ELEKTA

Q1
2016/17
September 1, 2016

Interim report May – July 2016/17

First quarter

- Gross order intake increased by 4 percent to SEK 2,662 M (2,569) and 4 percent based on constant exchange rates.
- Net sales decreased 16 percent to SEK 1,882 M (2,239) and 15 percent based on constant exchange rates.
- EBITA* amounted to SEK 166 M (68). Items affecting comparability was SEK -89 M (-30) and bad debt losses was SEK -6 M (-27). The effect from changes in exchange rates was SEK 115 M (-20) including hedges.
- Operating result was SEK -34 M (-93).
- Net income amounted to SEK -64 M (-129). Earnings per share was SEK -0.17 (-0.34) before and after dilution.
- Cash flow after continuous investments improved by SEK 256 M to SEK -308 M (-564).
- The Board of Directors appointed Richard Hausmann as new President and CEO effective June 10, 2016.

Group summary

SEK M	Q1 2016/17	Q1 2015/16	Change	
Gross order intake	2,662	2,569	4%	**
Net sales	1,882	2,239	-15%	**
EBITA*	166	68	144%	
Operating result	-34	-93		
Net income	-64	-129		
Cash flow after continuous investments	-308	-564		
Earnings per share after dilution, SEK	-0.17	-0.34		

** Adjusted for items affecting comparability and bad debt losses.*
*** Compared to last fiscal year based on constant exchange rates*

President and CEO comments

As outlined during the capital markets day in June, we are making progress on our way to excellence, reducing costs and capitalizing on our innovation leadership in best-in-class treatment solutions and oncology information software.

Our gross order intake increased by 4* percent in the quarter. We had a number of major strategic wins, including the Vienna Hospital Association in Austria and gross orders in region Europe, Middle East and Africa grew by 14* percent. Overall, we had strong performance in our emerging markets and I am particularly pleased with China, where we reported order growth of 30* percent. Order intake in North and South America declined 16* percent. This was from a challenging comparison last year, but it was also below our expectations and we have taken measures for improved performance.

The new produce-to-order process has now been implemented. As previously announced, this will improve cash flow and lower working capital, but have a negative one-off impact of some SEK 500 M on net sales in the first half of this year. In line with this, we saw lower net sales in the quarter. However, on the positive side we have improved the underlying cash flow** by over SEK 400 M and maintained the net working capital to sales ratio at 5 percent.

Efficiency improvements and cost reductions are being realized as planned. Our target is to reduce the cost base with SEK 700 M compared with 2014/15 and we are half way through the process. We are lowering administrative spending and increasing efficiency in marketing, sales and product development. This, in combination with an improved product mix and favorable currency movements, improved our gross margins and EBITA margins in the first quarter.

Elekta is truly an outstanding company, which I feel proud and privileged to lead. Every year, our treatment solutions and oncology information software improve or save the lives of over one million cancer patients. They allow therapy departments to perform better – this has enabled our historical growth and will allow us to create value going forward. For future growth and improved profitability, I have outlined a number of priorities for the coming years:

We will continue to strengthen our position as the industry's innovation leader and prioritize our investments in R&D both in treatment solutions and oncology information software. This will help us to improve cancer care and strengthen our future growth. We have been committed to enhanced imaging and adaptive treatment for many years, which is why we are focusing on the development of our MR-linac. The system is attracting considerable attention ahead of its launch in the second half of calendar year 2017. In addition, I am convinced that our leading oncology information software platform, MOSAIQ®, is a unique asset. We will further capitalize on and invest in it in order to support our customers in a treatment and vendor-agnostic way. Enhancements include big data and analytics as modules.

While visiting cancer centers around the world, I have realized how close and strong our customer relationships are. It's essential that we work continuously to strengthen the customer experience and our commercial activities. It is also clear that there are a number of areas where we can improve by working more efficiently, setting the right priorities and by creating the optimal conditions for our employees to shape the future of cancer care. In short – we shall pursue our drive towards excellence in all we do as one company.

We will complete our transformation program and deliver on our margin target. Thereafter, continuous productivity improvements will become part of our daily business. I am confident that we will continue to be the leader and pioneer in radiation therapy and brain diseases and help our customers to improve or save the lives of their patients.

