ELEKTA

Q4

2015/16

June 1, 2016

Year-end report May – April 2015/16

Fourth quarter

- Net order bookings increased 17 percent to SEK 4,520 M (3,856) and increased 16 percent based on constant exchange rates.
- Net sales decreased 6 percent to SEK 3,607 M (3,855) and decreased 6 percent based on constant exchange rates.
- EBITA* amounted to SEK 785 M (739). Non-recurring items was SEK -459 M (-1) and bad debt losses was SEK -43 M (-138).
- Operating result was SEK 155 M (499).
- Net income amounted to SEK 78 M (343). Earnings per share was SEK 0.20 (0.90) before and after dilution.
- Operational cash conversion was 261 percent (260).
- The Board of Directors appointed Richard Hausmann as new President and CEO effective June 10, 2016.
- The Board of Directors proposes a dividend of SEK 0.50 (0.50) per share for fiscal year 2015/16 and that the dividend will be divided into two payments from now on.

Fiscal year 2015/16

- Gross and net order bookings increased 8 percent and increased 1 percent based on constant exchange rates. Net order bookings was SEK 12,880 M (11,907).
- Net sales increased 4 percent to SEK 11,221 M (10,839) and decreased 3 percent based on constant exchange rates.
- EBITA* amounted to SEK 1,639 M (1,472). Non-recurring items was SEK -598 M (-3) and bad debt losses was SEK -149 M (-166).
- Operating result was SEK 423 M (937).
- Net income amounted to SEK 145 M (558). Earnings per share was SEK 0.36 (1.45) before and after dilution.
- Operational cash conversion was 111 percent (126).
- The Transformation program to drive operational excellence and improved financial performance is progressing according to plan. Realized cost savings for the year was SEK 200 M.

Group summary

SEK M	Q4 2015/16	Q4 2014/15	Change	May - Apr 2015/16	May - Apr 2014/15	Change
Gross order bookings	5,238	n/a	n/a	13,821	12,825	1%**
Net order bookings	4,520	3,856	16%**	12,880	11,907	1%**
Net sales	3,607	3,855	-6%**	11,221	10,839	-3%**
EBITA*	785	739	6%	1,639	1,472	11%
Operating result	155	499	-69%	423	937	-55%
Net income	78	343	-77%	145	558	-74%
Cash flow after continuous investments	663	1,408	-53%	396	867	-54%
Earnings per share after dilution, SEK	0.20	0.90	-78%	0.36	1.45	-75%

** Adjusted for non-recurring items and bad debt losses. ** Compared to last fiscal year based on constant exchange rates*

Transformation program targets and outlook

The Transformation program, announced in June 2015, is progressing according to plan. The transformation has the objective of creating leaner and more efficient operations with improved profitability and an increased focus on cash flow. It also includes actions to strengthen customer services and innovation capacity with focus on time to market.

The targets for the Transformation program are:

- To reach an EBITA margin of 20 percent in fiscal year 2017/18.
- To realize cost reductions of SEK 700* M with full effect from 2017/18. Cost savings in 2015/16 were SEK 200 M.
- To maintain net working capital to sales below 5 percent.
- To implement a more efficient produce-to-order process in order to further reduce inventory levels. This requires a temporary reduced production and shipment volume, with a one-off negative revenue impact estimated at about SEK 500 M in the first half of fiscal year 2016/17. As a consequence, Elekta expects a weak result during the first half of fiscal year 2016/17.
- Additional expected costs related to the transformation are estimated to be approximately SEK 300 M and will be charged as a non-recurring item during fiscal 2016/17.

Going forward, Elekta will not provide a net sales outlook, but continue to provide targets for the transformation program and describe performance as well as quarterly updates on current market dynamics – geographically as well as on progress for new technology. Market share development by region will be presented twice a year.

* Base year 2014/15, excluding currency effects.

President and CEO comments

Large strategic wins in all regions, resulted in strong orders for the fourth quarter 2015/16. Cost savings and activities realized from our transformation contributed to an improved EBITA-margin and lower net working capital.

Large strategic wins

We delivered strong order growth in the fourth quarter, driven by several large strategic wins. These include MD Anderson and InnerPacific Alliance for Cancer Care in the US and NHS Supply Chain in the UK. In region Asia Pacific, we signed a major collaboration with GenesisCare. Despite difficult and challenging market conditions, particularly in emerging markets, we experienced a healthy demand for linear accelerators, including Versa HD™, as well as good momentum in the service business. In total, and from a relatively easy comparison last year, net order bookings increased 16* percent in the fourth quarter.

Gross order bookings totaled SEK 13.8 billion in fiscal year 2015/16, up 8 percent in SEK and 1 percent based on constant exchange rates. In region Europe, Middle East and Africa, gross orders improved in the fourth quarter and were flat for the fiscal year, increasing by 3 percent in SEK. North and South America grew by 2* percent and 12 percent in SEK and Asia Pacific by 1* percent and 10 percent in SEK.

Good momentum in service business

It has been an intensive year of change and implementation of our Transformation program. In line with our expectations, net sales decreased slightly by 3* percent for the fiscal year or increased by 4 percent in SEK. Our service business grew by 11* percent, which reflects the execution of our strategy to drive service sales. The good performance in our service business in combination with realized cost savings, drove the improvement in the EBITA-margin**, which increased by one percentage point to 14.6 percent. In total, EBITA** increased by 11 percent to SEK 1,639 M compared to last year.

Net working capital ratio ahead of target

We have reached our target of a net working capital to sales ratio below 5 percent. Operational cash conversion was 111 percent (126). Cash flow was below plan in Asia Pacific due to longer lead times for payments. We continue to focus on working capital reduction and we expect cash flow to improve in the next fiscal year.

