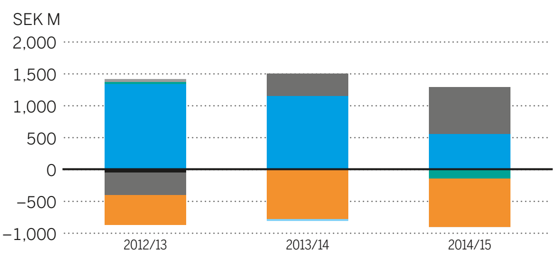
During 2014/15, a number of 191 new B-shares were subscribed through conversion of convertibles, which have affected equity by increases in share capital and contributed funds, by SEK 19 T in total.

The total number of shares in Elekta as of April 30, 2015, amounted to 382,828,775 of which 14,250,000 A-shares and 368,578,775 B-shares. See Note 24 for more information on share capital.

Total equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in the translation reserve via other comprehensive income. The translation difference amounted to SEK 746 M (362) in 2014/15. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases. The translation reserve includes all exchange rate differences arising in conjunction with the translation of foreign operations that have prepared their financial reports in a currency other than that used in the group's financial reports. In addition, the translation reserve consists of exchange rate differences arising from the translation of liabilities raised as a hedging instrument for a net investment in foreign operations. The translation reserve amounted to SEK 490 M (–254) at year end.

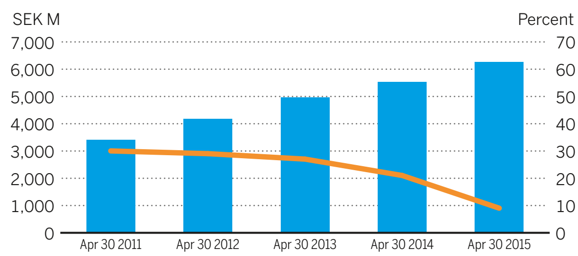
Cash flow hedges are reported in the hedge reserve via other comprehensive income. Elekta hedges its currency risk in line with the policy established by the Board. The scope of this hedging is determined by the Company's currency risk assessment. Currency hedging is defined on the basis of the expected sales in foreign currency over up to 24 months. Hedging is done to reduce the effects of short-term fluctuations on the currency markets. The hedge reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred. During 2014/15 the change in the hedge reserve was SEK –141 M (–8) after tax and the closing balance of the hedge reserve was SEK –95 M (45).

CHANGES IN CONSOLIDATED EQUITY



- Exercise of warrants
- Cash flow hedges
- IFRS 2 costs
- Profit for the year
- Acquisition of non-controlling interest
- Dividend
- Option value convertibel loan
- Translate differences
- Remeasurements of defined benefit pension plans

CONSOLIDATED EQUITY AND RETURN



- Average shareholder's equity, SEK M
- Return on shareholder's equity, percent

Consolidated cash flow statement

SEK M	Note	2014/15	2013/14
Operating activities			
Profit before tax		716	1,502
Non-cash items:			
Depreciation	6, 15, 16	512	414
Interest net	32	192	180
Provision for restructuring		–	100
Other non-cash items etc.	32	411	11
Operating cash flow before interest and tax		*1,831*	*2,207*
Interest received		23	22
Interest paid		–193	–184
Income taxes paid	14	–362	–353
Operating cash flow		*1,299*	*1,692*
Increase (–)/decrease (+) in inventories		27	–189
Increase (–)/decrease (+) in operating receivables		532	–843
Increase (+)/decrease (–) in operating liabilities		–35	615
Change in working capital		*524*	*–417*
Cash flow from operating activities		**1,823**	**1,275**
Investing activities			
Investments in intangible assets	15	–685	–492
Investments in machinery and equipment	16	–297	–234
Sale of fixed assets		6	1
Increase in long-term receivables		–12	–63
Decrease in long-term receivables		32	7
Continuous investments		*–956*	*–781*
Cash flow after continuous investments		**867**	**494**
Business combinations	32, 34	–191	–
Investments in other shares	18	–	0
Repayments from partnerships	18	3	4
Cash flow from investing activities		**–1,144**	**–777**
Cash flow after investments		**679**	**498**
Financing activities			
Borrowings		1,462	12
Repayment of debt		–504	–97
Borrowing costs		–3	–
Acquisition of non-controlling interest		–	–33
Exercise of warrants		–	–
Dividend		–769	–770
Cash flow from financing activities		**186**	**–888**
Cash flow for the year		**865**	**–390**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		2,247	2,567
Cash flow for the year		865	–390
Exchange rate differences		153	70
Cash and cash equivalents at the end of the year	23	**3,265**	**2,247**

COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement describes the ability of the operations to generate cash and cash equivalents. Elekta's cash flow is used primarily to finance market growth, strategic research projects and investments. Based on the income statement and balance sheet translated at the average exchange rate, the statement shows the Group's net flows during the year.

Elekta's project-based operations affect cash flow through movements in working capital. Payment flows from projects generally occur in connection with order receipt, delivery and acceptance – mostly not coinciding with revenue recognition – thus generating fluctuations in working capital levels. See also comments on working capital on page 95.

The operating cash flow (cash flow from operating activities exclusive of change in working capital) amounted to SEK 1,299 M (1,692), a decrease of SEK 393 M compared with the preceding year.

Cash flow from operating activities improved to SEK 1,823 M (1,275), mainly as an effect of reduced working capital of 524 (–417).

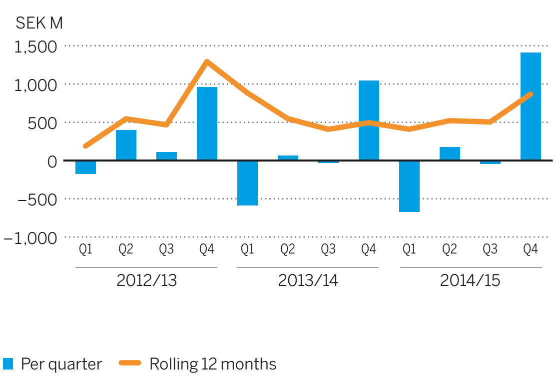
Cash flow from investing activities amounted to SEK –1,144 M (–777) including investments in intangible assets of SEK –685 (–492).

Cash flow after continuous investments increased by SEK 373 M to SEK 867 M (494) including a negative effect of SEK 100 M from payments related to the restructuring program. Investment levels rose mostly from significant investments in the MRI-guided linear accelerator project and development of software solutions.

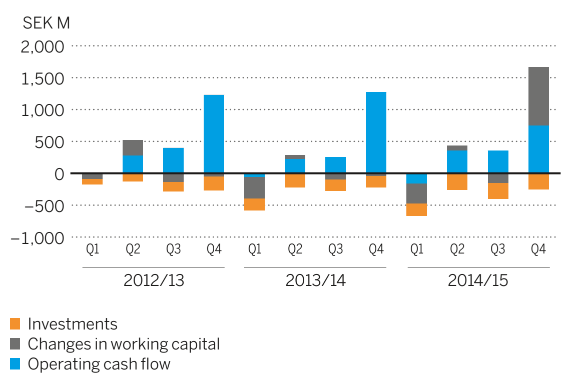
Cash flow after investments amounted to SEK 679 M (498), including business combinations of SEK –191 M (–).

Cash flow from financing activities amounted to SEK 186 (–888) M with a positive effect from borrowings.

CASH FLOW AFTER CONTINUOUS INVESTMENTS



SPECIFICATION OF CASH FLOW AFTER CONTINUOUS INVESTMENTS



Financial statements – Parent Company

INCOME STATEMENT – PARENT COMPANY

SEK M	Note	2014/15	2013/14
Administrative expenses		–92	–56
Operating result	5, 7, 8	**–92**	**–56**
Income from participations in Group companies	10	782	678
Income from participations in associated		–	–
Interest income and similar items	12	193	174
Interest expenses and similar items	12	–223	–209
Exchange rate differences		23	5
Appropriations	13	–16	1
Profit before tax		**667**	**593**
Income taxes	14	–9	–9
Profit for the year		**658**	**584**

STATEMENT OF COMPREHENSIVE INCOME – PARENT COMPANY

SEK M	2014/15	2013/14
Profit for the year	**658**	**584**
Other comprehensive income:		
Items that subsequently may be reclassified to the statement of income		
Hedge of net investment	11	8
Tax	–2	–2
Other comprehensive income, net	**9**	**6**
Total comprehensive income	**667**	**590**

CASH FLOW STATEMENT – PARENT COMPANY

SEK M	Note	2014/15	2013/14
Operating activities			
Profit before tax		667	593
Interest net	32	17	26
Other non-cash items etc.	32	389	36
Interest received		193	173
Interest paid		–200	–200
Income taxes paid	14	–3	–2
Operating cash flow		*1,063*	*626*
Increase (–)/decrease (+) in operating receivables		–270	–262
Increase (+)/decrease (–) in operating liabilities		–3	2
Change in working capital		*–273*	*–260*
Cash flow from operating activities		**790**	**366**
Investing activities			
Investments in subsidiaries	32	–279	–40
Investments in other shares	18	–	–
Increase (–)/decrease (+) in long-term receivables		82	–13
Cash flow from investing activities		**–197**	**–53**
Cash flow after investments		**593**	**313**
Financing activities			
Borrowings		1,475	181
Repayment of debt		–400	–
Borrowing costs		–3	–
Exercise of warrants		–	–
Dividend		–763	–763
Cash flow from financing activities		**309**	**–582**
Cash flow for the year		**902**	**–269**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		1,793	2,125
Cash flow for the year		902	–269
Exchange rate differences		–65	–63
Cash and cash equivalents at the end of the year	23	**2,630**	**1,793**

BALANCE SHEET – PARENT COMPANY

SEK M	Note	April 30, 2015	April 30, 2014
ASSETS			
Non-current assets			
Shares in subsidiaries	17	2,142	1,877
Shares in associated companies	18	27	27
Receivables from subsidiaries		2,663	2,755
Other financial assets	19	69	54
Deferred tax assets	14	11	9
Total non-current assets		**4,912**	**4,722**
Current assets			
Receivables from subsidiaries		3,804	3,110
Other current receivables	22	46	48
Cash and cash equivalents	23	2,630	1,793
Total current assets		**6,480**	**4,951**
Total assets		**11,392**	**9,673**

SEK M	Note	April 30, 2015	April 30, 2014
EQUITY AND LIABILITIES			
Equity			
Share capital	24	192	192
Statutory reserve		156	156
Restricted equity		*348*	*348*
Premium reserve		585	585
Retained earnings		1,386	1,481
Unrestricted equity		*1,971*	*2,066*
Total equity		**2,319**	**2,414**
Untaxed reserves	13	**43**	**26**
Long-term provisions	26	**97**	**30**
Non-current liabilities			
Long-term interest-bearing liabilities	25	4,958	4,360
Long-term liabilities to subsidiaries	25	39	38
Total long-term liabilities		**4,996**	**4,398**
Current liabilities			
Short-term interest-bearing liabilities	25	1,031	–
Short-term liabilities to subsidiaries	25	2,700	2,688
Other current liabilities	29	206	117
Total current liabilities		**3,937**	**2,805**
Total equity and liabilities		**11,392**	**9,673**
Assets pledged		–	–
Contingent liabilities	31	1,213	1,004

CHANGES IN EQUITY – PARENT COMPANY

		Restricted equity		Unrestricted equity		
SEK M	**Note**	**Share capital**	**Statutory reserve**	**Premium reserve**	**Retained earnings**	**Total equity**
Opening balance May 1, 2013		192	156	584	1,654	**2,586**
Profit for the year		–	–	–	584	**584**
Exchange difference on net investment in subsidiary		–	–	–	*8*	***8***
Tax relating to components of other comprehensive income	14	–	–	–	*–2*	***–2***
Other comprehensive income		–	–	–	6	**6**
Total comprehensive income		**–**	**–**	**–**	**590**	**590**
Dividend		–	–	–	–763	**–763**
Conversion of convertible loan		0	–	0	–	**0**
Transactions with the shareholders, total		**0**	**–**	**0**	**–763**	**–762**
Closing balance April 30, 2014		**192**	**156**	**585**	**1,481**	**2,414**
Opening balance May 1, 2014		192	156	585	1,481	**2,414**
Profit for the year		–	–	–	658	**658**
Exchange difference on net investment in subsidiary		–	–	–	*11*	***11***
Tax relating to components of other comprehensive income	14	–	–	–	*–2*	***–2***
Other comprehensive income		–	–	–	9	**9**
Total comprehensive income		**–**	**–**	**–**	**667**	**667**
Dividend		–	–	–	–763	**–763**
Conversion of convertible loan		0	–	0	–	**0**
Transactions with the shareholders, total		**0**	**0**	**0**	**–763**	**–763**
Closing balance April 30, 2015		**192**	**156**	**585**	**1,386**	**2,319**

Notes

Note 1 ACCOUNTING PRINCIPLES

Elekta AB, with corporate registration number 556170-4015, is a Swedish public company with its registered office in Stockholm. The address to the head office is Elekta AB, Box 7593, SE-103 93 Stockholm.

This Annual Report, including the consolidated financial statements, was signed and approved for publication by the Board of Directors of Elekta AB on July 20, 2015. The statements of income and the balance sheets, for the Parent Company and the Group, included in the Annual Report and the consolidated financial statements, are subject to adoption by the Annual General Meeting on September 1, 2015.

The most important accounting principles applied in the preparation of the financial reports are set out below. Mainly, the same principles are applied for the Parent Company and the Group. The Parent Company's accounting principles deviating from those applied by the Group, or considered important to describe, are stated under a separate heading at the end of this note.

BASIS FOR PREPARATION

Elekta's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on April 30, 2015, the Swedish Annual Accounts Act and standard RFR 1 of the Swedish Financial Reporting Board. The Parent Company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2 of the Swedish Financial Reporting Board.

Measurement basis

Assets and liabilities are recognized at historical cost apart from financial assets and liabilities that are derivatives and recognized at fair value.