Richard Hausmann, President and CEO

**Based on constant exchange rates **Adjusted for one-off cash outflow related to legal processes, including HumediQ, and the transformation program, totaling SEK 170 M (see page 5).*

Transformation program

The transformation program, announced in June 2015, is progressing according to plan. It 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
- Realize cost reductions of SEK 700* M with full effect from 2017/18. Approximately half of the savings have been realized.
- Maintain net working capital to sales below 5 percent
- Reduce inventory levels by a produce-to-order process. This implies a temporary reduced production and shipment volume, with a one-off negative revenue impact of about SEK 500 M in the first half of fiscal year 2016/17

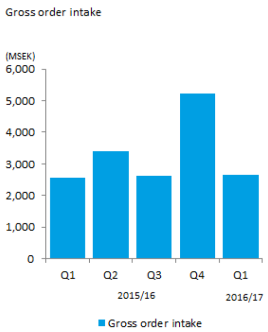
** Base year 2014/15, excluding currency effects.*

Presented amounts refer to the fiscal year 2016/17 and amounts within parentheses indicate comparative values for the equivalent period last fiscal year unless otherwise stated.

Order intake and order backlog

From fiscal year 2016/17, Elekta reports gross order intake instead of net order intake. This is in line with industry peers.

Gross order intake increased 4 percent to SEK 2,662 M (2,569) and 4 percent based on constant exchange rates.



Gross order intake

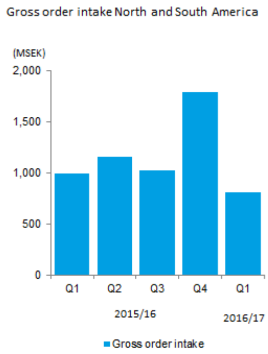
SEK M	Q1 2016/17	Q1 2015/16	Change*	12 months rolling	May - Apr 2015/16
North and South America	811	992	-16%	4,773	4,954
Europe, Middle East and Africa	830	736	14%	4,918	4,824
Asia Pacific	1,021	841	20%	4,223	4,043
Group	2,662	2,569	4%	13,914	13,821

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

Order backlog was SEK 20,058 M, compared to SEK 18,239 M on April 30, 2016. Order backlog is converted at closing exchange rates which resulted in a positive translation difference of SEK 1,068 M. According to the current delivery plan the current order backlog is expected to be recognized as follows: 35 percent in the remaining nine months of 2016/17, 25 percent in 2017/18 and 40 percent thereafter.

Regional development

North and South America

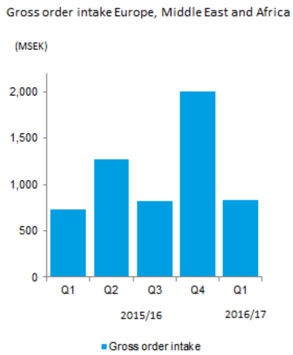


In the US, the replacement market was stable and investments in replacing the installed base of radiation therapy equipment continued. Market growth was primarily driven by the service business. In the first quarter, new proposed payment rates were presented as part of the annual Medicare rulemaking process where radiation therapy proposals, if implemented, would maintain current payment level with a few increases in the brachytherapy and SBRT segments.

South America has a significant lack of radiation therapy capacity. Demand for cancer care is growing, primarily driven by a rapidly aging population. The current weak economic development in the region has however affected investments in radiation therapy considerably.

Elekta's gross order intake decreased 18 percent during the first quarter and 16 percent based on constant exchange rates. This should be compared to strong growth in the first quarter last year as well as a strong ending last fiscal year. The service business had good order growth during the first quarter. The weak market in South America resulted in negative growth in gross order intake for that region in the first quarter.

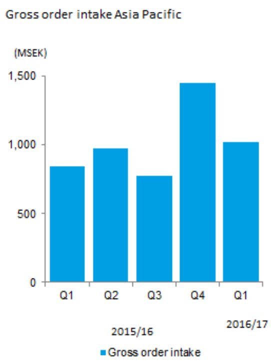
Europe, Middle East and Africa



Radiation therapy capacity in Western Europe is insufficient, which is visible in long waiting times for treatment in some countries. This is being addressed in part by increased investments from public health care systems, while investment initiatives from private care providers are growing. Development in the region's emerging markets is mixed. Business in Russia is at low levels.
The Middle East has started to grow, driven by the newly opened market in Iran. The need for affordable cancer care in Africa is significant and represents long-term growth potential.