Transformation progressing according to plan

Our transformation is progressing according to plan. It will secure improved profitability and performance, as well as leaner and more efficient operations and will enable us to maximize our ability to innovate and provide the best solutions for our customers and their patients. By the end of fiscal year 2015/16, we had realized cost savings of SEK 200 M. We are confident of reaching our target of reduced costs of SEK 700 M in total, achieving an EBITA margin of 20 percent for fiscal year 2017/18.

We have begun to implement our produce-to-order process to reduce costs, lower net working capital and to improve cash flow. This is expected to result in a one-off negative revenue effect of SEK 500 M and, consequently, we expect a weak result during the first half of fiscal year 2016/17.

Leading innovation for improved care

We continue to strengthen our innovation organization, and from May 1, 2016, all R&D activities have been brought together in one function under a new Chief Technology Officer. The highest priority is to drive growth through meaningful innovations while we continue to strengthen our service and support organization as well as customer satisfaction.

We are confident that our significant investments in product development will strengthen our future growth. Our image guided radiation therapy project, MR-linac, continue to receive a lot of interest and attention, and is on track for commercialization during calendar year 2017. We have so far installed non-clinical systems at three consortium research sites and the four remaining members will receive their systems during calendar year 2016.

We continue to drive innovation and strengthen our offering and service in all product areas. We launched Leksell Gamma Knife® Icon™, which now have received regulatory approval in Japan, and saw orders improve during the fourth quarter. A milestone was recently reached, as the millionth patient received treatment with Leksell Gamma Knife. The very successful 18th Leksell Gamma Knife Society Meeting was held in Amsterdam in May. We receive great feedback from customers who use Leksell Gamma Knife Icon clinically – including oncology departments that are now able to provide the most precise, safe and proven solution for stereotactic radiosurgery and stereotactic radiotherapy for brain tumors.

Within software, we have launched a new version of Monaco, with up to four times faster calculation speed and industry-leading precision.

We had a good year in Brachytherapy. Growth in order bookings was strong and we launched new solutions such as Venezia™, a universal applicator for treating advanced gynecological cancer.

Right now we are changing many processes and how we work in Elekta. While doing this, it's important that we maintain the right perspective: the market we serve is focused on human beings – the patients – whose lives we can affect positively. Our commitment, our enthusiasm and motivation to develop and improve the way cancer and brain disorders are treated is stronger than ever.

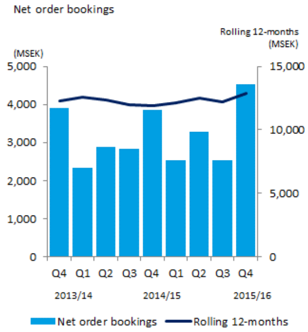
I would like to thank all colleagues for their contribution and support to successfully drive our transformation. And I'd like to welcome Elekta's new President and CEO, Richard Hausmann, who will take over as of June 10. Richard has nearly three decades of experience in the medical device industry and a solid track record of bringing clinical innovations to the global health care market.

Tomas Puusepp
President and CEO

**Based on constant exchange rates*
***Before non-recurring items and bad debt losses*

Presented amounts refer to the fiscal year 2015/16 and amounts within parentheses indicate comparative values for the equivalent period last fiscal year unless otherwise stated.

Order bookings and order backlog



From fiscal year 2016/17, Elekta will report gross order bookings instead of net order bookings. This is in line with industry peers. This report includes both gross and net order bookings as well as a historic comparison for fiscal year 2015/16. The difference between gross and net order bookings are backlog adjustments and currency effects.

Gross order bookings increased 8 percent to SEK 13,821 M (12,825) and 1 percent based on constant exchange rates

Gross order bookings

SEK M	Q4 2015/16	Q3 2015/16	Q2 2015/16	Q1 2015/16	May - Apr 2015/16	May - Apr 2014/15
North & South America	1,787	1,022	1,153	992	4,954	4,436
Europe, Middle East & Africa	2,001	818	1,269	736	4,824	4,700
Asia Pacific	1,450	776	976	841	4,043	3,689
Group	5,238	2,616	3,398	2,569	13,821	12,825

Net order bookings increased 8 percent to SEK 12,880 M (11,907). Based on constant exchange rates net order bookings increased by 1 percent.

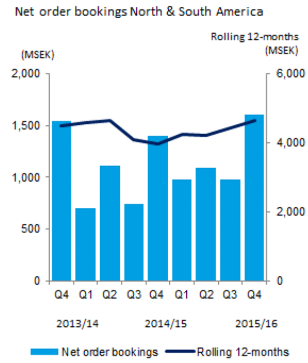
Net order bookings

SEK M	Q4 2015/16	Q4 2014/15	Change*	May - Apr 2015/16	May - Apr 2014/15	Change*
North & South America	1,602	1,397	15%	4,644	3,952	7%
Europe, Middle East & Africa	1,723	1,235	38%	4,499	4,470	-2%
Asia Pacific	1,195	1,224	-5%	3,737	3,485	-1%
Group	4,520	3,856	16%	12,880	11,907	1%

** Compared to last fiscal year based on constant exchange rates.*

Order backlog was SEK 18,239 M, compared to SEK 17,087 M on April 30, 2015. Orders that are cancelled or not expected to materialize as planned are removed from the order backlog. Total backlog adjustments amounted to SEK 941 M (918). Order backlog is converted at closing exchange rates which resulted in a negative translation difference of SEK 511 M for the year. According to the current delivery plan, the current order backlog is expected to be revenue recognized as follows: 37 percent in 2016/17, 23 percent in 2017/18 and 40 percent thereafter.

Regional development



North and South America

Gross order bookings increased 12 percent during the year and 2 percent based on constant exchange rates. During the fourth quarter Elekta received large orders from MD Andersson as well as from InnerPacific Alliance for Cancer Care.