NEW AND REVISED IFRS APPLIED FROM 1 MAY, 2014

The following new and amended standards have been applied from 1 May, 2014.

- IFRS 10 Consolidated Financial Statements. Effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities. Effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures. Effective 1 January 2014
- IAS 32 Financial instruments: Presentation. Effective 1 January 2014
- Investment Entities. Amendments to IFRS 10, IFRS 12 and IAS 27 Effective 1 January 2014

None of the new and revised standards above have had a material impact on the financial reports.

NEW AND REVISED IFRS NOT YET APPLIED

The following new standards have been published by the IASB but either not yet effective or not yet adopted by the EU. The evaluation of the standards' potential impact on the financial statements of the Elekta Group is ongoing.

- IFRS 9 Financial Instruments
  IFRS 9 is a new standard on accounting for financial instruments and will replace IAS 39. The standard comprise classification, valuation and impairment of financial instruments as well as hedge accounting. Effective 1 January 2015. Not yet endorsed by the EU.
- IFRS 15 Revenue from Contracts with Customers
  IFRS 15 is a new standard on revenue recognition and related disclosures and will replace IAS 11 and IAS 18. Elekta is monitoring the development regarding IFRS 15 and studying the standard and statements from the IASB and FASB Joint transition resource group for revenue recognition in order to assess the impact from the future application. The current effective date is 1 January 2017 but proposed to be changed to 1 January 2018. Not yet endorsed by the EU.

Other new or revised standards and interpretations, not yet applied, are not considered to have a material impact on the Elekta Group's financial statements.

CONSOLIDATED ACCOUNTS

The consolidated accounts include Elekta AB (the Parent Company) and companies in which the Parent Company held, directly or indirectly, more than 50 percent of the voting rights at the end of the period, as well as companies in which the Group otherwise has a controlling interest. Controlling interest means having a right to formulate the strategies for a company in order to obtain economic benefits. A subsidiary is included in the consolidated accounts from the point in time when the controlling interest is obtained until the point in time when the controlling interest ceases. Intra-group transactions, balance sheet items and unrealized intra-group profits are eliminated in the consolidated accounts.

The acquisition method

The consolidated accounts have been prepared in accordance with the acquisition method, which means that the cost of shares in subsidiaries is eliminated against their equity at the time of acquisition. Acquisition related transaction costs are not included in the cost of the shares but expensed as incurred. The equity in a subsidiary is determined on the basis of the fair value of assets, liabilities and contingent liabilities at the acquisition date. Thus, only the part of the subsidiary's equity which has arisen after the acquisition date is included in the consolidated accounts. In business combinations, where the sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest, exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition, the difference is reported as goodwill. A negative difference, negative goodwill, is recognized immediately as an income in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are reported for the items for which the accounting is incomplete. Such amounts may be adjusted during the measurement period, or new assets or liabilities may be recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Non-controlling interests

In connection with acquisitions of less than 100 percent, when a controlling influence is achieved, non-controlling interests are determined either as a proportional share of the fair value of identifiable net assets excluding goodwill or at fair value. Non-controlling interests are recognized as a separate item in the Group's equity. The Group's profit or loss and every component of other comprehensive income are attributable to the shareholders of the Parent and to non-controlling interests. Losses attributable to non-controlling interests are recognized even if this results in a negative balance. Subsequent acquisitions up to 100 percent and divestments of participations in a subsidiary that do not lead to a loss of controlling influence are recognized as equity transactions.

Translation of foreign subsidiaries

The Group companies prepare their financial statements in their functional currency, i.e. the currency used in the primary economic environment in which they mainly operate. These reports provide the basis for the consolidated accounts which are prepared in Swedish kronor (SEK), which is the functional currency of the Parent Company and the presentation currency. The income statements and balance sheets of foreign subsidiaries have been translated, from their respective functional currency, to the presentation currency of the Group. All items in the income statements have been translated at the average rate for the reporting period, while assets and liabilities in the balance sheets have been translated at the closing rate. Translation differences are reported in Group equity as other comprehensive income.

Certain long-term financing related to subsidiaries, where a settlement is not considered to take place in the foreseeable future, is considered as an increase in the Parent Company's net investment in the subsidiaries. Taking the tax effect into consideration, exchange gains and losses are reported in Group equity as other comprehensive income.

Associates

Associates are companies which are not subsidiaries but in which the Group has a significant, but not controlling, interest. This normally means companies in which the holding represents more than 20 percent but less than 50 percent of the voting rights. Associates are reported by use of the equity method. Holdings in associates are initially recognized at cost in the consolidated balance sheet. The carrying amount is adjusted for the share of associates' earnings after the acquisition date. Dividends from associates are reported as a reduction of the carrying amount. Income from participations in associates is a separate line in the income statement.

SEGMENT REPORTING

Operating segments are reported in accordance with management reporting as reported to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocation of resources and assessment of the operating segments' performance. In Elekta, this function has been identified as the President and CEO who is responsible for and deals with the continuous administration of the Group based on the Board's guidelines and instructions. To his aid, he has the Executive Management. Elekta's President and CEO evaluates business performance from both geographic and product based perspectives. The geographic follow-up is however the main perspective and the product based perspective constitutes a complement to the geographic monitoring and control. It is from the geographic perspective that the business activity is conducted and managed. Evaluation of financial performance is executed for three geographic regions which are Elekta's operating segments:

- North and South America
- Europe, Middle East and Africa
- Asia Pacific

The same accounting principles are applied in the segment reporting as for the Group.

INCOME STATEMENT

Elekta presents its income statement classified by function where the operating expenses are allocated to cost of products sold, selling expenses, administrative expenses and R&D expenses. Exchange rate differences and non-recurring items are reported on separate lines within the operating result. These costs have been identified as important to distinguish from operating costs directly related to functions in order to ease comparability. Non-recurring items comprise transaction costs for acquisitions and restructuring costs as well as other non-recurring items which constitutes of exceptional legal costs.

REVENUE RECOGNITION

Elekta's revenue is derived primarily from the sales of hardware and software products, as well as service contracts and services to these products. Elekta recognizes its revenue at the fair value of the consideration received or receivable, net of value added tax, sales tax and sales discounts.

Revenue from the sale of products is recognized when all of the following conditions are satisfied:

- The risk and rewards of ownership of the goods has been transferred to the buyer
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue and the related costs can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the entity

The above implies that each contract requires an examination of any circumstances, terms and conditions affecting the transaction.

Revenue from the rendering of service is recognized when the outcome can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. When the service is performed by an undetermined number of acts over the specified service period, revenue is recognized on a straight-line basis over the service period.

Bundled deals, where hardware, software products and service may be included in the same deal, are very common. A bundled deal is treated as a project and is supported by a project team that coordinates the delivery and implementation of the products, which can occur at different stages. For bundled deals the total revenue is allocated to its different parts based on their relative fair values. As explained below, methods for revenue recognition are different between hardware products, software products and services.

The timing of revenue recognition often does not coincide with invoicing and payments from customers. Payment terms or conditions for projects differ between regions. In some markets, partial payments will be due upon certain events such as order receipt, delivery and acceptance. In other markets, the entire payment is due upon completion of implementation or acceptance. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income.

Hardware products

The risk and rewards related to hardware products are usually transferred to the customer upon shipment or delivery depending on the contracted shipment terms. The hardware products are delivered to comply with the delivery date contracted with the customer. At this point the customer has invested heavily in preparing an appropriate environment in which to accommodate the equipment and will be firmly committed to embarking upon the final stages of the project such as installation and training and this is normally the point in time where the main part of revenue is recognized. Once technical acceptance has been received from the customer the last part of revenue (related to installation and training) is recognized. Hardware products include integrated software components required for the product's essential functionality.

Software products

After completing the implementation of software, or a part thereof, the customer will be presented with a certificate detailing the products delivered which is then signed by the customer. When the customer has signed the certificate, fully or partly, it serves as proof of acceptance. By signing it the customer confirms that the products, services and training have been provided in accordance with the agreement and that the software has been handed over to the customer for clinical use. When Elekta receives the signed certificate revenue will be recognized given that all conditions for revenue recognition have been met. Many times, the acceptance procedure is performed in steps which also leads to a gradual recognition of revenue.

Service contracts

Service revenue is recognized on a straight-line basis over the contractual term of the arrangement or the expected period during which those specified services will be performed. Maintenance and support agreements on software products are generally renewed on an annual basis. The revenue for maintenance and support will be deferred and amortized over the length of the contract.

EMPLOYEE BENEFITS

Remuneration paid to employees in the form of wages/salary, paid vacation, etcetera is accounted for as it is earned. Pensions are reported either as defined contribution plans or as defined benefit plans.

Pensions

Most of Elekta's pension commitments are met through ongoing payments to authorities or other independent organizations that administer the pension plans. For these defined contribution pension plans, a pension cost is reported on a continuous basis as the benefits are earned, which normally coincides with the date on which the fees are paid.

Elekta has defined benefit pension plans for certain employees in a few countries. Independent actuaries calculate the magnitude of the obligations in each plan and revalue the obligations of the pension plans each year. The pension costs are estimated using the so-called Projected Unit Credit Method in a way that distributes the costs over the employee's working life. These obligations are valued at the present value of the expected future payments. Actuarial gains and losses are reported in other comprehensive income in the period during which they arise.

Share-based compensation

Ongoing share programs are reported according to IFRS 2 Share-based payments and are mainly equity-settled. The conditions of the share programs state that they may be settled in other ways than through shares. This possibility is only applied to a very limited extent and neither cost nor obligation are material amounts.

Accounting for equity-settled share-based compensation programs entails that the instrument's fair value at grant date is recognized in the income statement over the vesting period, with a corresponding adjustment to equity. This leads to an estimated cost, corresponding to the earned portion of the estimated share value at allotment, being charged to profit and loss over the vesting period. At each closing in the vesting period the expected number of vested shares is revised and the impact of any changes over the original estimates are recognized in the income statement, with a corresponding adjustment to equity. In addition, provisions are made for estimated employer contributions related to the share programs.

Calculations are based on a theoretical market valuation where the market value is calculated using Black & Scholes based on the share price on the closing date. For allotted shares, social security expenses are paid on the basis of the market value on the allotment date.

TAXES

The tax expense in the income statement includes all tax that is to be paid or received for the current year, adjustments relating to previous years' current tax, and changes in deferred tax. Deferred tax is calculated and reported in accordance with the balance sheet method. In accordance with this method, deferred tax is calculated on the basis of the temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred tax assets relating to loss carry-forwards and other future tax credits are recognized to the extent it is probable that deductions can be made against future profits. Valuation is based on nominal amounts based on the tax rules prevailing in each country and the anticipated tax rate for the following year in each country. Deferred taxes relating to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated financial statements since Elekta AB, in all cases, can control the time of reversal of the temporary differences and it is not considered probable that such a reversal will occur in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset when there is a legal right to do so and when the deferred tax amounts concern the same tax authority. For items recognized in profit or loss, the related tax effects are also recognized in profit or loss. For items recognized in equity under other comprehensive income, related tax effects are also recognized in equity under other comprehensive income.

INTANGIBLE ASSETS

Intangible assets contain goodwill, capitalized development costs, customer relationships and other intangible assets. Other intangible assets mainly consist of acquired technology. Amortization of intangible assets is reported in the income statement and allocated to functions as applicable. There are no intangible assets related to manufacturing processes or the like, therefore no amortization is allocated to cost of goods sold.

Goodwill

Goodwill comprises the positive amount by which the sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis, or more frequently if indicated. See also section Impairment.

Research and development

Research costs are expensed as they are incurred. In those instances in which it is difficult to distinguish between the research phase and the development phase in a project, the entire project is considered as research and is expensed as incurred. Identifiable costs for the development of new products are capitalized to the extent that these are considered to provide future economic benefits. In other instances, development expenditures are expensed as they are incurred. Costs for development once reported in the income statement are never capitalized in future periods. Capitalized expenditures are amortized on a straight-line basis from the time when the asset is available for use, which normally occurs when it is produced commercially, and during the estimated useful life of the asset. The amortization period is 3–5 years.

Customer relations and other intangible assets

Intangible assets also include technology, brands, customer relations, etcetera. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized on a straight line basis over the estimated useful life. Surplus value in acquired order backlog is also reported as other intangible assets.

Technology	5–11 years
Brands	6–10 years
Customer relations	15–20 years
Order backlog	0.5–1 year

TANGIBLE ASSETS

Tangible assets acquired by Group companies are reported at cost, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at fair value on the acquisition date after deduction of subsequent accumulated depreciation. Machinery and equipment is depreciated on a straight-line basis during its economic life of between 3 and 5 years. Installations and improvements on third party property are depreciated over the period of the lease agreement.

The residual value of assets and their useful economic lives are reviewed annually and adjusted as required.

IMPAIRMENT

The carrying amount of a depreciated asset is tested for impairment whenever there are indications that the carrying amount might not be recoverable. If there are indications of impairment, the asset's recoverable amount is calculated. The recoverable amount consists of the higher of the value in use of the asset in operations and the value that would be received if the asset was sold to a third party, the net realizable value. Value in use consists of all incoming and outgoing payments attributable to the asset during the period it is expected to be used in operations, plus the net realizable value at the end of the useful life. If the calculated recoverable amount is less than the carrying amount, impairment is made to the asset's recoverable amount. An impairment loss recognized in previous periods is reversed if the reasons for the impairment no longer exist. However, a reversal will not be higher than the carrying amount would have been if an impairment loss had not been recognized in previous periods.

Goodwill is subject to annual impairment testing even if there are no indications of impairment. The carrying amount of goodwill is allocated to cash generating units. When testing for impairment of goodwill, the assets are grouped in cash-generating units and assessments are made on the basis of these units' future cash flows. Impairment losses on goodwill are not reversed.

All impairment losses, and any reversals of the same, are recognized in the income statement.