Elekta's gross order intake increased 13 percent during the quarter and 14 percent based on constant exchange rates. Growth in Western Europe was strong with a number of important strategic wins, including the Vienna Hospital Association in Austria.

Region Asia Pacific



The region comprises almost 60 percent of the global population but less than 30 percent of the world's linear accelerators. This means there is a large unmet need for cancer care. The main market drivers are longer life expectancy and greater economic prosperity, which are leading to investments in health care. Generally, market growth in the region is volatile and was favorable in the first quarter. Growth markets include China, India and South East Asia. The Japanese market is currently at low levels, however, Elekta is strengthening its position in the country.

Elekta's gross order intake increased 21 percent during the quarter and 20 percent based on constant exchange rates. Order growth in China was particularly strong with an increase of 30 percent. China has a large need for a long-term and structural expansion of their cancer care capacity.

Net sales and earnings

Net sales decreased 16 percent to SEK 1,882 M (2,239) and 15 percent based on constant exchange rates. This is mainly related to one-off effects from the new produce-to-order process. Service sales increased by 7 percent based on constant exchange rates.

Net sales

SEK M	Q1 2016/17	Q1 2015/16	Change*	12 months rolling	Change	May - Apr 2015/16
North and South America	822	914	-8%	3,913	0%	4,005
Europe, Middle East and Africa	553	745	-24%	3,459	-12%	3,651
Asia Pacific	507	580	-14%	3,492	3%	3,565
Group	1,882	2,239	-15%	10,864	-3%	11,221

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

Gross margin improved 1 percentage point to 41 percent (40), driven by higher service sales, cost savings as well as a positive impact from currency movements. Operating expenses decreased 16 percent as a result from cost reduction activities in the transformation program and currency effects. R&D expenditure, before capitalization of development costs amounted to SEK 284 M (362), equal to 15 percent (16) of net sales.

EBITA* increased to SEK 166 M (68) representing a margin of 9 percent (3). The effect from changes in exchange rates was approximately SEK 115 M (-20) including hedges. Items affecting comparability amounted to SEK -89 M (-30), of which SEK -60 M (-1) were related to legal disputes and SEK -29 M (-29) were costs related to severance, efficiency initiatives and external support within the transformation program. Operating result was SEK -34 M (-93).

Net financial items amounted to SEK -51 M (-72). Interest expense decreased due to lower outstanding loan volumes. Profit before tax amounted to SEK -85 M (-165), tax amounted to SEK 20 M (36) and net income amounted to SEK -64 M (-129). Earnings per share amounted to SEK -0.17 (-0.34) before and after dilution. Return on shareholders' equity amounted to 3 percent (9) and return on capital employed amounted to 5 percent (9).

Capitalized development costs

SEK M	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Capitalization of development costs	105	156	541	592
of which R&D	105	156	540	591
Amortization of capitalized development costs	-78	-72	-332	-326
of which R&D	-72	-66	-307	-301
Capitalized development costs, net	27	84	209	266
of which R&D	33	90	233	290

** Before items affecting comparability and bad debt losses.*

The net of capitalization and amortization of development costs in the R&D function decreased to SEK 33 M (90). Amortization of capitalized development costs increased to SEK 78 M (72) and is expected to further increase during the remainder of the fiscal year.

Investments and depreciation

Continuous investments were SEK 132 M (215), including investments in intangible assets of SEK 105 M (158) and investments in other assets of SEK 26 M (57). Investments in intangible assets is related to ongoing R&D programs and the lower level reflects the reduction in R&D expenses. The reduced investment in other assets was also R&D related. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 144 M (146).

Cash flow

Cash flow from operating activities improved to SEK -139 M (-349). During the quarter cash outflow relating to the transformation program and legal processes amounted to approximately SEK 170 M, of which SEK 93 M was paid to HumediQ as settlement for the arbitration outcome, as previously communicated and described on page 7. The operational cash conversion for rolling 12 months was 124 percent (111). Cash flow after continuous investments was SEK -308 M (-564).

Cash flow (extract)

SEK M	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Operating cash flow	-37	-8	680	709
Change in working capital	*-103*	*-341*	*699*	*461*
Cash flow from operating activities	-139	-349	1,380	1,170
Continuous investments	*-169*	*-215*	*-728*	*-774*
Cashflow after continuous investments	-308	-564	652	396
*Operational cash conversion**			*124%*	*111%*

**Cash flow from operating activities / EBITDA*

Working capital

Net working capital decreased to SEK 525 M (1,235) corresponding to 5 percent (11) of net sales.