In the US, the replacement market is stable and investments in replacing the installed base of radiation therapy equipment continue. Market growth is primarily driven by services. Consolidation of the hospital industry continues, resulting in increasingly comprehensive solutions and large-scale projects. In the US, the share of linear accelerator orders during the year was greater than our share of the installed base.

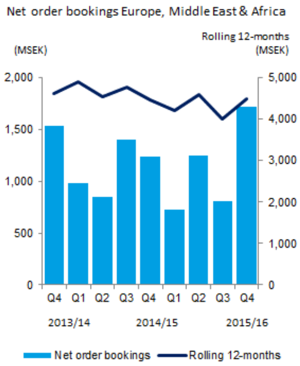
South American markets were affected by weak economic development and depreciating currencies. In Brazil, which was seriously impacted, Elekta's order bookings had negative growth for the year. Elekta's performance in other Latin American markets, such as Argentina and elsewhere, was good.

Net sales in the region increased 10 percent during the year and decreased by 1 percent based on constant exchange rates.

Aftermarket sales grew in the region, as did services and software, while sales for Leksell Gamma Knife declined. Net sales declined in the fourth quarter due to low delivery volumes to Latin America.

The contribution margin increased to 32 percent (30) for the fiscal year, mainly as a result of improved product mix and favorable currency effects.

Europe, Middle East and Africa



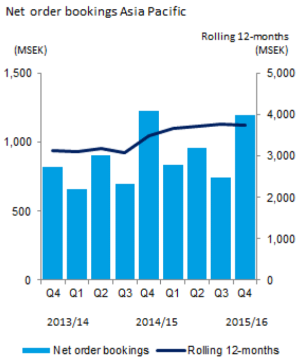
Gross order bookings increased 3 percent during the year and were flat based on constant exchange rates.

Regional growth recovered in the fourth quarter driven by a number of strategic wins such as NHS Supply Chain and Leeds Cancer Centre in the UK and a large order in Turkey. Approximately 50 percent of the market for linear accelerators are systems to new clinics or capacity expansion in existing cancer centers. Sales of new systems are generally more volatile than replacement business. Performance for the year varied with good growth in the UK, France and Poland while order bookings in Germany and Russia were weak.

Net sales in the region decreased 5 percent during the year and 6 percent based on constant exchange rates. Services grew 9 percent based on constant exchange rates. Fourth quarter net sales were affected by lower delivery volumes in Eastern Europe and Russia.

The contribution margin amounted to 24 percent (27). The decline was related to weak deliveries and bad debt losses, mainly in Russia.

Region Asia Pacific



Gross order bookings increased 10 percent in the year and 1 percent based on constant exchange rates. Performance was mixed geographically. Development in China and Japan was flat. In China, the ambition of the government is to expand affordable cancer care, but market growth leveled off during the year. In addition, increased regulatory requirements for hospitals prolonged delivery and payment cycles. Despite the negative market development in Japan, Elekta strengthened its market share there. In Australia order bookings declined due to a challenging comparison from last year while South East Asia started to improve and showed good growth.

Net sales increased 6 percent during the year and decreased 2 percent based on constant exchange rates. Growth in net sales was strong in Australia, while net sales in Japan and South East Asia declined. Net sales in China declined slightly, mainly due to lower delivery volumes of Leksell Gamma Knife. Services developed well during the year and contributed to the positive sales growth in the fourth quarter.

Contribution margin from the region amounted to 27 percent (23) for the year. The increase was mainly attributable to an improved product mix and currency effects.

Net sales and earnings

Net sales increased 4 percent to SEK 11,221 M (10,839), corresponding to 3 percent decrease based on constant exchange rates. Service sales increased by 11 percent based on constant exchange rates offset by a decrease in sales of new equipment and software.

Net sales

SEK M	Q4 2015/16	Q4 2014/15	Change*	May - Apr 2015/16	May - Apr 2014/15	Change*
North & South America	1,145	1,348	-13%	4,005	3,651	-1%
Europe, Middle East & Africa	1,185	1,276	-5%	3,651	3,829	-6%
Asia Pacific	1,277	1,231	1%	3,565	3,359	-2%
Group	3,607	3,855	-6%	11,221	10,839	-3%

* *Compared to last fiscal year based on constant exchange rates.*

Gross margin improved 1 percentage point to 41 percent (40). The increase is driven by improved product mix with higher sales for services as well as a positive impact from currency movements.

Operating expenses* decreased 4 percent or approximately SEK 200 M, mainly as a result from activities in the Transformation program.

R&D expenditure, before capitalization of development costs amounted to SEK 1,355 M (1,421), equal to 12 percent (13) of net sales.

EBITA** increased 11 percent to SEK 1,639 M (1,472) representing a margin of 15 percent (14). The effect from changes in exchange rates was approximately SEK 60 M (0) including hedges.

Bad debt losses are reported as selling costs and amounted to SEK -149 M (-166), dominated by write-offs in Russia and Latin America. Non-recurring items amounted to SEK -598 M (-3) and were mainly related to legal fees and costs for severance, efficiency initiatives and external support within the Transformation program.

Operating result was SEK 423 M (937) and operating margin amounted to 4 percent (9).

Net financial items amounted to SEK -234 M (-221). Interest expense was negatively affected by increased borrowing used to refinance debt maturing in August.

Profit before tax amounted to SEK 189 M (716). Tax amounted to SEK -44 M (-158). Net income amounted to SEK 145 M (558). Earnings per share amounted to SEK 0.36 (1.45) before and after dilution.

Return on shareholders' equity amounted to 2 percent (9) and return on capital employed amounted to 4 percent (9).

The net of capitalization and amortization of development costs in the R&D function decreased to SEK 290 M (469).