LEASING

The leasing of tangible assets, for which the Group is essentially responsible for the same risks and benefits as it would be in the case of direct ownership, is classified as financial leasing. The leased asset is reported as a fixed asset and the corresponding obligation to pay a leasing fee is reported as an interest-bearing liability. The leasing payments are distributed between amortization of the liability and financial expense, so that each reporting period is charged with an interest amount corresponding to a fixed interest rate on the reported liability during each period. The leased asset is depreciated in accordance with the same principles that apply to owned assets of the same type. If any uncertainty exists about whether the asset will be taken over at the end of the leasing period, the asset is depreciated over the leasing period, if this is shorter.

Leasing of assets, for which the lessor, for all practical purposes, is considered the owner, is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period.

INVENTORIES

Inventories are valued in accordance with the 'first in, first out' principle and at the lower of cost and net realizable value. Internal profits arising from deliveries between Group companies are eliminated upon consolidation.

TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions in foreign currency are translated to the respective Group Company's functional currency by use of the currency rate prevailing on the transaction date. Monetary receivables and liabilities in foreign currency are similarly translated by use of the closing day rate. Exchange rate differences arising upon translation, and upon payment of the transaction, are reported in the income statement with the exception of those related to qualified hedge transactions, related to cash flows or net investments, which are recognized in equity under other comprehensive income. Exchange rate gains and losses on operating balance sheet items are recognized in the operating result.

Exchange rate gains and losses on loans and investments are recognized as financial items. Non-monetary assets and liabilities carried at historical cost are translated at the exchange rate prevailing on the transaction date.

FINANCIAL INSTRUMENTS

A financial asset or a financial liability is reported in the balance sheet when the Company becomes party to the contractual terms and conditions of the instrument. A financial asset is removed from the balance sheet when the contractual rights are realized, fall due, or the Company loses control of them. Spot acquisitions or sales of financial assets are reported on the settlement date, which is the date on which the asset is delivered. Accounts receivable are reported in the balance sheet when the invoice is dispatched.

The fair value of quoted financial assets corresponds to the asset's listed bid price on the closing date. In the absence of such information, a valuation is carried out using generally accepted methods such as the discounting of future cash flows at the quoted market interest rate for the particular maturity.

For short-term loans and investments, the fair value is deemed to comply with the carrying amount in view of the fact that a change in market rate of interest does not have a material effect on the market value.

Financial assets and liabilities are off-set and reported at a net amount in the balance sheet when there is a legal right to net and when the intention is to settle the items using a net amount or simultaneously realize the assets and settle the liability.

Financial assets and liabilities are divided into the following categories in accordance with IAS 39.

Financial assets measured at fair value through profit or loss

Assets are classified in this category when the intention is to sell in the short term. Derivatives with a positive market value are classified in this category unless they are used for hedge accounting. Assets in this category are recognized at fair value and changes in value are recognized in the income statement. Only financial derivatives were assigned to this category during the year.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets, which are not derivatives, with fixed or determinable payments, which are not quoted in an active market. The receivables arise when money, goods or services are provided directly to another party without any intention of trading in the receivables. Assets in this category are measured at amortized cost less any provision for impairment. The category include for example accounts receivable as well as cash and cash equivalents.

Accounts receivable

Since the anticipated life of accounts receivable is short, reporting is based on the amounts expected to be received, based on individual assessment of any bad debts, without discounting in accordance with the method for amortized cost. Impairment loss on accounts receivable is recognized in operating profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances with financial institutions and short-term investments with an original maturity of less than three months. Cash and cash equivalents are reported at nominal value.

Financial liabilities at fair value through profit or loss

This category includes derivatives with negative fair values that are not used for hedge accounting, financial liabilities held for trading and contingent considerations. Liabilities in this category are measured at fair value with changes in that value recognized in the income statement.

Financial liabilities measured at amortized cost

This category includes financial liabilities that are not held for trading, for example loans and accounts payable. These are recognized initially at fair value, net after transaction costs, and subsequently at amortized cost according to the effective interest method.

Loan liabilities

Loan liabilities are initially reported at fair value, net of transaction costs, and subsequently at amortized cost according to the effective interest method. Loan liabilities carrying a fixed rate of interest that are reported under hedge accounting in line with the method for fair value hedging are valued at market in respect of the interest component. Changes in market value are off-set with changes in value of the hedge instrument in net financial items.

A convertible loan is recognized as a compound financial instrument divided into a liability component and an equity component. Upon initial recognition of the convertible bond, the fair value of the liability component is determined based on the present value of the contractually determined stream of cash flows based on a discount rate determined from the market rate of comparable instruments without the conversion option. Subsequent to initial recognition, the liability component is measured based on its amortized cost, using the effective interest method. The carrying value of the liability component gradually approaches the nominal value of the convertible loan. The gradual increase in the liability component is recognized in the income statement as interest expense and the total interest expense of the convertible loan therefore includes the gradual increase in the liability component as well as the cash coupon. The equity component is calculated as the difference between the nominal value of the convertible loan and the initially recognized liability component. The equity component is carried at a fixed value in shareholders' equity. Transaction costs related to the issue of the convertible loan are distributed between the liability and equity component in proportion to the distribution of the issue proceeds. The transaction costs are included in the calculation of amortized cost, using the effective interest method, and are expensed over the term of the convertible loan.

Hedging of net investments

Loans in foreign currency are reported at closing rate. Exchange rate differences for loans in connection with hedging of net investments in foreign operations are reported in other comprehensive income, with tax effects taken into account, and are thus off-set against the translation differences that arise when translating the subsidiaries' balance sheets into SEK.

Accounts payable

The valuation principle for accounts payable is the amortized cost principle. The expected lifetime for accounts payable is short and thus the payables are reported at nominal value without discounting.

Accounting for derivatives used for hedging purposes

All derivatives are initially and continuously recognized at fair value in the balance sheet. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as follows. Changes in value relating to cash flow hedges are reported in other comprehensive income and are taken to the income statement as the hedged cash flow affects the income statement. Any ineffective portion of the change in value is reported directly in the income statement.

The result of a revaluation of derivatives used to hedge fair value is reported in the income statement along with changes in the fair value of the receivable or liability exposed to the hedged risk.

PROVISIONS

Provisions are reported when the Group has, or is considered to have, an obligation resulting from an event that has occurred and for which payments are likely to meet the obligation. A further condition is that it is possible to make a reliable estimate of the amount to be paid.

Warranty reserves

Estimated costs for product guarantees are charged against operating costs in conjunction with the income recognition of the products. The estimated costs are established using historic statistics, with known changes taken into account regarding product quality, repair costs etcetera.

Contingent considerations

Contingent considerations are measured at fair value at the time of the transaction and are subsequently revalued on each reporting occasion. Effects of the revaluation are recognized in the income statement.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method.

THE PARENT COMPANY

The Group's Parent Company, Elekta AB, carries out group management and provides joint group functions and financial management. The Parent Company's revenues consist mainly of dividends from subsidiaries. The most material balance sheet items are shares in subsidiaries, intra-group balances and external loans.

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and standard RFR 2 of the Swedish Financial Reporting Board. RFR 2 requires the Parent Company, in its annual accounts, to apply all the International Financial Reporting Standards (IFRS) as endorsed by the EU in so far as this is possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. RFR 2 states what exceptions from, and additions to, IFRS should be made.

Revenues

The Parent Company's revenues consist mainly of dividends from subsidiaries. Dividends are recognized when the right to receive payment is judged to be firm.

Shares in subsidiaries and shares in associates

Shares in subsidiaries and shares in associates are accounted for at cost less any accumulated impairment losses. Acquisition-related transaction costs are included in the cost of the shares. The recoverable amount of shares in subsidiaries or shares in associates is calculated whenever there is an indication of a reduction in value. Impairment is performed if the recoverable amount is lower than the carrying value. Impairment losses are recognized in the financial net in the income statement.

Financial instruments

Derivative financial instruments are accounted for at fair value. Changes in the fair values of derivative financial instruments are reported in the income statement with the exception of exchange differences related to a monetary item that forms part of a net investment in a foreign subsidiary. Such value changes are recognized in equity under other comprehensive income.

Group contributions

Group contributions are reported in accordance with RFR 2. Group contributions received and given are recognized as income from participations in Group companies and increase of shares in subsidiaries respectively. The tax effect of group contributions is recognized in the income statement in accordance with IAS 12.

Exchange rates

		Average rate			Closing rate		
Country	**Currency**	**2014/15**	**2013/14**	**Change**	**April 30, 2015**	**April 30, 2014**	**Change**
Australia	AUD	6.417	6.029	6%	6.562	6.098	8%
Canada	CAD	6.508	6.159	6%	6.869	5.995	15%
China	CNY	1.210	1.066	13%	1.331	1.049	26%
Euroland	EUR	9.252	8.791	5%	9.267	9.067	2%
United Kingdom	GBP	11.928	10.454	14%	12.769	11.043	16%
Hong Kong	HKD	0.967	0.842	15%	1.065	0.847	26%
Japan	JPY	0.067	0.065	3%	0.070	0.064	9%
USA	USD	7.495	6.527	15%	8.252	6.569	26%

Note 2 FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

As a result of its operations, the Elekta Group is exposed to a number of financial risks: market risk, credit risk and liquidity risk. The Group's overriding risk management policy focuses on the unpredictability of financial markets and seeks to reduce any potentially unfavorable effects on the Group's financial results. Risk management is conducted by the Group's finance department, which identifies, evaluates and hedges financial risks. Work is pursued in line with the policies established by the Board for overarching risk management and for specific areas such as currency risk, interest-rate risk, credit risk, utilization of derivative instruments and financial instruments that are not derivatives, and the investment of surplus liquidity.

Market risk

Market risk encompasses currency risk, interest-rate risk and price risk. The Group's exposure to and management of currency risk and interest-rate risk are described below. The Group's exposure to price risk is limited and is not described in particular.

Currency risk

Because of its international operations, the Group is exposed to currency risks in the form of transaction exposure and translation exposure. Transaction exposure arises as a result of future business transactions and translation exposure emerges as a result of recognized assets and liabilities in foreign currency as well as net investments in foreign operations. The Group's currency risk mainly arises from currency exposures in US dollars (USD), Euro (EUR), Brittish Pounds (GBP), Japanese Yen (JPY) and Chinese Yuan (CNY).

The Group's net revenue arises primarily in USD, EUR and JPY, while the Group's net expenses largely arise in Swedish kronor (SEK), GBP and CNY. Sales companies primarily have income and expenses in their functional currency while production companies are to a greater extent exposed to currency risk as sales are largely in a currency other than the functional currency. The currency risk that arises from future business transactions and recognized assets and liabilities are managed using derivative contracts based on forecasted net flows and recognized net balances.

Elekta's policy is to hedge the exchange-rate risk using forwards or options, the extent of which is determined by the Group's estimation of the exchange-rate risk and in accordance with the Group's established policy. Hedging is conducted on the basis of expected net sales over a period up to 24 months.

Each Group company is responsible for quantifying its transaction exposure in particular flow forecasts that then provide the basis for determination of the exposure and decisions on hedging measures. Currency hedging of recognized assets and liabilities in foreign currency is hedged, in accordance with policy, from 50 percent to 100 percent.

Hedging is carried out in order to reduce the effects of short-term fluctuations in currency markets.

The Parent Company's direct and indirect holdings in foreign operations entail that net assets in the foreign operations are exposed to currency risk. Such net investments in foreign currency are hedged when viewed as appropriate on an individual basis.

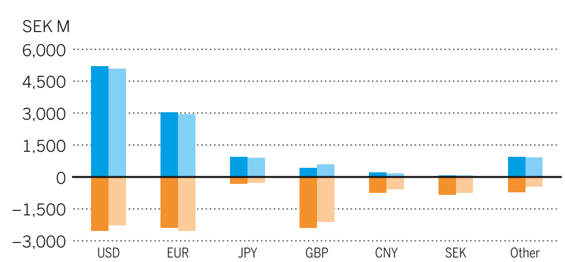
Based on the year's income, expense and currency structure (transaction exposure) a general change of one percentage point in the SEK exchange rate against other currencies would affect Group net profit and shareholders' equity by approximately +/– SEK 13 (17) M, exclusive of hedging effects. The table below shows the impact on net income from a 1 percent weakening of the Swedish krona (SEK) in relation to the major currencies.

Impact on operating result of a 1 percent weakening of SEK, SEK M

Currency	April 30, 2015	April 30, 2014
USD	27	28
EUR	6	4
JPY	6	6
GBP	–20	–15
CNY	–5	–4

The Group's net sales and operating expenses by currency for 2014/15 are shown in the following diagram.

NET SALES AND OPERATING EXPENSES PER CURRENCY 2014/15



Interest-rate risk

Interest-rate risk refers to the risk that changes in the interest rate level negatively affect Elekta's earnings, primarily as a result of higher expenses for long-term borrowing, since the Group's interest-rate risk primarily arises through long-term borrowing at variable interest rate.

Note 2 FINANCIAL RISK MANAGEMENT, cont.

Elekta's policy is to reduce the interest-rate risk through the use of loans, investments and derivatives. The Group's finance department analyzes exposure to interest-rate risk, whereby refinancing, turnover of existing positions, alternative financing and hedging are taken into account. Based on this, the effect on earnings that a certain change in the interest rate would have is calculated, in which the total change in the interest rate is used for all currencies.

Elekta usually obtains long-term loans at a variable or fixed interest rate based on current market conditions. Conversion to fixed or variable interest rates is done using interest rate derivatives when this is deemed appropriate from a risk management and market perspective. An interest rate swap entails that the Group reaches agreement with another party with the indicated intervals (such as per quarter) to swap the difference between fixed and variable interest amount, estimated on the basis of the contracted nominal amount.

Based on the balance sheet structure at year-end and under the assumption that all other variables were constant, a general change in the interest rate on loans and investments by one percentage point would affect the Group's net result and shareholders' equity by +/– SEK 12 (9) M, excluding hedging effects. The impact on the result is mainly attributable to lower/higher interest expense for loans at variable interest rate. No interest rate swaps with hedge accounting were undertaken during the year.