Working capital

SEK M	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Working capital assets			
Inventories	1,193	1,480	1,135
Accounts receivable	3,288	4,006	3,301
Accrued income	1,916	1,957	2,126
Other operating receivables	782 *)	855	741
Sum working capital assets	7,179	8,298	7,303
Working capital liabilities			
Accounts payable	704	1,023	1,122
Advances from customers	2,168	2,228	1,943
Prepaid income	1,629	1,738	1,648
Accrued expenses	1,721	1,801	1,817
Short-term provisions	247	101	347
Other current liabilities	184	172	157
Sum working capital liabilities	6,654	7,063	7,035
Net working capital	525	1,235	268
% of 12 months net sales rolling	5%	11%	2%

**) Adjusted for interest-bearing receivables of SEK -2 M.*

Inventory and accounts payable have decreased compared to the first quarter last year, mainly as a result of the produce-to-order process. In the quarter, accounts payable was also reduced by payments of items affecting comparability.

The Days Sales Outstanding (DSO) has been reduced to 47 days (65). The improvement in North and South America is mainly related to a favorable product mix with a relatively higher proportion of software and service sales. In region Europe, Middle East and Africa a decrease in accounts receivable and accrued income was the main driver for the lower DSO, while the increase in DSO in Asia Pacific reflected an increase in accrued income.

Days Sales Outstanding (DSO)

SEK M	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
North and South America	-52	-40	-46
Europe, Middle East and Africa	113	166	112
Asia Pacific	90	86	128
Group	47	65	60

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 2,060 M (2,273 on April 30, 2016) and interest-bearing liabilities amounted to SEK 5,091 M (4,950 on April 30, 2016). Net debt amounted to SEK 3,031 M (2,677 on April 30, 2016) and net debt/equity ratio was 0.46 (0.42 on April 30, 2016).

Net debt

SEK M	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Long-term interest-bearing liabilities	3,201	5,047	3,065
Short-term interest-bearing liabilities	1,891	1,104	1,885
Cash and cash equivalents	-2,060	-2,748	-2,273
Net debt	3,031	3,403	2,677

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 120 M (86). The translation difference in long-term interest-bearing liabilities amounted to SEK 136 M (131). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 304 M (232).

The change in unrealized exchange rate effects from effective cash flow hedges amounted to SEK -141 M (108) and is reported in other comprehensive income. The closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -137 M (-10) exclusive of tax.

Significant events during the reporting period

Change of President and CEO

Richard Hausmann was appointed as the new President and CEO effective June 10, 2016. He succeeded Tomas Puusepp.

Richard Hausmann joined 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 President and CEO of Siemens Ltd. 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

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

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 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. In the first quarter 2016/17, an amount of SEK 23 M relating to humediQ has been reported as items affecting comparability: this amount is in addition to SEK 128 M, which was reported as items affecting comparability in the fourth quarter of 2015/16.

Significant events after the reporting period

Nothing to report.

Employees

The average number of employees during the period was 3,530 (3,777). The number of employees on July 31, 2016 totaled 3,575 (3,828) compared to 3,617 on April 30, 2016. The decrease during the period is related to the ongoing transformation program and mainly from streamlining of the manufacturing organization and efficiency programs in administration.

The average number of employees in the Parent Company was 31 (29).

Shares

During the period no new B-shares were subscribed through conversion of convertibles. Total number of registered shares on July 31, 2016 was 382,829,047, of which 14,250,000 were 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.

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. Brexit, as an example, might lead to economic uncertainty that may impact Elekta since an important part of the business is located in the United Kingdom.

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 carefully monitors intellectual property rights of third parties, 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 as it aims 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 describe 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. Noncompliance 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 healthcare 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 macroeconomic development, a number of emerging market currencies have depreciated significantly and, as a consequence Elekta has experienced 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, see Note 2 in the Annual Report 2015/16.

Stockholm, September 1, 2016

Richard Hausmann

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 2015/16.

