ELEKTA

Q3
2015/16
March 2, 2016

Interim report May – January 2015/16

Third quarter

- Order bookings decreased 11 percent to SEK 2,533 M (2,834) or decreased 15 percent based on constant exchange rates.
- Net sales were flat and amounted to SEK 2,547 M (2,552) and decreased 6 percent based on constant exchange rates.
- EBITA amounted to SEK 335 M (350) adjusted for non-recurring items of SEK -91 M (0) and bad debt losses of SEK 72 M (5).
- Operating result was SEK 56 M (250).
- Net income amounted to SEK 7 M (152). Earnings per share was SEK 0.01 (0.39) before dilution and SEK 0.01 (0.39) after dilution.
- Cash flow after continuous investments amounted to SEK 137 M (-45).

May – January

- Order bookings increased 4 percent to SEK 8,360 M (8,051) or decreased 6 percent based on constant exchange rates.
- Net sales increased 9 percent to SEK 7,614 M (6,984) or decreased 2 percent based on constant exchange rates.
- EBITA amounted to SEK 855 M (733) adjusted for non-recurring items of SEK -139 M (-2) and bad debt losses of SEK 107 M (28).
- Operating result was SEK 267 M (438).
- Net income amounted to SEK 67 M (215). Earnings per share was SEK 0.16 (0.55) before dilution and SEK 0.16 (0.55) after dilution.
- Cash flow after continuous investments amounted to SEK -280 M (-541).

Group summary

SEK M	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	Change
Order bookings	2,533	2,834	8,360	8,051	-6%*
Net sales	2,547	2,552	7,614	6,984	-2%*
EBITA before non-recurring items	263	345	748	705	6%
Operating result	56	250	267	438	-39%
Net income	7	152	67	215	-69%
Cash flow after continuous investments	137	-45	-280	-541	48%
Earnings per share after dilution, SEK	0.01	0.39	0.16	0.55	-71%

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

Transformation program

- 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's ambition to reach an EBITA-margin of 20 percent in fiscal year 2017/18 is unchanged.
- The additional restructuring cost needed for the transformation is currently estimated to be approximately SEK 550 M and will be charged as a non-recurring item in future periods.

Outlook

We expect growth in net sales to be slightly negative for the fiscal year, based on constant exchange rates, and that the EBITA margin, adjusted for non-recurring items, will improve.

The outlook is adjusted from the previous: "We expect growth in net sales to continue to be modest for the fiscal year, based on constant exchange rates, and that the EBITA margin, adjusted for non-recurring items, will continue to improve."

President and CEO comments

Global markets continue to be weak, impacted by economic uncertainty and political unrest. This has affected the business especially in emerging markets. Elekta adjusts its outlook for the full fiscal year and gives an update on the transformation program, which is progressing well.

Order bookings

In the third quarter order bookings decreased by 15 percent based on constant exchange rates. This was disappointing and weaker than forecasted. During the nine months period order bookings increased by 4 percent or decreased 6 percent based on constant exchange rates. Our challenges are related to order bookings for Leksell Gamma Knife, which decreased by 56 percent based on constant exchange rates and to markets in region Europe, Middle East and Africa, where order bookings decreased by 17 percent based on constant exchange rates. Order bookings in emerging markets decreased by 9 percent based on constant exchange rates during the period.

Our linear accelerator segment performed well and order bookings grew by 10 percent based on constant exchange rates. Also, order bookings in region North and South America increased 2 percent based on constant exchange rates. In the Asia Pacific region, where performance was mixed, order bookings increased by 1 percent based on constant exchange rates. Growth in Australia was strong. Growth in China was modest. Markets in Japan declined significantly and South East Asia is challenging.

Net sales and EBITA

Net sales for the nine months period increased by 9 percent or decreased by 2 percent based on constant exchange rates. Growth in services was strong during the period and increased by 10 percent based on constant exchange rates. However, delivery volumes for Leksell Gamma Knife were significantly below plan. Gross margin improved to 40 percent (39) driven by services. EBITA amounted to SEK 855 M (733) excluding non-recurring items and bad debt losses. Bad debt losses for the nine months period amounted to SEK 107 M (28) and were mainly related to Russia and Latin America.