On April 30, 2015, interest-bearing liabilities totaled SEK 6,033 M (4,486), of which SEK 1 M (2) pertained to financial leasing. The average fixed interest term was 2.3 years (3.3) and the weighted average interest rate, taking interest rate derivatives into account, was 3.4 percent (3.8). See Note 25 for more information on interest-bearing loans.

Credit risk

Credit risk arises via financial credit risk related to cash and cash equivalents, derivative instruments and balances at banks and financial institutions as well as through credit exposure vis-á-vis customers and distributors. Credit risk is managed primarily at Group level, but, as regards credit risk in accounts receivable and accrued income, the primary responsibility lies with the individual Group companies. Maximum credit risk is deemed to correspond to the carrying values of the financial assets recognized in the balance sheet.

Financial credit risk

Elekta's finance policy includes special counterparty regulations in which the maximum credit exposure and the lowest credit rating for various counterparties are specified. Only banks and financial institutions that have received the lowest credit rating from Standard & Poor's – A (long) and A1+ (short) – are accepted. In accordance with the determined policy, with the goal of maintaining high liquidity combined with a low credit risk.

Credit risk in accounts receivable

Credit risk in accounts receivable, including accrued income, are managed primarily by the individual group companies. The credit risk for each new customer is analyzed before the conditions for payment and delivery are offered and a follow up of the credit risk in receivables outstanding and agreed transactions. A risk assessment is conducted continuously of credit worthiness through the observance of the customer's financial position and other influencing factors as well as previous experience. Elekta's credit risks are limited since customer operations are, to a large extent, financed either directly or indirectly by public funds and credit losses have historically been low. No single customer accounts for 10 percent or more of Elekta's net sales.

A continuous assessment is made of the credit risk in receivables outstanding and during the financial year 2014/15 the provision for bad debts increased by more than SEK 100 M, which is related to a higher risk level, associated primarily with projects in emerging markets. See Note 21 for an analysis of credit exposure in accounts receivable and provision for bad debts.

Liquidity risk

Liquidity risk pertains to the risk of not being able to cover payment obligations due to insufficient cash and cash equivalents or difficulties in obtaining external financing. The operating Group companies draw up cash flow forecasts, which are consolidated centrally. At the Group level, rolling forecasts for the Group's liquidity reserve are observed in order to ensure that the Group has sufficient cash resources to meet the requirements of current operations, while also retaining sufficient scope of unutilized credit facilities.

Excess liquidity in operating Group companies is transferred centrally and is managed by the Group's financial function. Investments are made primarily in interest-bearing accounts, term-limited borrowing, money market instruments and tradable securities, depending on which instrument is viewed as having an appropriate term or sufficient liquidity to meet the particular situation. In order to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2015, available cash and cash equivalents amounted to SEK 3,247 M (2,238), or 30 percent (21) of net sales. In addition, Elekta had SEK 1,922 M (1,887) in unutilized credit facilities.

The table below shows the Group's liquidity risk through a maturity analysis regarding financial liabilities (including interest payments as applicable) and derivatives recognized as financial liabilities. The amounts noted in the table are contractual, undiscounted cash flows classified on the basis of the term on the balance sheet date that remains to the agreed maturity date.

Maturity analysis: financial liabilities

	2015-04-30					2014-04-30				
SEK M	< 1 yr	> 1 yrs < 3 yrs	> 3 yrs < 5 yrs	> 5 yrs	Total	< 1 yr	> 1 yrs < 3 yrs	> 3 yrs < 5 yrs	> 5 yrs	Total
Loans (note 25)	1,154	1,984	1,915	1,256	6,309	292	3,310	484	1,141	5,227
Finance leases (note 25)	1	–	–	–	1	1	1	–	–	2
Provisions for contingent considerations (not 26)	–	91	16	–	107	–	–	–	–	–
Accounts payable	1,262	–	–	–	1,262	1,295	–	–	–	1,295
Derivative financial instruments – outflow, gross	5,750	124	–	–	5,874	1,216	18	–	–	1,234
Derivative financial instruments – inflow, gross	5,727	–122	–	–	5,605	–1,202	–18	–	–	–1,220
Other liabilities	225	–	–	–	225	215	–	–	–	215
Total	**14,119**	**2,077**	**1,931**	**1,256**	**19,383**	**1,817**	**3,311**	**484**	**1,141**	**6,753**

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to secure a going concern through maintaining a high creditworthiness and a well-balanced capital structure with the aim of generating return to shareholders and benefits for other stakeholders, and to keep down the costs of capital.

In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

Elekta's objective is that the net debt/equity ratio is not to exceed 0.5. This key figure is calculated as net debt in relation to total equity. Net debt is calculated as interest-bearing liabilities (short and long term according to the consolidated balance sheet) less cash and cash equivalents.

Net debt/Equity ratio

	Note	30 April, 2015	30 April, 2014
Interest-bearing liabilities	25	6,033	4,486
Cash and cash equivalents	23	−3,265	−2,247
Net debt		*2,768*	*2,239*
Total equity		*6,646*	*6,257*
Total capital		**9,414**	**8,496**
Net debt/Equity ratio		**0.42**	**0.36**

The net debt/equity ratio increased during the year from 0.36 to 0.42. The increase is primarily explained by higher net debt due to revaluation of loans in USD. See also Note 25 for more information on interest-bearing liabilities.

FINANCIAL INSTRUMENTS

The table below presents the Group's financial assets and financial liabilities by measurement category with the carrying amount and fair value per item. Fair value for long-term interest-bearing liabilities has been established by discounting future payment flows at current market interest rate and then converting to SEK at the current exchange rate. For other financial instruments the fair value is estimated to agree with the carrying amount.

Financial instruments per category

		April 30, 2015		April 30, 2014	
SEK M	**Note**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
FINANCIAL ASSETS					
Financial assets measured at fair value through profit or loss:					
Derivative financial instruments – non-hedging		70	70	40	40
Loan receivables and accounts receivable:					
Other financial assets	19	362	362	350	350
Accounts receivable	21	4,207	4,207	4,197	4,197
Other receivables	22	292	292	232	232
Cash and cash equivalents	23	3,265	3,265	2,247	2,247
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		15	15	67	67
FINANCIAL LIABILITIES					
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments – non-hedging		44	44	9	9
Other liabilities		45	45	–	–
Provisions for contingent considerations	26	107	107	–	–
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	25	4,958	5,252	4,361	4,614
Short-term interest-bearing liabilities	25	1,075	1,093	125	125
Accounts payable		1,262	1,262	1,295	1,295
Other liabilities		180	180	215	215
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		133	133	5	5

Note 2 FINANCIAL RISK MANAGEMENT, cont.

The table below shows how the Group's financial assets and financial liabilities, which are carried at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows:

- Level 1: Quoted prices on an active market for identical assets or liabilities
- Level 2: Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations)
- Level 3: Data not based on observable market data

Distribution by level when measured at fair value

	April 30, 2015				April 30, 2014			
SEK M	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	70	–	70	–	40	–	40
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	15	–	15	–	67	–	67
Total financial assets	**–**	**85**	**–**	**85**	**–**	**107**	**–**	**107**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	44	–	44	–	9	–	9
Provisions for contingent considerations	–	–	152	152	–	–	2	2
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	133	–	133	–	5	–	5
Total financial liabilities	**–**	**177**	**152**	**329**	**–**	**14**	**2**	**16**

Financial instruments Level 2

The fair value of financial instruments that are not traded on an active market are determined by means of available valuation techniques. Market information is used when available. The use of corporate-specific information is avoided whenever possible. If all important in-data required for a fair value valuation of an instrument is observable, the instrument is in level 2. Specific valuation techniques used in the valuation of financial instruments include, for example, listed market prices, fair value for interest-rate swaps, calculated as the present value of estimated future cash flows based on observable yield, fair value of currency forward contracts determined through the use of rates for currency foreign exchange contracts on the balance sheet date.

Financial instruments Level 3

The change during the year for instruments at level 3 primarily refers to contingent considerations for the year's acquisitions. Contingent considerations are valued at the fair value based on data available such as conditions set forth in the purchase agreement and current assessments of the estimated fulfillment of the conditions.

Outstanding derivative financial instruments

The Group's derivative financial instruments outstanding at April 30 are presented with nominal amounts and fair values in the table below. The total amount of fair values of assets and liabilities respectively are equivalent to the carrying values recognized in the balance sheet.

Derivatives outstanding

	April 30, 2015				April 30, 2014			
SEK M	**Nominal**	**Asset**	**Liability**	**Hedge reserve after tax**	**Nominal**	**Asset**	**Liability**	**Hedge reserve after tax**
Currency derivatives:								
Cash flow hedges	1,617	15	133	–95	1,553	67	5	45
Non-hedging	5,149	70	44	–	3,814	39	9	–
Currency derivatives, total	**6,766**	**85**	**177**	**–95**	**5,367**	**106**	**14**	**45**
Interest rate derivatives:								
Non-hedging	–	–	–	–	66	1	–	–
Interest rate derivatives, total	**–**	**–**	**–**	**–**	**66**	**1**	**–**	**–**
Derivatives, total	**6,766**	**85**	**177**	**–95**	**5,433**	**107**	**14**	**45**

The table below presents detailed information regarding the Group's outstanding cash flow hedges. Realized results from cash flow hedges amounted during the year to a loss of SEK 39 M (gain of 140) and have been recognized on the line "Currency rate differences" in the operating result.

Cash flow hedges outstanding

	April 30, 2015				April 30, 2014			
Currencies	**Currency**	**Amount**	**Term**	**Exchange rate**	**Currency**	**Amount**	**Term**	**Exchange rate**
EUR/GBP	EUR	22 M	3–21 mån	0.806 EUR/GBP	EUR	42 M	3–21 mån	0.866 EUR/GBP
EUR/SEK	EUR	19 M	6–22 mån	9.254 EUR/SEK	EUR	32 M	6–24 mån	8.990 EUR/SEK
JPY/GBP	JPY	1,700 M	8–23 mån	0.006 JPY/GBP	JPY	1,200 M	6–12 mån	0.006 JPY/GBP
JPY/SEK	JPY	900 M	3–23 mån	0.063 JPY/SEK	JPY	2,100 M	3–23 mån	0.068 JPY/SEK
USD/GBP	USD	68 M	3–21 mån	0.638 USD/GBP	USD	62 M	3–12 mån	0.643 USD/GBP
USD/SEK	USD	60 M	3–18 mån	7.162 USD/SEK	USD	40 M	3–12 mån	6.666 USD/SEK

The hedged transactions in foreign currency are estimated to take place in the coming 24 months. Results from the forward exchange agreements recognized in the hedge reserve in shareholders' equity on 30 April 2015, will be accounted for in the income statement in the periods when the hedged transactions will affect the income statement. The estimated future effect from outstanding cash flow hedges are presented in the table below.

Outstanding cash flow hedges' estimated effect on the income statement

	2015/16				2016/17			
SEK M	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Expected result from cash flow hedges	–4	–7	–26	–67	–3	–4	–8	1

OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Offsetting of financial assets and liabilities consists solely of derivative instruments that are encompassed by legally binding agreements on offsetting.

Offsetting of financial assets and liabilities

	2014/2015					2013/2014				
SEK M	**Gross amount**	**Amounts set off in the balance sheet**	**Net amounts in the balance sheet**	**Amounts covered by netting agreements but not set off**	**Net amount**	**Gross amount**	**Amounts set off in the balance sheet**	**Net amounts in the balance sheet**	**Amounts covered by netting agreements but not set off**	**Net amount**
Financial assets	85	–	85	–82	3	107	–	107	–14	93
Financial liabilities	177	–	177	–82	95	14	–	14	–14	–

In the case of financial assets and liabilities that are subject to legally binding offsetting agreements, each agreement between the company and the counterparties permit net deduction of the relevant financial assets and liabilities if both parties elect to apply net deduction. If both parties are not in agreement regarding net deduction, gross deduction is applied. In the event that one party defaults, the other party is entitled to deduct on a net basis.

Note 3 ESTIMATES AND ASSESSMENTS

The preparation of financial statements and application of accounting standards require that management use estimates and assessments. Therefore, they make certain assumptions which are considered reasonable under the prevailing circumstances. Thus, estimates and assessments affect the financial reports and they are frequently based on experience as well as other factors, including expectations of future events. Using other assumptions than those actually applied in the preparation of the financial reports the result can be different and the actual outcome seldom complies with the anticipated result. For Elekta, estimates and assessments are particularly important in revenue recognition, valuation of accounts receivable, calculation of deferred taxes and impairment testing of goodwill. Estimates and assessments are continually reassessed. Amounts below refer to 30 April 2015 (2014) unless otherwise stated.

REVENUE RECOGNITION

One of the conditions for revenue recognition is that revenue from the sale of products is recognized when the risks and rewards of ownership of the goods has been transferred to the buyer. The assessment of when these risks and rewards are transferred requires that each contract is examined of the circumstances affecting the transaction. The risk and rewards related to hardware products are usually taken as transferred to the customer upon shipment or delivery depending on the contracted shipment terms. Thus, the main part of revenue is normally recognized upon either shipment or delivery. The timing of revenue recognition often does not coincide with invoicing and payments from customers. Therefore, the assessment of the conditions for revenue recognition being satisfied often forms the basis for amounts recognized as either accounts receivable or accrued income. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income. Net sales for the year amounted to SEK 10,839 M (10,694). Accrued income amounted to SEK 1,895 M (1,699). Accounts receivable amounted to SEK 4,207 M (4,197). For more information on accounts receivable see below.

VALUATION OF ACCOUNTS RECEIVABLE

Accounts receivable is one of the most significant items in the balance sheet and is carried at nominal value net after provisions for bad debts. Thus, the provision for bad debts is subject to estimates and assessments. The provision is relatively low which is explained by the fact that the Group's credit risk is low and credit losses have historically been low. Accounts receivable amounted to SEK 4,207 M (4,197) including bad debt provisions of SEK 156 M (44). See Note 2 for further information regarding the credit risk in accounts receivable and Note 21 for more information on accounts receivable and the provision for bad debts.