Exchange rates

Country	Currency	Average rate			Closing rate				
		May - Jul 2016/17	May - Jul 2015/16	Change	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016	Change *) 12 months	Change **)
Euroland	1 EUR	9.325	9.322	0%	9.579	9.439	9.176	1%	4%
Great Britain	1 GBP	11.659	12.984	-10%	11.389	13.430	11.782	-15%	-3%
Japan	1 JPY	0.078	0.069	12%	0.083	0.070	0.075	19%	11%
United States	1 USD	8.298	8.444	-2%	8.637	8.629	8.059	0%	7%

**) July 31, 2016 vs July 31, 2015*
***) July 31, 2016 vs April 30, 2016*

Regarding foreign Group companies, order intake 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	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Net sales	1,882	2,239	10,864	11,221
Cost of products sold	-1,118	-1,354	-6,372	-6,608
Gross income	764	885	4,492	4,613
Selling expenses	-276	-343	-1,269	-1,336
Administrative expenses	-215	-272	-969	-1,026
R&D expenses	-251	-272	-1,043	-1,065
Exchange rate differences	33	-61	-71	-165
Operating result before items affecting comparability	55	-63	1,139	1,021
Items affecting comparability	-89	-30	-657	-598
Operating result	-34	-93	482	423
Result from participations in associates	3	2	12	11
Interest income	5	5	37	37
Interest expenses and similar items	-62	-79	-268	-285
Exchange rate differences	3	0	6	3
Profit before tax	-85	-165	269	189
Income taxes	20	36	-59	-44
Net income	-64	-129	210	145
Net income attributable to:				
Parent Company shareholders	-65	-131	203	137
Non-controlling interests	1	2	7	8
Earnings per share before dilution, SEK	-0.17	-0.34	0.53	0.36
Earnings per share after dilution, SEK	-0.17	-0.34	0.53	0.36

STATEMENT OF COMPREHENSIVE INCOME	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Net income	-64	-129	210	145
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Remeasurements of defined benefit pension plans	—	—	8	8
Tax	—	—	-2	-2
Total items that will not be reclassified to the income statement	—	—	6	6
Items that subsequently may be reclassified to the income statement				
Revaluation of cash flow hedges	-141	108	-132	117
Translation differences from foreign operations	304	232	-209	-281
Tax	27	-22	24	-25
Total items that subsequently may be reclassified to the income statement	190	318	-317	-189
Other comprehensive income for the period	190	318	-311	-183
Total comprehensive income for the period	126	189	-101	-38
Comprehensive income attributable to:				
Parent Company shareholders	126	188	-107	-45
Non-controlling interests	0	1	6	7

RESULT OVERVIEW

SEK M	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Operating result/EBIT before items affecting comparability	55	-63	1,139	1,021
Bad debt losses	6	27	128	149
Amortization:				
capitalized development costs	78	72	332	326
acquisitions	27	32	138	143
EBITA before items affecting comparability and bad debt losses	166	68	1,737	1,639
Depreciation	39	42	162	165
EBITDA before items affecting comparability and bad debt losses	205	110	1,899	1,805

CONSOLIDATED BALANCE SHEET

SEK M	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
Non-current assets			
Intangible assets	8,545	8,452	8,210
Tangible fixed assets	795	930	803
Financial assets	365	403	365
Deferred tax assets	253	276	281
Total non-current assets	9,957	10,061	9,658
Current assets			
Inventories	1,193	1,480	1,135
Accounts receivable	3,288	4,006	3,301
Accrued income	1,916	1,957	2,126
Current tax assets	243	89	160
Derivative financial instruments	59	119	47
Other current receivables	784	855	741
Cash and cash equivalents	2,060	2,748	2,273
Total current assets	9,543	11,254	9,783
Total assets	19,500	21,315	19,441
Elekta's owners' equity	6,528	6,826	6,402
Non-controlling interests	1	9	10
Total equity	6,529	6,835	6,412
Non-current liabilities			
Long-term interest-bearing liabilities	3,201	5,047	3,065 *)
Deferred tax liabilities	687	776	690
Long-term provisions	131	149	140
Other long-term liabilities	79	120	73
Total non-current liabilities	4,097	6,092	3,967
Current liabilities			
Short-term interest-bearing liabilities	1,891	1,104	1,885 *)
Accounts payable	704	1,023	1,122
Advances from customers	2,168	2,228	1,943
Prepaid income	1,629	1,738	1,648
Accrued expenses	1,721	1,801	1,817
Current tax liabilities	45	86	93
Short-term provisions	247	101	347
Derivative financial instruments	284	135	50
Other current liabilities	184	172	157
Total current liabilities	8,874	8,388	9,062
Total equity and liabilities	19,500	21,315	19,441