Capitalized development costs

SEK M	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Capitalization of development costs	132	198	592	683
of which R&D	132	197	591	680
Amortization of capitalized development costs	-80	-69	-326	-236
of which R&D	-73	-62	-301	-211
Capitalized development costs, net	52	129	266	447
of which R&D	59	135	290	469

** Based on constant exchange rates and excluding amortizations, non-recurring items and bad debt losses.*
*** Before non-recurring items and bad debt losses.*

Investments and depreciation

Continuous investments were SEK 865 M (956) including investments in intangible assets of SEK 687 M (685) and investments in other assets of SEK 193 M (277). Investments in intangible assets mainly related to ongoing R&D programs but also included SEK 91 M from acquisition of intellectual property assets. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 634 M (512).

Cash flow

Cash flow from operating activities decreased to SEK 1,170 M (1,823). Cash flow was negatively affected by longer lead times for payments in Asia Pacific. Cash outflow relating to the Transformation program and legal cost amounted to approximately SEK 250 M during the year. The operational cash conversion was 111 percent (126). Cash flow after continuous investments was SEK 396 M (867).

Cash flow (extract)

SEK M	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Operating cash flow	249	748	709	1,299
Change in working capital	*597*	*917*	*461*	*524*
Cash flow from operating activities	846	1,665	1,170	1,823
Continuous investments	*-183*	*-256*	*-774*	*-956*
Cashflow after continuous investments	663	1,408	396	867
*Operational cash conversion**	*261%*	*260%*	*111%*	*126%*
*Cash conversion***	*268%*	*290%*	*51%*	*81%*

**Cash flow from operating activities / EBITDA*

***Cash conversion is calculated as cash flow after continuous investments divided by net income adjusted by depreciation and amortization.*

Working capital

Net working capital decreased to SEK 268 M (881) corresponding to 2 percent (8) of net sales. During the fiscal year net working capital decreased with SEK 613 M (568).

Working capital

SEK M	Apr 30, 2016	Apr 30, 2015
Working capital assets		
Inventories	1,135	1,297
Accounts receivable	3,301	4,207
Accrued income	2,126	1,895
Other operating receivables	741	695
Sum working capital assets	7,303	8,094
Working capital liabilities		
Accounts payable	1,122	1,262
Advances from customers	1,943	2,165
Prepaid income	1,648	1,673
Accrued expenses	1,817	1,789
Other operating liabilities	504	324
Sum working capital liabilities	7,035	7,213
Net working capital	268	881
% of 12 months net sales	2%	8%

The decrease in inventories is due to lower levels of components and work in progress. Accounts receivables decreased in region Europe, Middle East and Africa. Accrued income increased in Asia Pacific, but is expected to normalize in the first quarter of 2016/17.

The Days Sales Outstanding (DSO) has been reduced to 60 days (76). The improvement in North and South America is mainly related to a favorable product mix with a relative high level of software sales. In region Europe, Middle East & Africa a decrease in accounts receivable was the main driver for the lower DSO, while the increase in DSO in Asia reflected an increase in accrued income.

Days Sales Outstanding (DSO)

SEK M	Apr 30, 2016	Apr 30, 2015
North & South America	-46	-16
Europe, Middle East & Africa	112	163
Asia Pacific	128	95
Group	60	76

Days Sales Outstanding (DSO) is calculated as (Accounts receivable + Accrued income - Advances from customers - Prepaid income)/(12 months rolling net sales/365).

Financial position

Cash and cash equivalents amounted to SEK 2,273 M (3,265) and interest-bearing liabilities amounted to SEK 4,950 M (6,033). The decrease in cash and interest bearing liabilities is related to the repayment of a USD 125 M loan in the second quarter. Net debt amounted to SEK 2,677 M (2,768) and net debt/equity ratio was 0.42 (0.42).

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK -72 M (153). The translation difference in long-term interest-bearing liabilities amounted to SEK -43 M (548). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK -281 M (746).

The change in unrealized exchange rate effects from effective cash flow hedges amounted to SEK 117 M (-182) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -9 M (-118) exclusive of tax.

To support the upcoming refinancing of the convertible bond maturing in April 2017 Elekta has entered into an eighteen month SEK 1.400 M Term Loan Facility with an extension optionality.

Significant events during the reporting period

Change of President and CEO

On May 13, 2015, Elekta announced that Niklas Savander had stepped down from his position as President and CEO of Elekta AB (publ) and that the Board of Directors had appointed Tomas Puusepp as President and CEO as of May 13, 2015.

On April 13, 2016 Elekta announced that the Board of Directors has appointed Richard Hausmann as new President and CEO effective June 10, 2016. Richard Hausmann will succeed Tomas Puusepp.

Richard Hausmann joins Elekta with nearly three decades of experience in the medical device industry. He led GE's Magnetic Resonance (MR) division as President and CEO, served as President and CEO of Siemens computed tomography (CT) and worked at Siemens in leading positions in its MR business. He also acted as CEO of Siemens China, responsible for the company's entire portfolio in its core emerging market. Richard has a solid track record of bringing clinical innovations to the global health care market and is known for his deep insights into customer and patient needs, with a strong workflow and outcome orientation.

Richard Hausmann has a doctorate in physics from the University of Regensburg.

Changes to the Executive Management team

On June 2 2015, Elekta announced as part of its Transformation program, a reorganization of the Company as well as changes in its Executive Management team. The organization was effective as of July 7, 2015.

On April 20 2016, Elekta announced the appointment of John Lapré as Chief Technology Officer, effective May 1, 2016. John Lapré previously held the title of Executive Vice President Research and Innovation at Elekta.

Transformation program

On June 11, 2015, the Transformation program, with the objectives of improving growth, increase profitability, reduce costs and working capital and focus on cash flow, was outlined.