CALCULATION OF DEFERRED TAXES

Deferred tax assets and deferred tax liabilities are balance sheet items which are subject to estimates and assessments. Deferred tax is calculated on temporary differences between the carrying amounts and the tax values of assets and liabilities. Estimates and assessments affect the recognized deferred tax amounts in the determination of the carrying amounts of the different assets and liabilities, and also through forecasts regarding future taxable profits in those cases where a future utilization of deferred tax assets depends on future taxable profits. Deferred taxes amounted to a net liability of SEK 508 M (544), whereof assets SEK 224 M (143) and liabilities SEK 732 M (687). See Note 14 for more information on deferred taxes.

IMPAIRMENT TESTING OF GOODWILL

For the Group, the most significant estimates and assumptions are those relating to impairment testing of goodwill. This means that the effect on the financial reports may be considerable if the estimates and assessments made would prove to deviate significantly from the actual outcome. In connection with impairment testing of goodwill the carrying amount is compared with the recoverable amount. The recoverable amount is determined by the higher of an asset's net realizable value and its value in use. Normally, it is not possible to determine the net realizable value. Therefore, the value in use is normally the value being compared with the carrying amount. Thus, each cash generating unit's value in use is calculated in assessing any impairment of goodwill. Calculations are performed through discounting future estimated cash flows. In order to perform the calculations a number of assumptions concerning future circumstances and estimates of parameters are made, for example growth and discount rate. Any adjustments of the assumptions made could have an effect on the carrying amount of the goodwill. Assuming a lower growth rate would lead to a lower recoverable amount. A higher discount rate would also lead to a lower recoverable amount. Goodwill amounted to SEK 5,338 M (4,549). Refer to Note 15 for more information on goodwill and for a description of the impairment test performed, major assumptions made as well as the effects of likely changes to them.

Note 4 SEGMENT REPORTING

The accounting principles applied in the segment reporting are the same as in the group accounts.

Net sales per country

SEK M	2014/15	2013/14
Sweden	56	59
USA	2,990	2,727
China	1,422	1,195
Japan	939	904
Germany	663	619
Italy	382	390
United Kingdom	373	537
France	291	309
India	271	205
Australia	253	318
Other countries	3,199	3,431
Total	**10,839**	**10,694**

Net sales per country is based on sales to customers in the respective country. There is no individual customer representing more than 10 percent of net sales.

Tangible fixed assets per country

SEK M	2014/15	2013/14
Sweden	71	64
United Kingdom	354	192
USA	149	110
China	136	106
Netherlands	91	90
Other countries	80	62
Total	**881**	**624**

Information on other non-current assets (intangible assets) per country cannot be disclosed as the necessary information is not available.
See note 15 for information on goodwill per region.

2014/15 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	3,651	3,829	3,359	10,839	
Operating expenses	–2,573	–2,790	2,579	–7,942	73%
Contribution margin	**1,078**	**1,039**	**779**	**2,897**	**27%**
Contribution margin, %	30%	27%	23%		
Global costs				–1,957	18%
Non-recurring items				–3	
Operating result				**937**	**9%**
Income from participations in associated companies				0	
Financial income				25	
Financial expenses				–259	
Exchange rate differences				13	
Income before tax				**716**	
Income tax				–158	
Profit for the year				**558**	
Net sales per product type					
Hardware	1,737	2,301	2,218	**6,256**	
Software	303	295	443	**1,041**	
Service	1,611	1,234	697	**3,542**	
Total	**3,651**	**3,829**	**3,359**	**10,839**	
Depreciation/Amortization	–213	–265	–34	–512	
Investments	324	625	33	982	

2013/14 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	3,328	4,220	3,146	10,694	
Operating expenses	–2,246	–2,785	–2,308	–7,339	69%
Contribution margin	**1,082**	**1,435**	**838**	**3,355**	**31%**
Contribution margin, %	33%	34%	27%		
Global costs				–1,467	
Non-recurring items				–161	14%
Operating result				**1,727**	**16%**
Income from participations in associated companies				–15	
Financial income				23	
Financial expenses				–231	
Exchange rate differences				–2	
Income before tax				**1,502**	
Income tax				–350	
Profit for the year				**1,152**	
Net sales per product type					
Hardware	1,593	2,796	2,164	**6,553**	
Software	346	346	419	**1,111**	
Service	1,389	1,078	563	**3,030**	
Total	**3,328**	**4,220**	**3,146**	**10,694**	
Depreciation/Amortization	–154	–228	–32	**–414**	
Investments	186	482	58	**726**	

Note 5 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

SEK M	Group 2014/15	Group 2013/14	Parent Company 2014/15	Parent Company 2013/14
Salaries and remunerations:				
Board and Managing director	108	94	12	10
Other employees	2,583	2,238	35	33
Total salaries and other remunerations	**2,691**	**2,332**	**47**	**43**
Social security costs:				
Pension costs	214	175	11	6
Other social security costs	341	281	19	14
Total social security costs	**555**	**456**	**30**	**20**
Total salaries, other remuneration and social security costs	**3,246**	**2,788**	**77**	**63**

Bonuses included in the above salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 20 M (20), and SEK 2 M (1) in the Parent Company. Total pension costs amounted to SEK 214 M (175) of which SEK 17 M (11) concern defined benefit pension plans. Total pension cost in the Parent Company amounted to SEK 11 M (6) of which SEK – M (–2) concern defined benefit pensions plans. For further information regarding the defined benefit pension plans see note 26.

REMUNERATION TO THE BOARD OF DIRECTORS

According to the resolution by the AGM, fees totaling SEK 4,320,000 (4,005,000) were paid to the Board of Directors. The fees were distributed in accordance with the table below.

Fees for the Board of Directors

Thousands	April 30, 2015 Regular Remuneration	April 30, 2015 Remuneration Compensation Committee	April 30, 2015 Remuneration Audit Committee	April 30, 2014 Regular Remuneration	April 30, 2014 Remuneration Compensation Committee	April 30, 2014 Remuneration Audit Committee
Chairman:						
Laurent Leksell	1,040	90	–	1,000	70	–
Members:						
Hans Barella	445	–	200	425	–	175
Luciano Cattani	445	50	–	425	35	–
Siaou-Sze Lien	445	50	–	425	35	–
Tomas Puusepp	–	–	–	–	–	–
Wolfgang Reim	445	–	–	425	–	–
Jan Secher	445	–	110	425	–	70
Birgitta Stymne Göransson	445	–	110	425	–	70
Total	**3,710**	**190**	**420**	**3,550**	**140**	**315**

REMUNERATION TO EXECUTIVE MANAGEMENT

The guidelines for remuneration to the Executive Management, which are proposed by the Board of Directors for the AGM on September 1, 2015 are presented on pages 74–75. The proposed guidelines are unchanged compared to those proposed by the Board of Directors and approved by the AGM on August 28, 2014. The Executive Management for 2014/2015 was comprised of a total of eleven people, of whom four are located in Sweden and the other seven in China, the Netherlands, the UK and the US. The tables below display remunerations and other benefits to the Executive Management in 2014/15 and 2013/14 respectively.

One member of Elekta's Executive Management team has been offered, and has accepted, to participate in an individual performance based incentive scheme extending to 2016/2017. The requirements for fulfilling the objectives for the scheme, and the related progressive payouts, are regulated in an agreement that has been approved by Elekta's Executive Compensation & Capability Committee, ECCC. No costs have been charged to the income statement of the year.

Remuneration and other benefits to executive management during the year 2014/15

Thousands	Fixed remuneration	Variable remuneration	Share-based compensation	Other benefits	Pension costs	Total
President and CEO	4,040	976	–	83	1,867	6,966
Other senior executives resident in Sweden (3)	4,406	287	–	173	1,080	5,946
Other senior executives resident abroad (7)	27,086	6,700	–	2,217	1,807	37,810
Total senior executives	**35,532**	**7,963**	**–**	**2,473**	**4,754**	**50,722**
Executive Director of the Board/Previous President and CEO	4,645	–	–	111	1,597	6,353

Remuneration and other benefits to executive management during the year 2013/14

Thousands	Fixed remuneration	Variable remuneration	Share-based compensation	Other benefits	Pension costs	Total
President and CEO	4,520	1,301	–	70	1,564	7,455
Other senior executives resident in Sweden (2)	4,538	905	–	180	1,379	7,002
Other senior executives resident abroad (7)	22,163	5,986	–	1,573	1,971	31,693
Total senior executives	**31,221**	**8,192**	**–**	**1,823**	**4,914**	**46,150**
Executive Director of the Board/Previous President and CEO	1,653	764	–	54	196[1)]	2,667
of which after end of employment	*590*	*236*	–	*20*	–	*846*

[1)] The pension obligation amounts to SEK 51 M whereof 30 M is covered by a capital redemption policy. See also note 26.

Variable remuneration pertains to the bonus for the 2014/15 and 2013/14 fiscal years respectively, partly paid quarterly during each fiscal year and partly paid in the year after.

SHARE BASED PAYMENT

As per April 30, 2015, Elekta has three outstanding share programs. The share program Performance Share Plan 2011/14, which was outstanding as per April 30, 2014, has been concluded during the year.

The total number of shares that may be allotted under the share programs is 2,753,462 (2,624,923) B-shares. There is no dilutive effect from the share programs since they are secured by delivery of shares already held or repurchased by Elekta and, consequently, no new shares will be issued under the share programs.

The share-related incentive programs are reported in accordance with IFRS 2 Share-based payments. No costs have been incurred under the outstanding performance share programs in 2014/15 and 2013/14 as the financial targets have not been reached. See page 64 for more information.

SHARE PROGRAMS

The AGM has for a number of years resolved to adopt share programs called Performance Share Plans. Performance Share Plan 2011/14, resolved by the AGM in 2011, was concluded during the year. For information on the program see the annual report 2013/14 pages 114–115.

Outstanding programs as per April 30 2015 were Performance Share Plan 2012/15, 2013/16 and 2014/17 respectively. The Performance Share Plans cover approximately 150 (2012/15 and 2013/16) and 180 key employees of the Group respectively. The Performance Share Plans entitle the participants to obtain, free of charge, B-shares in Elekta upon fulfillment of certain performance requirements.

The main terms of the Performance Share Programs are that

- a performance share award shall entitle a participant to receive, subject to the terms and conditions set forth in the Performance Share Plans 2012, 2013 and 2014 and applicable award agreements, a number of B-shares based upon the attainment of performance targets over a three year performance period
- each performance share award shall be subject to forfeiture in the event of termination of employment due to a reason other than death, disability or retirement or failure to attain performance targets over the applicable performance period
- performance share awards shall be settled through the delivery of shares unless otherwise decided by the Board
- the number of shares to be allotted will depend on the degree of fulfillment of financial targets.

The financial targets for Performance Share Plans 2012 and 2013 are defined as average annual percentage growth rate in earnings per share (EPS) during the fiscal years 2012/13 and 2013/14 respectively, until the fiscal years 2014/15 and 2013/16 respectively, versus EPS for the fiscal years 2011/12 and 2012/13 respectively. Under Performance Share Plan 2012/15 the maximum number of shares will be allotted if the annual average EPS growth is at or exceeds 22 percent, no allotment of shares will occur if the annual average EPS growth is below 15 percent and allotment of shares between annual average EPS growth 15 and 22 percent is linear. Under Performance Share Plan 2013/16 the maximum number of shares will be allotted if the annual average EPS growth is at or exceeds 16 percent, no allotment of shares will occur if the annual average EPS growth is below 9 percent and allotment of shares between annual average EPS growth 9 and 16 percent is linear.

The financial targets for Performance Share Plan 2014 are defined as the Group's earnings before interest, taxes and amortizations (EBITA) with 50 percent weight, and the Group's business volume in local currency (sales and orders) with 50 percent weight. The performance targets are measured and shares are earned by one-third each financial year from 2014/2015 until 2016/2017. The financial targets include a minimum level that must be exceeded in order for any allotment to occur, and a maximum level in excess of which no additional allotment will occur. Allotment between the minimum level and maximum level is linear. The Board establishes the minimum and maximum level for the respective performance target. The levels that are established and to what extent they have been achieved will be presented at latest when the program ends.

Note 5 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS, cont.

The terms of the Performance Share Programs 2012, 2013 and 2014 further state that

- the performance targets may be adjusted should an event occur that affects the operations of the Company or the number of outstanding Elekta shares or otherwise affecting the performance targets and deemed relevant by the Board
- the performance targets will be finally evaluated at the end of the applicable performance period and each participant will receive the number of shares he/she is entitled to according to the participant's award agreement depending on the attainment of the applicable performance targets over the performance period
- the value that a participant can receive in settlement of the performance share award is maximized at 400 percent of the value of the shares at the date of grant of the performance share award.

Potential allotments of shares will take place September 4, 2015, September 13, 2016 and September 21, 2017, respectively. Participants shall at allotment of shares receive compensation for any cash dividends paid during the respective three year performance period.

Before the number of shares to be allotted is finally determined, the Board shall examine whether the allotment is reasonable, taking into consideration the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board, reduce the number of shares to be allotted to the lower number of shares deemed appropriate by the Board. Delivery of shares and dividend compensation in settlement of the Performance Share Award shall be made as soon as practicable following the lapse of the performance period.

The conditions of the share programs state that the right to Performance Share Awards may be settled in other ways than through the delivery of shares. As per April 30, 2015, there were no material obligations to settle in any other way than through shares.