*) *The convertible loan amounting to SEK 1,872 M, maturing April 25, 2017, was reclassified to a short-term interest-bearing liability in the annual report 2015/16. In the year-end report May - April 2015/16 the loan was presented as long-term.*

CASH FLOW

SEK M	Q1 2016/17	Q1 2015/16	12 months rolling	May - Apr 2015/16
Profit before tax	-85	-165	269	189
Amortization and depreciation	144	146	632	634
Interest net	45	63	185	203
Other non-cash items	-15	46	86	147
Interest received and paid	-46	-50	-192	-196
Income taxes paid	-80	-48	-300	-268
Operating cash flow	*-37*	*-8*	*680*	*709*
Increase (-)/decrease (+) in inventories	-22	-132	190	80
Increase (-)/decrease (+) in operating receivables	448	175	623 *)	350 *)
Increase (-)/decrease (+) in operating liabilities	-529 *)	-384	-114 *)	31 *)
Change in working capital	*- 103*	*-341*	*699*	*461*
Cash flow from operating activities	-139	-349	1,380	1,170
Investments intangible assets	-142	-158	-580	-596
Investments other assets	-26	-57	-161	-192
Sale of fixed assets	0	—	14	14
Continuous investments	*- 169*	*-215*	*- 728*	*-774*
Cash flow after continuous investments	-308	-564	652	396
Business combinations and investments in other shares	-16	-12	-16	-12
Cash flow after investments	-324	-576	636	384
Cash flow from financing activities	-8	-27	-1,284	-1,303
Cash flow for the period	-333	-603	-649	-920
Exchange rate differences	120	86	-38	-72
Change in cash and cash equivalents for the period	-213	-517	-687	-992

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

CHANGES IN EQUITY

SEK M	May - Jul 2016/17	May - Jul 2015/16	May - Apr 2015/16
Attributable to Elekta's owners			
Opening balance	6,402	6,638	6,638
Comprehensive income for the period	126	188	-45
Conversion of convertible loan	—	—	0
Dividend	—	—	-191
Total	6,528	6,826	6,402
Attributable to non-controlling interests			
Opening balance	10	8	8
Comprehensive income for the period	0	1	7
Dividend	-9	—	-5
Total	1	9	10
Closing balance	6,529	6,835	6,412

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.

	Jul 31, 2016		Jul 31, 2015		Apr 30, 2016	
SEK M	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	3,201	3,338	5,047	5,310	3,065	3,213
Short-term interest-bearing liabilities	1,891	1,988	1,104	1,130	1,885	1,984

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	Jul 31, 2016	Jul 31, 2015	Apr 30, 2016
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss:				
Derivative financial instruments – non-hedge accounting	2	54	43	21
Derivatives used for hedging purposes:				
Derivative financial instruments – hedge accounting	2	5	89	27
Total financial assets		59	132	48
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments – non-hedge accounting	2	151	48	17
Contingent consideration	3	93	136	104
Derivatives used for hedging purposes:				
Derivative financial instruments – hedge accounting	2	149	102	36
Total financial liabilities		393	286	157

KEY FIGURES

	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16	May - Jul 2015/16	May - Jul 2016/17
Gross order intake, SEK M	n/a	n/a	n/a	12,825	13,821	2,569	2,662
Net sales, SEK M	9,048	10,339	10,694	10,839	11,221	2,239	1,882
Operating result, SEK M	1,849	2,012	1,727	937	423	-93	-34
Operating margin before items affecting comparability, %	20	20	18	9	9	-3	3
Operating margin, %	20	19	16	9	4	-4	- 2
Profit margin, %	19	17	14	7	2	-7	- 4
Shareholders' equity, SEK M	5,010	5,560	6,257	6,646	6,412	6,835	6,529
Capital employed, SEK M	9,540	10,112	10,743	12,678	11,360	12,986	11,620
Equity/assets ratio, %	33	34	35	31	33	32	33
Net debt/equity ratio, multiple	0.53	0.36	0.36	0.42	0.42	0.5	0.46
Return on shareholders' equity, %	29	27	21	9	2	9	3
Return on capital employed, %	28	21	17	9	4	9	5