Elekta continues to prioritize strategic R&D investments to improve cancer care, for example software solutions and image guided radiation therapy. Elekta is also improving its customer service and support network including customers training and education.

On March 2, 2016 an update on the Transformation program was presented.

- Additional cost savings have been identified. The cost reduction target has been increased to SEK 700 M from SEK 450 M with full effect from fiscal year 2017/18.
- We have set a target to reach a ratio of 5 percent net working capital to net sales by the end of next fiscal year (2016/17) with a more efficient produce to order process.
- The change requires a temporary lower production and shipment volume with a one-off negative revenue impact estimated to about SEK 500 M in the first half next fiscal year (2016/17)
- Elekta remains with an unchanged ambition to reach an EBITA-margin of 20 percent in fiscal year 2017/18.

Patent litigation

The previously communicated multiple patent infringement lawsuits between Elekta and Varian Medical Systems are ongoing. Elekta's assessment is that the claims directed towards Elekta lacks merit and Elekta will continue to defend itself vigorously. The costs for the patent lawsuits are accounted for as non-recurring items.

Investigation in Italy

As communicated on November 12, 2015, there is an ongoing process in Italy where Elekta employees are suspected of interfering with public procurement processes. Elekta is fully cooperating and providing all requested information to the Italian authorities. Elekta has zero tolerance for any deviation from its Code of Conduct and clear corporate policies and procedures are in place. The costs related to this process are accounted for as non-recurring items.

Significant events after the reporting period

Legal dispute

On May 23, 2016, an arbitration tribunal in London issued an award in the dispute between two Elekta group companies and humediQ GmbH. The award concluded an arbitration with humediQ arising out of an agreement for the exclusive supply of Identify™ under the Elekta label, which was entered into in 2011. The tribunal determined that the Elekta companies did not validly terminate the 2011 agreement and that, as a result, they must pay humediQ EUR 8.9 M for Identify systems the Elekta companies did not order according to minimum volume commitments in the contract. This amount is less than half of the EUR 19 M that humediQ claimed in the arbitration. The tribunal also held that the respective success of each party was comparable and on that each party should bear its own legal costs. The Elekta companies do not have any further obligation to purchase any systems from humediQ. In addition to the damages ordered in the arbitration award, Elekta has written off approximately EUR 5 M in receivables related to the agreement with humediQ. The total amount, SEK 128 M, has been reported as a non-recurring item in the fourth quarter of 2015/16.

Changes to the Executive Management team

Valerie Binner, Executive Vice President Human Resources, will leave the company with effective date from June 10, 2016. Johan Sedihn, Elekta's Chief Operating Officer, will temporarily lead Human Resources in addition to his other responsibilities.

Employees

The average number of employees during the year was 3,677 (3,679). The number of employees on April 30, 2016 totaled 3,617 (3,844). The decrease during the year is related to the ongoing Transformation program and mainly from streamlining of the Innovation organization and efficiency programs in administration.

The average number of employees in the Parent Company was 32 (33).

Shares

During the year 272 new B-shares were subscribed through conversion of convertibles. Total number of registered shares on April 30, 2016 was 382,829,047 divided between 14,250,000 A-shares and 368,579,047 B-shares. Fully diluted shares amounted to 400,696,012 including dilution related to the Elekta 2012/17 convertible bond.

Dividend and proposal to repurchase shares

The Board of Directors proposes a dividend of SEK 0.50 (0.50) per share for fiscal year 2015/16 and that the dividend will be divided into two payments from now on. The proposed dividend represents approximately SEK 191 M and 139 percent of net profit for the year.

The Board intends to propose to the annual general meeting to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB.

Transformation program targets and outlook

The Transformation program, announced in June 2015, is progressing according to plan. The transformation has the objective of creating leaner and more efficient operations with improved profitability and an increased focus on cash flow. It also includes actions to strengthen customer services and innovation capacity with focus on time to market.

The targets for the Transformation program are:

- To reach an EBITA margin of 20 percent in fiscal year 2017/18.
- To realize cost reductions of SEK 700* M with full effect from 2017/18. Cost savings in 2015/16 were SEK 200 M.
- To maintain net working capital to sales below 5 percent.
- To implement a more efficient produce-to-order process in order to further reduce inventory levels. This requires a temporary reduced production and shipment volume, with a one-off negative revenue impact estimated at about SEK 500 M in the first half of fiscal year 2016/17. As a consequence, Elekta expects a weak result during the first half of fiscal year 2016/17.
- Additional expected costs related to the transformation are estimated to be approximately SEK 300 M and will be charged as a non-recurring item during fiscal 2016/17.

Going forward, Elekta will not provide a net sales outlook, but continue to provide targets for the transformation program and describe performance as well as quarterly updates on current market dynamics – geographically as well as on progress for new technology. Market share development by region will be presented twice a year.

* Base year 2014/15, excluding currency effects.

Risks and uncertainties

Elekta's presence in a large number of geographical markets exposes the Group to political and economic risks on a global scale and/or in individual countries.

The competitive landscape for Elekta is continuously changing. The medical equipment industry is characterized by technological developments and continuous improvements of industrial know-how, resulting in companies launching new products and improved methods for treatment. Elekta strives to be the leader in innovation and offer the most competitive product portfolio, developed in close collaboration with key research leaders in the field. To secure the proceeds of research investments, it is of importance that such new products and new technology 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 monitors intellectual property rights of third parties carefully but third parties may still direct infringement claims against Elekta which may lead to time consuming and costly legal disputes as well as business interruption and other limitations in operations.