Share program

SEK M	2011/14	2012/15	2013/16	2014/17
Originally designated number of shares	877,216	1,043,040	773,000	976,726
Theoretical value at time of issue, SEK	66,306,468	78,228,000	77,300,000	92,788,970
Allotment of shares	2014-11-14	2015-09-04	2016-09-13	2017-09-21
Number of shares as of April 30, 2014	845,584	1,017,924	761,415	–
Granted during the year	–	–	25,000	976,726
Cancelled/Expired during the year	–845,584	–7,176	–5,096	–15,331
Released during the year	–	–	–	–
Number of share as of April 30, 2015	**–**	**1,010,748**	**781,319**	**961,395**

Note 6 DEPRECIATION/AMORTIZATION

	Group	
SEK M	2014/15	2013/14
Cost of products sold	81	72
Selling expenses	100	91
Administrative expenses	68	54
R&D expenses	263	197
Total	**512**	**414**

Note 7 OPERATING LEASES

	Group	
SEK M	2014/15	2013/14
Leasing fees paid during the year	167	138
Nominal value of agreed future leasing fees:		
Due for payment within 1 year	173	132
Due for payment after 1 year but within 5 years	440	346
Due for payment after more than 5 years	350	259
Total	**963**	**737**

Leasing fees paid by the Parent Company during the year amounted to SEK 198 K (198). Future leasing fees due for payment within one year amount to SEK 180 K (264), after 1 year but within 5 years SEK 110 K (290).

Note 8 REMUNERATIONS TO AUDITORS

	Group		Parent Company	
SEK M	2014/15	2013/14	2014/15	2013/14
Group auditor (PwC)				
Audit engagements	10	10	4	4
Audit-related services	0	0	0	0
Tax consultancy	3	8	1	1
Other services	2	2	1	2
Total group auditor	**16**	**21**	**6**	**7**
Other auditors				
Audit engagements	0	0	–	–
Audit-related services	0	0	–	–
Tax consultancy	0	1	–	–
Other services	0	1	–	–
Total other auditors	**1**	**2**	**–**	**–**
Total	**16**	**23**	**6**	**7**

Audit engagements refers to remuneration to auditors for work related to the statutory audit, including audit of the annual report and the accounting records, the administration of the Board of Directors and the CEO as well as audit consultancy work directly linked to the audit assignment. Audit-related services comprises quality assurance services, including consultancy work driven by observations made in the audit engagement. Other services refers to other services/consultancy work which are not covered by any of the other categories above, e g consultancy work related to internal control and acquisitions.

Note 9 EXPENSES BY NATURE

In the income statement costs are broken down by function. Operating expenses amount to SEK 9,902 M (8,967). Below, operating exepenses are broken down by nature:

	Group	
SEK M	**2014/15**	**2013/14**
Products, materials and consumables	4,349	4,036
Personnel costs	3,294	2,833
Depreciation and amortization (Notes 6, 15 and 16)	512	414
Operating leasing fees (Note 7)	167	138
Other expenses	1,580	1,546
Total	**9,902**	**8,967**

Note 10 INCOME FROM PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
SEK M	**2014/15**	**2013/14**
Dividends from subsidiaries	810	588
Group contribution received	97	90
Divestment of shares in subsidiaries	–125	–
Total	**782**	**678**

Note 11 NET FINANCIAL ITEMS

	Group	
SEK M	**2014/15**	**2013/14**
Income from participations in associates	**0**	**–15**
Interest income, external	25	22
Other financial income	–	1
Financial income	**25**	**23**
Interest expenses, convertible loan	–69	–69
Interest expenses, other external loans	–148	–133
Other financial expenses	–42	–29
Financial expenses	**–259**	**–231**
Exchange rate differences on financial instruments	**13**	**–2**
Net financial items	**–221**	**–225**

Note 12 INTEREST INCOME, INTEREST EXPENSE AND SIMILAR ITEMS

	Parent Company	
SEK M	**2014/15**	**2013/14**
Interest income from subsidiaries	181	165
Interest income, external	12	9
Interest income and similar items	**193**	**174**
Interest expenses to subsidiaries	–13	–14
Interest expenses, convertible loan	–69	–69
Interest expenses, other external loans	–128	–117
Other financial expenses	–13	–9
Interest expenses and similar items	**–223**	**–209**

Note 13 APPROPRIATIONS AND UNTAXED RESERVES

	Parent Company			
	Appropriations		Untaxed reserves	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Tax allocation reserve	–16	1	43	26
Total	**–16**	**1**	**43**	**26**

Note 14 TAXES

Income taxes

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Current taxes	–201	–348	–14	–3
Adjustments for prior years	–6	30	0	–1
Deferred taxes	49	–31	5	–5
Participations in taxes of associates	0	–1	–	–
Total	**–158**	**–350**	**–9**	**–9**

Swedish tax	22%	22%
Effect of other tax rates for foreign companies	2%	3%
Changes in tax legislation	–	–
Tax related to prior years	–2%	–2%
Other	0%	0%
Tax rate	**22%**	**23%**

Note 14 TAXES, cont.

Current tax, net (liability +/receivable –)

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Opening balance, May 1	188	219	–3	–5
Business combination	6	–	–	–
Reclassifications	–24	–	–	–
Adjustment for prior years	6	–30	0	1
Current tax for the year	201	348	14	3
Paid taxes	–362	–353	–3	–2
Translation differences	12	4	–	–
Closing balance, April 30	**27**	**188**	**8**	**–3**

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets/liabilities in the balance sheet are attributable to the following:

Group	Assets (+)		Liabilities (–)		Net	
SEK M	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Loss carry-forwards	35	33	–	–	35	33
Untaxed reserves	–	–	–67	–75	–67	–75
Intangible assets	–	–	–710	–633	–710	–633
Tangible fixed assets	15	12	–74	–19	–59	–7
Financial assets/liabilities	25	–	–	–16	25	–16
Other assets	157	95	–3	–14	154	81
Other liabilities	121	80	–7	–7	114	73
Deferred tax assets/tax liabilities	**353**	**220**	**–861**	**–764**	**–508**	**–544**
Offsetting	–129	–77	129	77	–	–
Net deferred tax assets/tax liabilities	**224**	**143**	**–732**	**–687**	**–508**	**–544**

Deferred tax assets (+)/liabilities (–), net

SEK M	**Group, net**	**Parent Company, net**
Opening balance May 1, 2013	–490	15
Adjustment for prior years	–2	–
Deferred taxes for the year	–29	–5
Deferred taxes charged against shareholders' equity	0	–2
Translation differences	–23	–
Closing balance April 30, 2014	**–544**	**9**
Adjustment for prior years	23	–
Deferred taxes for the year	26	5
Deferred taxes charged against shareholders' equity	41	–2
Translation differences	–53	–
Closing balance April 30, 2015	**–508**	**11**

The Group has tax loss carry forwards of approximately SEK 330 (400) M for which deferred tax assets have not been recognized based on the assessment that it is not probable that deductions can be made against future profits.

Tax relating to components of other comprehensive income

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Revaluation of defined benefit pension plans	2	1	–	–
Revaluation of cash-flow hedges	41	1	–	–
Exchange difference on net investment in foreign operations	–2	–2	–2	–2
Total	**41**	**0**	**–2**	**–2**

Note 15 INTANGIBLE ASSETS

SEK M	Goodwill	Capitalized development costs	Customer relationships	Other intangible assets	Total
Accumulated acquisition value May 1, 2014	4,549	1,669	1,202	767	8,187
Business combinations	317	–	–	–	317
Purchases/capitalization	–	683	–	2	685
Divestments/disposals	–	–	–5	–	–5
Translation differences	472	260	74	101	907
Accumulated acquisition value April 30, 2015	**5,338**	**2,612**	**1,271**	**870**	**10,091**
Accumulated amortization May 1, 2014	–	–642	–223	–477	–1,342
Divestments/disposals	–	–	2	–	2
Amortization for the year	–	–236	–65	–65	–366
Translation differences	–	–99	–28	–84	–211
Accumulated amortization April 30, 2015	**–**	**–977**	**–314**	**–626**	**1,917**
Carrying amount April 30, 2015	**5,338**	**1,635**	**957**	**244**	**8,174**
Accumulated acquisition value May 1, 2013	4,411	1,136	1,151	747	7,445
Purchases/Capitalization	–	489	–	3	492
Translation differences	138	44	51	17	250
Accumulated acquisition value April 30, 2014	**4,549**	**1,669**	**1,202**	**767**	**8,187**
Accumulated amortization May 1, 2013	–	–457	–157	–407	–1,021
Amortization for the year	–	–172	–61	–62	–295
Translation differences	–	–13	–5	–8	–26
Accumulated amortization April 30, 2014	**–**	**–642**	**–223**	**–477**	**–1,342**
Carrying amount April 30, 2014	**4,549**	**1,027**	**979**	**290**	**6,845**

Other intangible assets mainly relates to technology acquired through business combinations. Capitalized development costs comprise capitalized expenditure for research and development as well as other capitalized development costs such as Software. Total capitalized development costs amounted to SEK 683 M (489) for the year whereof capitalization of development costs within R&D amounted to SEK 680 M (484).

IMPAIRMENT TESTING

Goodwill is tested for impairment every year in order to assure that the carrying amount of each of the Group's cash-generating units is not higher than its recoverable amount. The Group's cash-generating units equal the geographic regions, which also constitute the Group's operating segments. The carrying amount equals capital employed and the recoverable amount for each cash-generating unit is determined based on a calculation of value in use for each unit. The allocation of goodwill to cash-generating units (operating segments) is shown in the table below.

Goodwill by segment

SEK M	April 30, 2015	April 30, 2014
North and South America	1,867	1,585
Europe, Middle East and Africa	1,882	1,527
Asia Pacific	1,589	1,437
Total	**5,338**	**4,549**

The value in use for each unit is derived from discounted cash flows, based on estimated future cash flows. The estimates are based on the financial budget for the next fiscal year as determined by the Executive Management, and expected future development up to five years. Assumptions regarding sales volume, sales prices, operating expenses and product mix form the basis for estimated future growth and margin development. Volume assumptions are based on historical outcome, the executive management's expectations on market development, and expected global market growth. Price assumptions are based on current market trends and inflation forecasts. Margin development is based on current margin levels and product mix adjusted for expected price changes and possible changes in the product mix. For periods after five years, the extrapolation of expected cash flows has been assumed to be a prudent 2 (2) percent, which is considerably lower than the anticipated industry growth. The cash flows have been discounted using a pre-tax interest rate of 8 (9) percent. The interest rate corresponds to the Group's current weighted cost of capital (WACC) and is based on current market assessments.

Impairment testing is performed in April/May every year, after the budget and business plans have been determined by the Executive Management. The 2015 (2014) test showed that there is no impairment.

Sensitivity analyses have been carried out with regard to the discount rate (risk) and long-term growth with a general reduction in the growth rate after five years of 2 (2) percentage points (implying an assumption of zero growth) and a general increase in the weighted capital cost of 2 (3) percentage points. The sensitivity analyses did not demonstrate any impairment.

In addition to the annual impairment test, goodwill is tested whenever there are indications of impairment.

Note 16 TANGIBLE FIXED ASSETS

SEK M	Machinery etc for production	Equipment, tools and installations	Finance lease equipment	Buildings	Total
Accumulated acquisition value May 1, 2014	112	980	7	213	1,312
Reclassifications	2	–2	–	0	0
Business combinations	–	6	–	–	6
Purchases	17	272	–	8	297
Divestments/Disposals	–33	–59	0	–	–92
Translation differences	19	139	0	32	190
Accumulated acquisition value April 30, 2015	**117**	**1,336**	**7**	**253**	**1,713**
Accumulated depreciation May 1, 2014	–61	–602	–5	–20	–688
Reclassifications	0	0	–	0	0
Divestments/Disposals	33	58	0	0	91
Depreciation for the year	–9	–127	–1	–9	–146
Translation differences	–10	–77	0	–3	–90
Accumulated depreciation April 30, 2015	**–47**	**–748**	**–6**	**–32**	**–832**
Carrying amount April 30, 2015	**70**	**588**	**1**	**221**	**881**
Accumulated acquisition value May 1, 2013	134	984	9	129	1,256
Reclassifications	–	16	–	–1	15
Purchases	12	143	–	79	234
Divestments/Disposals	–40	–188	–1	–	–229
Translation differences	6	25	–1	6	36
Accumulated acquisition value April 30, 2014	**112**	**980**	**7**	**213**	**1,312**
Accumulated depreciation May 1, 2013	–91	–660	–5	–13	–769
Reclassifications	–	–4	–	–	–4
Divestments/Disposals	40	184	1	–	225
Depreciation for the year	–7	–104	–1	–7	–119
Translation differences	–3	–18	0	0	–21
Accumulated depreciation April 30, 2014	**–61**	**–602**	**–5**	**–20**	**–688**
Carrying amount April 30, 2014	**51**	**378**	**2**	**193**	**624**

Note 17 SHARES IN SUBSIDIARIES

	Parent Company	
SEK M	2014/15	2013/14
Opening balance May 1	1,877	1,837
Investments	266	40
Liquidation	–1	–
Shareholder contributions	125	–
Write-down	–125	–
Closing balance April 30	**2,142**	**1,877**

Company	Corp. id. no.	Domicile	No. of shares	Interest, %	Carrying amount, SEK M
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50
Leksell Institute AB	556942-6314	Stockholm, Sweden	50,000	100.0	0
Elekta Neuromag Oy	0756256-7	Helsinki, Finland	1,832	100.0	44
Elekta KK	65 820	Tokyo, Japan	2,000	100.0	36
Elekta Holding Limited	2699176	Crawley, England	22,810,695	100.0	494
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	433
Elekta Canada Inc.	R889657862	Toronto, Canada	1	100.0	229
Elekta Asia Ltd	502 493	Hongkong, S.A.R.	81,022,160	100.0	13
Elekta Instrument (Shanghai) Ltd		Shanghai, China		100.0	2
Elekta BMEI (Beijing) Medical Equipment Co., Ltd.		Beijing, China		100.0	230
Elekta Pty Limited	ACN 109 006 966	Sydney, Australia	1	100.0	1
Elekta Medical System India Private Limited	U33112DL2005PTC139794	New Delhi, India	10,000	100.0	31
Elekta SA	B 414 404 913	Paris, France	2,500	100.0	4
Elekta Medical SA	A-818 867 31	Madrid, Spain	10,000	100.0	3
Elekta GmbH	HRB 63500	Hamburg, Germany		100.0	0
Medical Intelligence Medizintechnik GmbH	HRB 14835	Schwabmünchen, Germany		100.0	145
Elekta Kft.		Budapest, Hungary		100.0	3
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3
Elekta Hellas EPE	998 569 196	Aten, Greece		100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0
Elekta S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	34
3D Line Research and Development S.r.l.		Milan, Italy		100.0	32
Elekta Medical Systems Comercio e Prestacao de Servicos para Radiologia, Radiocirurgia e Radioterapia Ltda		Sao Paolo, Brazil		100.0	73
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0
Elekta Pte Ltd	20090927AZ	Singapore, Singapore	10,000	100.0	0
Elekta Limited, Korea	1311111-0259	Seongnam-si, South Korea	473,879	100.0	16
Elekta Services S.R.O	292 80 095	Brno, Czech Republik		100.0	0
Elekta Medikal Sistemler Ticaret A.S.	196757	Istanbul, Turkey	1	100.0	92
Elekta Medical SA de CV	EME140919G49	Mexico City, Mexico	1	100.0	26
Elekta sp.Z.O.O	KRS 0000538192	Warszawa, Poland	1	100.0	147
Total					**2,142**

Note 18 SHARES IN ASSOCIATES

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Opening balance, May 1	5	25	27	27
Investments	–	0	–	–
Participations in income of associates (Note 11)	0	–15	–	–
Dividends etcetera	–3	–4	–	–
Translation differences	7	0	–	–
Closing balance, April 30	**9**	**5**	**27**	**27**

As of April 30, 2015, the carrying amount of the Parent Company's holding in Global Medical Investments GMI AB was SEK 27 (27) M and the Group's holding in Global Medical investments GMI AB was SEK 0 (2) M.