DATA PER SHARE

	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Apr 2015/16	May - Jul 2015/16	May - Jul 2016/17
Earnings per share							
before dilution, SEK	3.26	3.52	3.01	1.45	0.36	-0.34	-0.17
after dilution, SEK	3.23	3.52	3.00	1.45	0.36	-0.34	-0.17
Cash flow per share							
before dilution, SEK	-7.07	3.17	1.31	1.78	1.00	-1.51	-0.85
after dilution, SEK	-7.01	3.17	1.24	1.78	1.00	-1.51	-0.85
Shareholders' equity per share							
before dilution, SEK	13.19	14.55	16.39	17.41	16.79	17.90	17.12
after dilution, SEK	13.31	14.55	20.32	17.41	16.79	17.90	17.12
Average number of shares							
before dilution, 000s	376,431	380,672	381,277	381,287	381,288	381,287	381,288
after dilution, 000s	380,125	380,672	400,686	381,287	381,288	381,287	381,288
Number of shares at closing							
before dilution, 000s *)	378,991	381,270	381,287	381,287	381,288	381,287	381,288
after dilution, 000s	384,284	381,270	400,696	381,287	381,288	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 July 31, 2016).*

Data per quarter SEK M	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17
Gross order intake	n/a	n/a	n/a	n/a	2,569	3,398	2,616	5,238	2,662
Net sales	1,865	2,567	2,552	3,855	2,239	2,828	2,547	3,607	1,882
EBITA before items affecting comparability	-38	397	345	601	41	444	263	742	160
Operating result	-122	310	250	499	-93	304	56	155	-34
Cash flow from operating activities	-478	436	200	1,665	-349	346	327	846	-139

Order intake*) growth based on constant exchange rates	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	Q1 2016/17
North and South America, %	11	-2	-53	-31	13	-18	23	15	-16
Europe, Middle East and Africa, %	31	-33	14	-27	-30	41	-43	38	14
Asia Pacific, %	-5	2	-23	23	12	-6	0	-5	20
Group, %	12	-13	-22	-18	-5	3	-15	16	4

**) From Q1 2016/17 the numbers are based on gross order intake.*

Segment reporting

Elekta applies geographical segmentation. Order intake, net sales and contribution margin for respective regions are reported to Elekta's CFO and CEO (chief operating decision makers). The regions' expenses are directly attributable to the respective region reported including cost of products sold. 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 - Jul 2016/17

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	822	553	507	1,882	
Regional expenses	-551	-381	-374	-1,306	69%
Contribution margin	271	173	132	576	31%
Contribution margin, %	33%	31%	26%		
Global costs				-521	28%
Operating result before items affecting comparability				55	3%
Items affecting comparability				-89	
Operating result				-34	-2%
Net financial items				-51	
Profit before tax				-85	

May - Jul 2015/16

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	914	745	580	2,239	
Regional expenses	-686	-586	-463	-1,735	77%
Contribution margin	228	159	117	504	23%
Contribution margin, %	25%	21%	20%		
Global costs				-567	25%
Operating result before items affecting comparability				-63	-3%
Items affecting comparability				-30	
Operating result				-93	-4%
Net financial items				-72	
Profit before tax				-165	

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	
Regional 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 items affecting comparability				1,021	9%
Items affecting comparability				-598	
Operating result				423	4%
Net financial items				-234	
Profit before tax				189	

12 months rolling

SEK M	North and South America	Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	3,913	3,459	3,492	10,864	
Regional expenses	-2,578	-2,558	-2,501	-7,637	70%
Contribution margin	1,335	902	990	3,227	30%
Contribution margin, %	34%	26%	28%		
Global costs				-2,088	19%
Operating result before items affecting comparability				1,139	10%
Items affecting comparability				-657	
Operating result				482	4%
Net financial items				-213	
Profit before tax				269	

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 - Jul 2016/17	May - Jul 2015/16
Operating expenses	-40	-50
Financial net	49	-15
Income after financial items	9	-65
Tax	10	14
Net income	19	-51
Statement of comprehensive income		
Net income	19	-51
Other comprehensive income	—	—
Total comprehensive income	19	-51