Elekta sells solutions through its direct sales force and through an external network of agents and distributors. The Company's continued success is dependent on the ability to establish and maintain successful relationships with customers. Elekta is continuously evaluating how to enter new markets considering both the opportunities and the risks involved. There are regulatory registration requirements with each new market that potentially could delay product introductions and certifications. The stability of the political system in certain countries and the security situation for employees traveling to exposed areas are constantly evaluated. Corruption is a risk and an obstacle for development and growth in some countries. Elekta has implemented a specific anti-corruption policy to guide the business by aiming to be in line with national and international regulations and best practices against corruption as well as third party risk management processes.

Elekta's operations comprise several markets that expose the Group to a vast number of laws, regulations, policies and guidelines regarding, for example, health, security, environmental matters, trade restrictions, competition and delivery of products. Elekta's quality systems describes these requirements, which are reviewed and certified by external supervisory bodies and are regularly inspected by authorities in applicable countries, for example the US FDA. Non-compliance of, for example, safety regulations can result in delayed or stopped deliveries of products. Changes in regulations and rules might also increase Elekta's costs and delay the development and introduction of new products.

Elekta depends also 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 has a significant impact on the future success of the Group.

Weak economic development and high levels of public debt might, in some markets, mean less availability of financing for private customers and reduced future health care spending by governments. Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Elekta's ability to commercialize products is dependent on the reimbursement level that hospitals and clinics can obtain for different types of treatments. Alterations in the existing reimbursement systems related to medical products, or implementation of new regulations, might impact future product mix in specific markets.

Elekta's delivery of treatment equipment relies largely on customers' readiness to receive the delivery at site. Depending on contractual payment 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. Due to the recent macro-economic development a number of emerging market currencies have depreciated significantly and as a consequence Elekta experience an increased credit risk related to receivables from these regions.

Elekta depends on a number of suppliers for components. There is a risk that delivery difficulties might occur due to circumstances beyond Elekta's control. Critical suppliers are regularly followed up regarding delivery precision and quality of components.

In its operations, Elekta is subject to a number of financial risks primarily related to exchange rate fluctuations. In the short-term, the effect of currency movements is reduced through forward contracts. Hedging is conducted on the basis of expected net sales over a period of up to 24 months. The scope of the hedging is determined by the Company's assessment of currency risks. Risk exposure is regulated through a financial policy established by the Board of Directors. The overall responsibility for handling the Group's financial risks, and developing methods and guidelines for dealing with financial risks, rests with the executive management and the finance function. For more detailed information regarding these risks, please see Note 2 in the annual report 2014/15.

Stockholm, June 1, 2016

Tomas Puusepp

President and CEO

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

Accounting principles

This interim report is prepared, with regard to the Group, according to IAS 34 and the Swedish Annual Accounts Act and, with regard to the Parent Company, according to the Swedish Annual Accounts Act and RFR 2. The accounting principles applied correspond to those presented in Note 1 of the Annual Report 2014/15.

Exchange rates

Country	Currency	Average rate			Closing rate		
		Q4 2015/16	Q4 2014/15	Change	Apr 30, 2016	Apr 30, 2015	Change
Euroland	1 EUR	9.328	9.252	1%	9.176	9.267	-1%
Great Britain	1 GBP	12.670	11.928	6%	11.782	12.769	-8%
Japan	1 JPY	0.071	0.067	6%	0.075	0.070	7%
United States	1 USD	8.434	7.495	13%	8.059	8.252	-2%

Regarding foreign Group companies, order bookings and income statements are translated at average exchange rates for the reporting period while order backlog and balance sheets are translated at closing exchange rates.

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M

INCOME STATEMENT	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Net sales	3,607	3,855	11,221	10,839
Cost of products sold	-2,067	-2,251	-6,608	-6,533
Gross income	1,540	1,604	4,613	4,306
Selling expenses	-327	-487	-1,336	-1,335
Administrative expenses	-263	-289	-1,026	-1,048
R&D expenses	-244	-249	-1,065	-952
Exchange rate differences	-92	-79	-165	-31
Operating result before non-recurring items	614	500	1,021	940
Non-recurring items	-459	-1	-598	-3
Operating result	155	499	423	937
Result from participations in associates	5	2	11	0
Interest income	18	6	37	25
Interest expenses and similar items	-71	-71	-285	-259
Exchange rate differences	-4	5	3	13
Profit before tax	103	441	189	716
Income taxes	-25	-98	-44	-158
Net income	78	343	145	558
Net income attributable to:				
Parent Company shareholders	76	341	137	552
Non-controlling interests	2	2	8	6
Earnings per share before dilution, SEK	0.20	0.90	0.36	1.45
Earnings per share after dilution, SEK	0.20	0.90	0.36	1.45

STATEMENT OF COMPREHENSIVE INCOME	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Net income	78	343	145	558
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit pension plans	8	- 6	8	-6
Tax	-2	2	-2	2
Total items that will not be reclassified to the income statement	6	-4	6	-4
Items that subsequently may be reclassified to the income statement				
Revaluation of cash flow hedges	88	49	117	-182
Translation differences from foreign operations	-174	40	-281	746
Tax	-18	-9	-25	39
Total items that subsequently may be reclassified to the income statement	-104	80	-189	603
Other comprehensive income for the period	-98	76	-183	599
Comprehensive income for the period	-20	419	-38	1,157
Comprehensive income attributable to:				
Parent Company shareholders	-22	417	-45	1,151
Non-controlling interests	2	2	7	6

RESULT OVERVIEW

SEK M	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Operating result/EBIT before non-recurring items	614	500	1,021	940
Bad debt losses	43	138	149	166
Amortization:				
capitalized development costs	80	69	326	236
acquisitions	48	33	143	130
EBITA before non-recurring items and bad debt losses	785	739	1,639	1,472
Depreciation	41	40	165	146
EBITDA before non-recurring items and bad debt losses	826	779	1,805	1,618