Note 19 OTHER FINANCIAL ASSETS

	Group		Parent Company	
SEK M	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Participations in other companies	8	6	–	–
Derivative financial instruments	1	4	–	1
Loan receivables	62	110	26	30
Contractual receivables	180	194	–	–
Other non-current receivables	111	40	43	24
Total	**362**	**354**	**69**	**54**

Note 20 INVENTORIES

	Group	
SEK M	**April 30, 2015**	**April 30, 2014**
Components	131	213
Work in progress	293	125
Finished goods	873	740
Total	**1,297**	**1,078**

Impairment of inventories amounted to SEK 41 M (27).

Note 21 ACCOUNTS RECEIVABLE

	Group	
SEK M	**April 30, 2015**	**April 30, 2014**
Accounts receivable, gross	4,363	4,241
Provision for bad debts	–156	–44
Carrying amount	**4,207**	**4,197**

Credit risk analysis of accounts receivable	**April 30, 2015**	**April 30, 2014**
Not due	3,475	3,560
Overdue 1–30 days	329	205
Overdue 31–60 days	113	84
Overdue 61–90 days	104	52
Overdue > 90 days	186	296
Total accounts receivables, net	**4,207**	**4,197**

Provision for bad debts	**April 30, 2015**	**April 30, 2014**
Opening balance, May 1	–44	–64
Provisions	–151	–32
Reversals	8	6
Realized loss	37	48
Translation differences	–6	–2
Closing balance, April 30	**–156**	**–44**

Elekta has a history of relatively small bad debt provisions due to the fact that credit risks usually are limited and that credit losses have been on a low level over time. The higher bad debt provision in 2014/15 relates to increased risk, mainly for projects in emerging markets. Please refer to Note 2 for more information on the Group's credit risks.

Note 22 OTHER CURRENT ASSETS

	Group	
SEK M	April 30, 2015	April 30, 2014
Prepayments to suppliers	50	67
Other receivables	292	232
Prepaid expenses	353	267
Total	**695**	**566**

	Parent Company	
SEK M	April 30, 2015	April 30, 2014
Derivative financial instruments	35	29
Current tax assets	–	3
Other receivables	3	3
Prepaid expenses	8	13
Total	**46**	**48**

Note 23 CASH AND CASH EQUIVALENTS

	Group		Parent Company	
SEK M	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Current investments	1,576	1,054	1,576	1,054
Cash and bank	1,689	1,193	1,054	739
Total	**3,265**	**2,247**	**2,630**	**1,793**

Available cash and cash equivalents amounted to SEK 3,247 M (2,238) which is cash and cash equivalents reduced by bank balances included in assets pledged (Note 30).

Note 24 SHARE CAPITAL

Number of shares in Elekta AB (publ)	A-shares	B-shares	Total	Share capital
Number of shares May 1, 2013	14,250,000	368,574,016	382,824,016	191,412,008
Conversion of convertible loan	–	4,568	4,568	2,284
Number of shares April 30, 2014	**14,250,000**	**368,578,584**	**382,828,584**	**191,414,292**
of which treasury shares	–	1,541,368	1,541,368	
Number of shares May 1, 2014	14,250,000	368,578,584	382,828,584	191,414,292
Conversion of convertible loan	–	191	191	96
Number of shares April 30, 2015	**14,250,000**	**368,578,775**	**382,828,775**	**191,414,388**
of which treasury shares	–	1,541,368	1,541,368	

All shares have a par value of SEK 0.50 and provide the holders with equal rights to the Company's assets and earnings. All shares are entitled to dividends subsequently issued. One Series A-share entitles the holder to 10 votes and one Series B-share to one vote. In accordance with section 12 of the Articles of Association, Series A-shares are subject to right of first refusal. All Series A-shares are currently owned by Laurent Leksell via company. The dividend paid out during the financial year amounted to a total sum of SEK 763 M, corresponding to SEK 2 per share. At the AGM on 1 September, 2015, a dividend of SEK 0.50 per share for the year 2014/15 – a total sum of approximately SEK 191 M will be proposed.

The average number of shares before dilution during the year, to the nearest thousand, was 381,287 thousand (381,277). The average number of shares after full dilution from convertible loan, similarly rounded, was 400,696 thousand (400,686). The number of repurchased shares on April 30, 2015, totaled 1,541,368 (1,541,368) B-shares. For more information on the Elekta share, see pages 64–66.

Note 25 INTEREST-BEARING LIABILITIES

	Group		Parent Company	
SEK M	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Bond loan	3,674	2,128	3,674	2,128
Convertible loan	1,852	1,832	1,852	1,832
Liabilities to credit institutions	506	524	463	400
Liabilities to subsidiaries	–	–	2,739	2,726
Finance lease liabilities	1	2	–	–
Total	**6,033**	**4,486**	**8,728**	**7,086**
Maturity term structure, external loans				
< 1 year	1,075	125	1,031	–
> 1 year < 3 years	1,852	3,054	1,852	3,053
> 3 year < 5 years	1,872	327	1,872	327
> 5 years	1,234	980	1,234	980
Total	**6,033**	**4,486**	**5,989**	**4,360**

Specification by currency

	Amount		SEK M	
Currency	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Swedish kronor, SEK M	2,850	2,232	2,850	2,232
US dollars, USD M	325	325	2,677	2,130
Euro, MEUR	50	–	465	–
Japanese yen, JPY M	31	43	2	3
Chinese yuan, CNY M	30	116	39	121
Total			**6,033**	**4,486**

Fixed interest term including effects of derivatives

	April 30, 2015	**April 30, 2014**
< 1 year	2,237	591
> 1 year < 3 years	1,852	2,654
> 1 year < 5 years	710	327
> 5 years	1,234	914
Total	**6,033**	**4,486**

Note 26 PROVISIONS

	Group		Parent Company	
SEK M	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Restructuring reserve	0	93	–	–
Warranty provisions	99	76	–	–
Short-term provisions	**99**	**169**	**–**	**–**
Provision for pensions	104	87	22	21
Other provisions	155	44	75	9
Long-term provisions	**259**	**131**	**97**	**30**

PENSION PLANS

Elekta has defined benefit pension plans for certain employees in a few countries. Most common is however defined contribution plans. The reported net pension provision in the Parent company relates to the Chairman of the Board and amounts to SEK 22 M (21). The provision relates to a defined contribution plan with a gross obligation of SEK 53 M (51) whereof SEK 31 M (30) is covered by a capital redemption policy. Total pension costs for the Group amounted to SEK 214 M (175) of which SEK 197 M (164) relate to defined contribution pension plans (see Note 5).

Pension costs, defined benefit pension plans

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Current service cost	–10	–9	–	0
Interest expense	–3	–4	–	–2
Interest income	2	2	–	1
Actuarial gains (+) and losses (–)	–6	–3	–	0
Past service cost	–	–	–	–
Curtailments/Settlements	–	3	–	3
Total pension costs defined benefit plans	**–17**	**–11**	**–**	**2**
whereof reported in: the income statement	–11	–8	–	2
other comprehensive income	–6	–3	–	0

Defined benefit pension plans

	Group		Parent Company	
SEK M	**April 30, 2015**	**April 30, 2014**	**April 30, 2015**	**April 30, 2014**
Defined benefit obligation, funded plans	82	72	–	–
Fair value of plan assets	–72	–46	–	–
Provision for pensions, funded plans	**10**	**26**	**0**	**0**
Defined benefit obligation, unfunded plans	72	40	–	–
Provision for pensions, unfunded plans	**72**	**40**	**0**	**0**
Pension provision for defined benefit plans, net	**82**	**66**	**0**	**0**

Movement in provision for pensions

	Group		Parent Company	
SEK M	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Opening balance:				
Defined benefit obligation	112	148	–	51
Fair value of plan assets	–46	–75	–	–33
Provision for pensions, May 1	**66**	**73**	**0**	**18**
Pension costs	17	11	–	–2
Contributions/Repayments	–2	3	–	5
Benefit payments	–2	–2	–	–
Curtailments/Settlements	–	–21	–	–21
Translation differences	3	2	–	–
Closing balance:				
Defined benefit obligation	154	112	–	–
Fair value of plan assets	–72	–46	–	–
Provision for pensions, April 30	**82**	**66**	**–**	**–**

Note 26 PROVISIONS, cont.

Main actuarial assumptions (weighted average)

	Group	
	April 30, 2015	April 30, 2014
Discount rate	1.6%	2.8%
Future salary increases	1.5%	1.6%

Movement in provisions

	Group			Parent Company
SEK M	Restructuring reserve	Warranty provisions	Other provisions	Other provisions
Opening balance May 1, 2013	–	68	48	8
Provisions	100	54	6	0
Reversals	–	–23	–2	–
Provisions released during the year	–7	–24	–9	–
Translation differences	0	1	1	–
Closing balance April 30, 2014	**93**	**76**	**44**	**9**
Business combinations	–	–	1	–
Provisions	–	86	112	66
Reversals	–	–57	–1	–
Provisions released during the year	–101	–19	–4	–
Translation differences	8	13	3	–
Closing balance April 30, 2015	**0**	**99**	**155**	75

Other provisions mainly relates to provisions for contingent considerations. Provisions for contingent considerations in 2014/15 amount to SEK 107 M for the Group and SEK 66 M for the Parent company.

Note 27 PREPAID INCOME

	Group	
SEK M	April 30, 2015	April 30, 2014
Prepaid service income	1,286	1,080
Other prepaid income	387	120
Total	**1,673**	**1,200**

Note 28 ACCRUED EXPENSES

	Group	
SEK M	April 30, 2015	April 30, 2014
Reserve for additional project costs	830	501
Accrued commission costs	150	154
Accrued vacation pay liability	156	142
Accrued social costs	55	34
Accrued interest expenses	86	80
Other items	512	615
Total	**1,789**	**1,526**

Note 29 OTHER CURRENT LIABILITIES

	Parent Company	
SEK M	April 30, 2015	April 30, 2014
Accounts payable	8	9
Accrued expenses (see below)	106	98
Current tax liabilities	8	–
Derivative financial instruments	36	6
Other liabilities	48	4
Total	**206**	**117**
Accrued expenses		
Accrued vacation pay liability	7	6
Accrued social costs	3	0
Accrued interest expenses	86	76
Other items	11	16
Total	**107**	**98**

Note 30 ASSETS PLEDGED

Collateral pledged for contingent liabilities

	Group	
SEK M	April 30, 2015	April 30, 2014
Bank balances	18	9
Total	**18**	**9**

Note 31 CONTINGENT LIABILITIES

SEK M	Group		Parent Company	
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Guarantees	59	55	1,213	1,004
Total	**59**	**55**	**1,213**	**1,004**

Note 32 CASH FLOW STATEMENT

SEK M	Group		Parent Company	
	2014/15	2013/14	2014/15	2013/14
Interest net				
Interest income	–25	–22	–193	–174
Interest expenses	217	202	210	200
Totalt	**192**	**180**	**17**	**26**
Other non-cash items				
Participation in profit/loss of associated companies, after tax	0	15	–	–
Write-down of shares in subsidiaries	–	–	125	–
Result from divestments/disposals of fixed assets	–2	4	–	–
Cost of incentive programs	–	–	–	–
Appropriations	–	–	17	–1
Unrealized exchange rate effects etc	366	2	294	16
Other items	47	–10	–47	21
Total	**411**	**11**	**389**	**36**
Business combinations				
Purchase price	–360	–	–266	–33
Acquired cash and cash equivalents	18	–	–	–
Unpaid part of purchase price	151	–	112	–
Shareholder contributions	–	–	–125	–7
Totalt	**–191**	**–**	**–279**	**–40**

More information on business combinations is presented in Note 34.

Note 33 RELATED PARTY TRANSACTIONS

Transactions between Elekta AB and its subsidiaries are shown in notes 10, 12, 19 and 25. These transactions are eliminated upon consolidation. Sales to associated companies amounted to SEK 30 M (25) and receivables from associated companies amounted to SEK 8 M (15).

None of the Board members or any of the senior executives has, or has had, any direct or indirect involvement in any business transactions between themselves and Elekta. In addition to this, no other transactions with related parties have occurred. Remunerations and benefits to key personnel in management positions are presented in Note 5.