BALANCE SHEET

SEK M	Jul 31, 2016	Apr 30, 2016
Non-current assets		
Intangible assets	83	83
Shares in subsidiaries	2,212	2,129
Receivables from subsidaries	2,667	2,662
Other financial assets	74	73
Deferred tax assets	39	29
Total non-current assets	5,075	4,976
Current assets		
Receivables from subsidaries	3,788	4,145
Other current receivables	76	35
Cash and cash equivalents	1,459	1,499
Total current assets	5,323	5,679
Total assets	10,397	10,655
Shareholders' equity	2,650	2,631
Non-current liabilities		
Long-term interest-bearing liabilities	3,200	3,063 *)
Long-term liabilities to Group companies	39	39
Long-term provisions	55	53
Total non-current liabilities	3,294	3,155
Current liabilities		
Short-term interest-bearing liabilities	1,877	1,872 *)
Short-term liabilities to Group companies	2,380	2,752
Short-term provisions	19	29
Other current liabilities	177	216
Total current liabilities	4,453	4,869
Total shareholders' equity and liabilities	10,397	10,655

*) *The convertible loan amounting to SEK 1,872 M, maturing April 25, 2017, was reclassified to a short-term interest-bearing liability in the annual report 2015/16. In the year-end report May - April 2015/16 the loan was presented as long-term.*

Reconciliation of non-IFRS measures

Non-IFRS measures that Elekta and other parties use when measuring Elekta's performance are referred to in this interim report. These measures are considered to provide meaningful information to management and investors when analyzing trends in the company's business. These non-IFRS measures should not be seen as substitutes, but rather as a supplement, to financial reporting measures prepared in accordance with IFRS.

Non-IFRS measures in this interim report are reconciled to IFRS measures with tabular presentations on pages 5, 6, 10 and 17. Definitions of key figures and other non-IFRS measures can be found on www.elekta.com/investors/financials/definitions.php or on page 31 in the Annual Report 2015/16.

Order and sales growth based on constant exchange rates

Elekta's order intake and sales are, to a large extent, reported in subsidiaries with other functional currencies than SEK, which is the group reporting currency. In order to present order and sales growth on a more comparable basis and to show the impact of currency fluctuations, order and sales growth based on constant exchange rates are presented. The schedules below present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

Change gross order intake

Q1 2016/17 vs. Q1 2015/16

SEK M	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
Change constant currency	-156	-16%	100	14%	167	20%	111	4%
Currency effects	-25	-2%	-7	-1%	13	1%	-19	0%
Reported change	-181	-18%	93	13%	180	21%	92	4%

Change net sales

Q1 2016/17 vs. Q1 2015/16

SEK M	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
Change constant currency	-71	-8%	-179	-24%	-80	-14%	-330	-15%
Currency effects	-21	-2%	-13	-2%	7	1%	-27	-1%
Reported change	-92	-10%	-192	-26%	-73	-13%	-357	-16%

Q1 2015/16 vs. Q1 2014/15

SEK M	North and South America		Europe, Middle East, and Africa		Asia Pacific		Group total	
Change constant currency	87	13%	53	8%	-56	-10%	84	4%
Currency effects	179	28%	35	5%	76	14%	290	16%
Reported change	266	41%	88	13%	20	4%	374	20%

EBITA and EBITDA adjusted for items affecting comparability and bad debt losses

EBITA and EBITDA adjusted for items affecting comparability and bad debt losses are non-IFRS measures used by management to evaluate the business. The measures are considered to assist management and investors in comparing the performance across reporting periods on a consistent basis by excluding items that are nonoperational or affect comparability. The costs adjusted for relate to group-wide restructuring programs or legal disputes as specified on page 7. Bad debt losses have been excluded as these relate to turbulence in the market that is not expected to occur on a regular basis. For a reconciliation of EBITA and EBITDA, adjusted for items affecting comparability and bad debt losses, to operating result as presented in the IFRS income statement, see page 10.

Shareholder information

Conference call

Elekta will host a telephone conference at 10:00-11:00 CET on September 1, with president and CEO Richard Hausmann 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)8 566 427 01
UK dial-in number: +44 (0) 203 428 14 02
US dial-in number: +1 866 388 19 25

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

event.onlineseminarsolutions.com/r.htm?e=1223067&s=1&k=81A32C0632664A47038D55D25DD31548

The above information is such that Elekta AB (publ) shall make public in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was published at 07:30 CET on September 1, 2016.

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Financial calendar

Annual General Meeting 2016	September 1, 2016
Interim report May – October 2016/17	December 1, 2016