CONSOLIDATED BALANCE SHEET

SEK M	Apr 30, 2016	Apr 30, 2015
Non-current assets		
Intangible assets	8,210	8,174
Tangible fixed assets	803	881
Financial assets	365	371
Deferred tax assets	281	224
Total non-current assets	9,658	9,650
Current assets		
Inventories	1,135	1,297
Accounts receivable	3,301	4,207
Accrued income	2,126	1,895
Current tax assets	160	92
Derivative financial instruments	47	83
Other current receivables	741	695
Cash and cash equivalents	2,273	3,265
Total current assets	9,783	11,534
Total assets	19,441	21,184
Elekta's owners' equity	6,402	6,638
Non-controlling interests	10	8
Total equity	6,412	6,646
Non-current liabilities		
Long-term interest-bearing liabilities	4,937	4,958
Deferred tax liabilities	690	732
Long-term provisions	140	259
Other long-term liabilities	73	20
Total non-current liabilities	5,839	5,969
Current liabilities		
Short-term interest-bearing liabilities	13	1,075
Accounts payable	1,122	1,262
Advances from customers	1,943	2,165
Prepaid income	1,648	1,673
Accrued expenses	1,817	1,789
Current tax liabilities	93	119
Short-term provisions	347	99
Derivative financial instruments	50	162
Other current liabilities	157	225
Total current liabilities	7,190	8,569
Total equity and liabilities	19,441	21,184
Assets pledged	10	18
Contingent liabilities	40	59

CASH FLOW

SEK M	Q4 2015/16	Q4 2014/15	May - Apr 2015/16	May - Apr 2014/15
Profit before tax	103	441	189	716
Amortization & Depreciation	168	142	634	512
Interest net	40	49	203	192
Other non-cash items	37	203	148	411
Interest received and paid	-7	-23	-196	-170
Income taxes paid	-92	-64	-269	-362
Operating cash flow	*249*	*748*	*709*	*1,299*
Increase (-)/decrease (+) in inventories	287	214	80	27
Increase (-)/decrease (+) in operating receivables	-82	379	350 *)	532
Increase (-)/decrease (+) in operating liabilities	392	324	31 *)	-35
Change in working capital	*597*	*917*	*461*	*524*
Cash flow from operating activities	846	1,665	1,170	1,823
Investments intangible assets	-134	-193	-596	-685
Investments other assets	-50	-63	-193	-277
Sale of fixed assets	0	—	14	6
Continuous investments	*- 183*	*-256*	*- 774*	*-956*
Cash flow after continuous investments	663	1,408	396	867
Business combinations and investments in other shares	10	-142	-12	-188
Cash flow after investments	673	1,267	384	679
Cash flow from financing activities	-6	992	-1,303	186
Cash flow for the period	666	2,259	-920	865
Exchange rate differences	-76	-5	-72	153
Change in cash and cash equivalents for the period	590	2,254	-992	1,018

*) Adjusted for receivables/liabilities relating to investments/sale of fixed assets.

CHANGES IN EQUITY

SEK M	May - Apr 2015/16	May - Apr 2014/15
Attributable to Elekta's owners		
Opening balance	6,638	6,249
Comprehensive income for the period	-45	1,151
Conversion of convertible loan	0	0
Dividend	-191	-763
Total	6,402	6,638
Attributable to non-controlling interests		
Opening balance	8	8
Comprehensive income for the period	7	6
Dividend	-5	-6
Total	10	8
Closing balance	6,412	6,646

Financial instruments

The table below shows the Group's financial instruments for which fair value is different than carrying value. The fair value of all other financial instruments is assumed to correspond to the carrying value.

SEK M	Apr 30, 2016 Carrying amount	Apr 30, 2016 Fair value	Apr 30, 2015 Carrying amount	Apr 30, 2015 Fair value
Long-term interest-bearing liabilities	4,937	5,184	4,958	5,252
Short-term interest-bearing liabilities	13	13	1,075	1,093

The Group's financial assets and financial liabilities, which have been measured 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

Financial instruments measured at fair value

SEK M	Level	Apr 30, 2016	Apr 30, 2015
FINANCIAL ASSETS			
Financial assets measured at fair value through profit or loss:			
Derivative financial instruments – non-hedging	2	21	70
Derivatives used for hedging purposes:			
Derivative financial instruments – hedging	2	27	15
Total financial assets		48	85
FINANCIAL LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments – non-hedging	2	17	44
Contingent consideration	3	104	152
Derivatives used for hedging purposes:			
Derivative financial instruments – hedging	2	36	133
Total financial liabilities		157	329

KEY FIGURES

	May - Apr 2010/11	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16
Gross order bookings, SEK M	n/a	n/a	n/a	n/a	12,825	13,821
Net order bookings, SEK M	9,061	10,815	12,117	12,253	11,907	12,880
Net sales, SEK M	7,904	9,048	10,339	10,694	10,839	11,221
Operating result, SEK M	1,502	1,849	2,012	1,727	937	423
Operating margin before non-recurring items, %	19	20	20	18	9	9
Operating margin, %	19	20	19	16	9	4
Profit margin, %	19	19	17	14	7	2
Shareholders' equity, SEK M	3,833	5,010	5,560	6,257	6,646	6,412
Capital employed, SEK M	4,714	9,540	10,112	10,743	12,678	11,360
Equity/assets ratio, %	43	33	34	35	31	33
Net debt/equity ratio	-0.13	0.53	0.36	0.36	0.42	0.42
Return on shareholders' equity, %	30	29	27	21	9	2
Return on capital employed, %	35	28	21	17	9	4