Note 34 BUSINESS COMBINATIONS

2014/15

In 2014/15 three acquisitions of distributors were performed: Mesi Medikal in Turkey, RTA in Poland and AEESA in Mexico. Transaction costs have been reported as non-recurring items in the consolidated income statement. No goodwill is tax deductible. Recognized liabilities regarding contingent considerations amount to SEK 152 M.

Mesi Medikal, Turkey

On July 24, 2014, Elekta acquired 100 percent of the shares in Mesi Medikal (Mesi), a leading distributor of radiation oncology solutions in Turkey. The acquisition significantly strengthens Elekta's market position in a country with a shortage of radiotherapy devices and software and a growing incidence of cancer. The acquisition price consists of a fixed amount of approximately SEK 65 M and a maximum variable amount of approximately SEK 25 M. According to a preliminary purchase price allocation goodwill and intangible assets amount to approximately SEK 70 M based on the full variable amount of the acquisition price. The identification and valuation of intangible assets related to customer relationships is ongoing. Goodwill is mainly related to expected synergies. Elekta has consolidated Mesi from the date of acquisition, contributing with net sales of approximately SEK 45 M in 2014/15. The acquisition of Mesi is expected to add approximately 0.3 percent to Elekta's net sales on an annual basis. The transaction is expected to be EPS accretive on an annual basis. Transaction costs amounted to approximately SEK 2 M.

RTA, Poland

On March 17, 2015, Elekta completed its acquisition of 100 percent of the shares in the leading distributor in Poland, RTA. The intention to acquire RTA was announced on August 25, 2014. RTA is specializing in cutting-edge radiation therapy technologies and the acquisition will allow Elekta to leverage RTA's existing customer relationships in order to strengthen Elekta's position in Poland's private and public health care sectors. The acquisition price consists of a fixed amount of approximately SEK 90 M and a maximum variable amount of approximately SEK 70 M. The variable amount is contingent on sales targets to be reached during the first three years after the acquisition. According to a preliminary purchase price allocation, goodwill and intangible assets amount to approximately SEK 120 M based on an estimated outcome of 80 percent of the variable amount of the acquisition price. The identification and valuation of intangible assets related to customer relationships is ongoing. Goodwill is mainly related to expected synergies. Elekta has consolidated RTA from the date of acquisition, contributing with net sales of approximately SEK 6 M in 2014/15. The acquisition of RTA is expected to add approximately 0.3 percent to Elekta's net sales on an annual basis and is expected to be EPS accretive. Transaction costs amounted to less than SEK 1 M.

AEESA, Mexico

On April 1, 2015, Elekta announced the acquisition of the service business as well as personnel of Mexican distributor, Asesores Electrónicos Especializados S.A. de C.V. (AEESA). The acquisition will bring Elekta closer to its Mexican customers, facilitating growth in a market with strong potential. The transaction is structured as an asset acquisition and Elekta will assume all service contract revenue from AEESA starting on April 1, 2015. The acquisition price consists of a fixed amount of approximately SEK 82 M and a maximum variable amount of approximately SEK 42 M. According to a preliminary purchase price allocation, goodwill and intangible assets amount to approximately SEK 123 M based on the full variable amount of the acquisition price. The identification and valuation of intangible assets related to customer relationships is ongoing. Goodwill is mainly related to expected synergies and is not tax deductible. Elekta has consolidated the AEESA business from April 1, contributing with a negligible amount to net sales in 2014/15. The asset acquisition is expected to add approximately 0.4 percent to Elekta's net sales on an annual basis and is expected to be accretive to Elekta earnings per share (EPS) during Elekta's fiscal year 2015/16. Transaction costs amounted to less than SEK 1 M.

2013/14

In 2013/14 no acquisitions were carried out. However, Elekta acquired the remaining 20 percent of shares in the Chinese subsidiary Elekta BMS (former BMEI) and owns thereafter 100 percent. The non-controlling interest held a carrying value of SEK 0 M thus the total acquisition amount of SEK 33 M affected shareholders' equity.

SEK M	2014/15	2013/14
Purchase price and goodwill:		
Cash paid	209	–
Unpaid part of purchase price	152	–
Total purchase price	**360**	**–**
Fair value of acquired net assets	–43	–
Goodwill	**317**	**–**
Acquired assets and liabilities according to purchase price allocations:		
Intangible assets	0	–
Other non-current assets	6	–
Inventories	62	–
Receivables	74	–
Cash and cash equivalents	18	–
Provisions	–1	–
Other liabilities	–116	–
Non-controlling interests	–	–
Acquired net assets at fair value	**43**	**–**

The fair value of acquired receivables was at the time of acquisition SEK 74 M (–) including trade receviables amounting to SEK 71 M (–). The gross amount of overdue trade receivables was SEK 12 M (–), of which SEK 1 M (–) were not expected to be collected.

SEK M	2014/15	2013/14
Effect on cash and cash eqvivalents:		
Purchase price settled in cash	–209	–
Cash and cash equivalents in acquired operations	18	–
Total effect on Group cash and cash equivalents	**–191**	**–**

No payments where made regarding acquisitions in previous years. Transaction costs for the year amounted to SEK 3 M (–) and are reported as transaction and restructuring costs in the Group's income statement.

SEK M	2014/15	2013/14
Sales and income in acquired entities:		
Net sales 1 May–30 April	188	–
Net income 1 May–30 April	52	–
Net sales from time of acquisition	52	–
EBIT from time of acquisition	6	–
Net income from time of acquisition	5	–

Note 35 AVERAGE NUMBER OF EMPLOYEES

	Men		Women		Total	
	2014/15	**2013/14**	**2014/15**	**2013/14**	**2014/15**	**2013/14**
Parent Company	17	18	16	14	33	32
Subsidiaries:						
Sweden	178	180	97	92	275	272
USA	576	604	323	330	899	934
Great Britain	581	539	166	150	747	689
China	370	358	162	157	532	515
The Netherlands	198	191	50	49	248	240
Germany	145	150	40	44	185	194
Japan	81	87	27	25	108	112
India	95	102	4	3	99	105
Italy	57	57	20	18	77	75
Canada	53	55	19	17	72	72
France	49	47	14	17	63	64
Brazil	36	53	15	12	51	65
Spain	35	31	12	11	47	42
Australia	33	32	10	13	43	45
Hong Kong	28	24	14	15	42	39
Finland	22	26	6	6	28	32
Austria	17	16	6	6	23	22
South Korea	18	10	3	2	21	12
Singapore	10	11	6	6	16	17
Czech Republic	11	11	3	3	14	14
Greece	10	10	3	3	13	13
Turkey	7	–	3	–	10	–
South Africa	8	7	1	1	9	8
Belgium	7	7	1	1	8	8
Poland	3	1	2	1	5	2
New Zealand (branch)	4	3	1	1	5	4
Switzerland (branch)	3	3	1	1	4	4
Mexico	2	–	0	–	2	–
Total average number of employees	**2,654**	**2,633**	**1,025**	**998**	**3,679**	**3,631**

SPECIFICATION MEN/WOMEN AMONG BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

During the financial year, the Board of Directors of Elekta AB consisted of 75 (75) percent men.
The Executive Committee consisted of 91 (90) percent men.

The Board of Directors and the President and CEO certify that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and give a true and fair view of the position and profit or loss of the Parent Company and the Group, and that the management report gives a fair review of the development and performance of the business, position and profit or loss of the Parent Company and the Group, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

Stockholm, July 20, 2015

Laurent Leksell
Chairman of the Board

Hans Barella
Member of the Board

Luciano Cattani
Member of the Board

Siaou-Sze Lien
Member of the Board

Wolfgang Reim
Member of the Board

Birgitta Stymne Göransson
Member of the Board

Jan Secher
Member of the Board

Tomas Puusepp
President and CEO

Our audit report was submitted on July 20, 2015

PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant
Auditor in charge

Camilla Samuelsson
Authorized Public Accountant

Auditor's report

To the annual meeting of the shareholders of Elekta AB (publ), corporate identity number 556170-4015

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Elekta AB (publ) for the year the financial year 1 May, 2014 – 30, April 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 69–130.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 30 April 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 30 April, 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Elekta AB (publ) for the year the financial year 1 May, 2014 – 30 April, 2015.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 20July, 2015

PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant
Auditor in charge

Camilla Samuelsson
Authorized Public Accountant

Glossary

Arteriovenous Malformation (AVM)
In the brain it appears as a tangle of abnormal arteries and veins that usually is present already from birth. When they present symptoms it is via headaches or seizures. In serious cases, the blood vessels rupture, causing bleeding in the brain.

Acoustic neuroma (vestibular schwannomas)
Benign tumors that typically arise from the vestibular portion of the eighth cranial nerve. Most common presenting symptoms are unilateral loss of hearing, tinnitus and imbalance.

Benign
The term benign is used when describing tumors or growths that do not threaten the health of an individual. Benign is the opposite of malignant.

Brachytherapy
Is also called internal radiation treatment and involves placing a radiation source in or near the treatment area. It allows very high tumor doses to be achieved while limiting the impact on the surrounding organs.

Cancer
Uncontrolled, abnormal growth of cells.

Chemotherapy
Treatment of cancer diseases with the aid of chemicals that eliminate diseased cells.

Computerized tomography (CT)
A radiological method of producing anatomical structures by means of layering, using computer technology.

Deep Brain Stimulation (DBS)
A brain 'pacemaker' is implanted to stimulate brain activity and block signals that cause unwanted symptoms present in functional neurological disorders, for example tremor.

Electronic brachytherapy
Type of brachytherapy that uses an X-ray tube to induce radiation. It can deliver radiation to the tumor with a high degree of precision whilst minimizing damage to healthy surrounding tissue. Due to the source of radiation used, electronic brachytherapy can be performed in a room with minimal shielding.

Epilepsy
Disorder characterized by repeated, sudden disturbances of brain function.

Fraction
Part of the total radiation dose, delivered at a daily treatment.

Food and Drug Administration (FDA)
Is an agency of the US Department of Health and Human Services. The FDA is responsible for protecting and promoting public health through the regulation and supervision of for example medical devices.

Functional disorders
Diseases in the central nervous system.

Gamma Knife® radiosurgery
Stereotactic radiosurgery with Leksell Gamma Knife®.

Glioblastoma
The most common and most aggressive malignant primary brain tumor. They are usually highly malignant as a large number of tumor cells are reproducing at any given time and are supported by a large network of blood vessels. Glioblastoma often infiltrate with normal healthy brain tissue.

Image Guided Radiation Therapy (IGRT)
Image guided radiation therapy of cancer, where high precision and accuracy is achieved using high resolution three-dimensional X-ray images of the patient's soft tissues at the time of treatment.

Intensity Modulated Radiation Therapy (IMRT)
Intensity modulated radiation therapy of cancer, where instead of being treated with a single, large, uniform beam, the patient is treated with many very small beams; each of which can have a different intensity.

Incidence
Incidence is the number of new cancer cases arising in a given period in a specified population.

Invasive
A technique that penetrates the skin, skull, etcetera. The opposite of non-invasive (bloodless).

LINC
Elekta's two Learning and Innovation Centers in Atlanta, USA and in Beijing, China. The LINC:s are state-of-the-art facilities that provide Elekta users and employees with an ideal environment for learning.

Linear accelerator
Equipment for generating and directing ionizing radiation for treatment of cancer.

Magnetoencephalograph (MEG)
Equipment for real time mapping of the function in different parts of the brain, by measuring the magnetic field generated by brain cells activity.

Magnetic resonance imaging (MRI)
Technology used to visualize and differentiate organs and anatomical structures inside the body. It uses non-ionizing radiation and is thus harmless to the patient.

Malignant
Refers to cancerous cells that usually have the ability to aggressively spread, invade and destroy tissue. Opposite to benign.

Meningioma
A type of tumor that develops from the meninges, the membrane that surrounds the brain and spinal cord. Meningiomas are the most common type of primary brain tumors and are often benign.

Metastases
Secondary malignant tumors originating from primary cancer tumors in other parts of the body.

Multileaf collimator
An accessory to the linear accelerator, working like an aperture. With a large number of individually adjustable metal leaves, the treatment beam can be shaped to the size and shape of the target volume.

Neurology
The study of the nervous system and its disorders.

Neurosurgery
Surgery of the brain or other parts of the central nervous system.

Oncology
The study of tumor diseases.

Parkinson's disease
Paralysis, with trembling and shaking as well as muscular rigidity, with a change in movements and posture by the patient.

Prevalence
The prevalence of a particular cancer can be defined as the number of persons in a defined population who have been diagnosed with that type of cancer, and who are still alive at the end of a given year, the survivors.

Prevalence of cancers based on cases diagnosed within one, three and five are presented as they are likely to be of relevance to the different stages of cancer therapy, namely, initial treatment (one year), clinical follow-up (three years) and cure (five years). Patients who are still alive five years after diagnosis are usually considered cured since the death rates of such patients are similar to those in the general population.

Radiation therapy
Fractionated ionizing radiation treatment of cancer.

Radiosurgery
Non-invasive surgery in which a high, single dose of precise ionizing radiation replaces surgical instruments.

Stereotactic Body Radiation Therapy (SBRT)
Is a technique that enables a beam to precisely target a tumor in the body and minimizes radiation to normal surrounding tissue.

Stereotactic Radiation Therapy (SRT)
Radiation therapy of cancer, where high precision and accuracy is achieved by delivering the radiation based on an external fixed-coordinate system.

Stereotaxy
A technique in which a fixed-coordinate system can determine the location of a point by specifying the coordinates in terms of height, depth and laterally.

Trigeminal neuralgia
A disorder of the trigeminal nerve, which carries sensation from your face to your brain. Episodes of severe, stabbing pain affect the cheek, lips, gums, teeth or chin.

Volumetric Modulated Arc Therapy (VMAT)
Dynamic conformal delivery technique in which both collimator leaves and gantry move during radiotherapy.

Production: Elekta in cooperation with Hallvarsson & Halvarsson.
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We care for life