DATA PER SHARE

	May - Apr 2010/11	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16
Earnings per share						
before dilution, SEK	2.76	3.26	3.52	3.01	1.45	0.36
after dilution, SEK	2.73	3.23	3.52	3.00	1.45	0.36
Cash flow per share						
before dilution, SEK	1.31	-7.07	3.17	1.31	1.78	1.00
after dilution, SEK	1.30	-7.01	3.17	1.24	1.78	1.00
Shareholders' equity per share						
before dilution, SEK	10.22	13.19	14.55	16.39	17.41	16.79
after dilution, SEK	10.61	13.31	14.55	20.32	17.41	16.79
Average number of shares						
before dilution, 000s	373,364	376,431	380,672	381,277	381,287	381,288
after dilution, 000s	378,028	380,125	380,672	400,686	381,287	381,288
Number of shares at closing						
before dilution, 000s *)	374,951	378,991	381,270	381,287	381,287	381,288
after dilution, 000s	383,618	384,284	381,270	400,696	381,287	381,288

In September 2012 a 4:1 share split was conducted. The data per share and number of shares has been restated pro forma.
*) Number of registered shares at closing excluding treasury shares (1,541,368 per April 30, 2016).

Data per quarter SEK M	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
Gross order bookings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2,569	3,398	2,616	5,238
Net order bookings	2,027	3,101	3,224	3,901	2,341	2,876	2,834	3,856	2,536	3,291	2,533	4,520
Net sales	1,912	2,443	2,385	3,954	1,865	2,567	2,552	3,855	2,239	2,828	2,547	3,607
EBITA before non-recurring items	148	407	340	1,288	-38	397	345	601	41	444	263	742
Operating result	46	304	260	1,117	-122	310	250	499	-93	304	56	155
Cash flow from operating activities	-391	282	153	1,231	-478	436	200	1,665	-349	346	327	846

Net order bookings growth based on unchanged exchange rates	Q1 2013/14	Q2 2013/14	Q3 2013/14	Q4 2013/14	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
North & South America, %	-26	8	40	-4	11	-2	-53	-31	13	-18	23	15
Europe, Middle East & Africa, %	18	32	15	13	31	-33	14	-27	-30	41	-43	38
Asia Pacific, %	8	-7	-9	-23	-5	2	-23	23	12	-6	0	-5
Group, %	-2	10	15	-3	12	-13	-22	-18	-5	3	-15	16

Segment reporting

Elekta applies geographical segmentation. Order bookings, net sales and contribution margin for respective region are reported to Elekta's CFO and CEO (chief operating decision makers). In the regions' operating expenses cost of products sold and expenses are directly attributable to the respective region reported. Global costs for R&D, marketing, management of product supply centers and Parent Company are not allocated per region. Currency exposure is concentrated to product supply centers. The majority of exchange differences in operations are reported in global costs.

Segment reporting

May - Apr 2015/16 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	4,005	3,651	3,565	11,221	
Operating expenses	-2,713	-2,763	-2,590	-8,066	72%
Contribution margin	1,292	888	975	3,155	28%
Contribution margin, %	32%	24%	27%		
Global costs				-2,134	19%
Operating result before non-recurring items				1,021	9%
Non-recurring items				-598	
Operating result				423	4%
Net financial items				-234	
Income before tax				189	

May - Apr 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%
Operating result before non-recurring items				940	9%
Non-recurring items				-3	
Operating result				937	9%
Net financial items				-221	
Income before tax				716	

Elekta's operations are characterized by significant quarterly variations in delivery volumes and product mix, which have a direct impact on net sales and profits. This is accentuated when the operation is split into segments as is the impact of currency fluctuations between the years.

PARENT COMPANY

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK M	May - Apr 2015/16	May - Apr 2014/15
Operating expenses	-120	-92
Financial net	559	775
Income after financial items	439	683
Appropriations	43	-16
Tax	21	-9
Net income	503	658
Statement of comprehensive income		
Net income	503	658
Other comprehensive income	—	9
Total comprehensive income	503	667

BALANCE SHEET

SEK M	Apr 30, 2016	Apr 30, 2015
Non-current assets		
Intangible assets	83	—
Shares in subsidiaries	2,129	2,142
Receivables from subsidaries	2,662	2,663
Other financial assets	73	96
Deferred tax assets	29	11
Total non-current assets	4,976	4,912
Current assets		
Receivables from subsidaries	4,145	3,804
Other current receivables	35	46
Cash and cash equivalents	1,499	2,630
Total current assets	5,679	6,480
Total assets	10,655	11,392
Shareholders' equity	2,631	2,319
Untaxed reserves	0	43
Non-current liabilities		
Long-term interest-bearing liabilities	4,935	4,958
Long-term liabilities to Group companies	39	39
Long-term provisions	53	97
Total non-current liabilities	5,027	5,093
Current liabilities		
Short-term interest-bearing liabilities	—	1,031
Short-term liabilities to Group companies	2,752	2,700
Short-term provisions	29	—
Other current liabilities	216	206
Total current liabilities	2,997	3,937
Total shareholders' equity and liabilities	10,655	11,392
Assets pledged	—	—
Contingent liabilities	1,014	1,213

Shareholder information

Conference call

Elekta will host a telephone conference at 10:00-11:00 CET on June 1, with President and CEO Tomas Puusepp and CFO Håkan Bergström.

To take part in the conference call, please dial in about five minutes in advance.

Swedish dial-in number: +46 (0)8 566 426 99
UK dial-in number: +44 (0) 203 008 98 06
US dial-in number: +1 855 831 59 45

The telephone conference will also be broadcasted over the internet (listen only). Please use the link:

event.onlineseminarsolutions.com/r.htm?e=1188015&s=1&k=9793ACA5BB14E48064138C4362674826

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Financial calendar

Annual report 2015/16	August 11, 2016
Interim report May – July 2016/17	September 1, 2016
Annual General Meeting 2016	September 1, 2016
Interim report May – October 2016/17	December 1, 2016