Innovation and product portfolio

Our MRI-guided radiation therapy system, Atlantic, is progressing according to plan. The R&D consortium's second non-commercial system was installed at MD Anderson Cancer Center in Houston during the third quarter. Installations at the five remaining consortium sites will all take place during the calendar year 2016.

Leksell Gamma Knife Icon has received good initial interest, however the sales process takes longer than anticipated, because we are targeting a new segment, radiation therapy clinics. In addition, Icon is pending regulatory approval in some key markets. We are expecting approval for sale in Canada during summer and in Japan and China during the first half of our fiscal year 2016/17. Order bookings for Leksell Gamma Knife decreased significantly in all regions. Sales of Icon upgrades to the installed base are on track.

We continue to focus on strategic R&D investments to improve our offering of cancer care solutions, with strong emphasis on software and image guided radiation therapy. We are further improving our customer service network, including training and education.

Transformation program

The transformation program announced in June 2015 is progressing well. It involves all areas of the company with the objective of creating a leaner company with improved financial efficiency, higher margins and with an increased focus on cash flow. It also includes actions to strengthen customer satisfaction as well as focus on high growth areas like service, software and image guided radiation therapy.

Cost savings during the nine months period amounted to SEK 80 M. During our transformation process, we have identified additional areas for improvements. As a result, we have raised our cost reduction target to SEK 700 M from SEK 450 M with full effect from fiscal year 2017/18.

Cash flow has improved for the nine months period. Net working capital to sales ratio decreased to 8 percent (17).

We have set a target to reach a net working capital to sales ratio of 5 percent by the end of next fiscal year with a more efficient produce to order process.

Historically, we have accepted to take orders late in the quarter and ship in the same quarter. To manage these shipments we pre-produce to inventory, resulting in high levels of inventory for both finished goods and components. To create a leaner production process and reduce inventory, we will change this practice and start producing only to customer order without allowing for pre-produced equipment.

The change will result in a temporary lower production and shipment volume during the first half of next fiscal year. This is a one off effect expected to impact revenues negatively with about SEK 500 M next fiscal year. As a consequence inventory levels will come down significantly.

We estimate that inventory will be structurally reduced with about SEK 500 M from current levels.

The EBITA margin excluding one-offs will continuously improve during the transformation period through operating expense reductions and growth primarily in the service and software business. The target to reach an EBITA margin of 20 percent in fiscal year 2017/18 remains intact.

The additional restructuring cost needed for the transformation is currently estimated to be approximately SEK 550 M and will be charged as a non-recurring item in future periods.

Market outlook

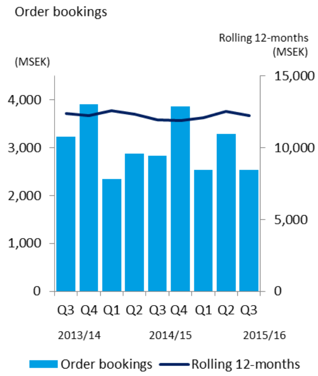
The world's cancer burden is rapidly increasing regardless of the economic development. In 2015, approximately 15 million new cancer cases were diagnosed world-wide and this number is expected to grow by approximately 3 percent per year. In addition, the number of re-treatments of cancer patients increase, we add novel technology with higher clinical value, and the utilization and application usage of radiation therapy are constantly broadened.

Recently, an article in the Lancet journal validated that global healthcare systems will need about 1.8 times more linear accelerators compared to the installed base of today. Radiation oncology is in a strong position and it's my firm belief that the market in the long term will develop in a very solid way. We foresee that the underlying long-term market growth potential is some 6-7 percent per year.

Global markets for medical device equipment are impacted by economic uncertainty which currently is affecting the business environment, particularly in emerging markets. We expect established markets to grow in line with general economic growth. Data on healthcare expenditures suggest that healthcare spending is set to grow in the mid-term, after a challenging period in many geographies. In addition, services and aftermarket sales to the installed base is growing faster than sale of new medical devices. We foresee that the underlying mid-term market growth is around 3-5 percent per year.

Tomas Puusepp
President and CEO

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

Order bookings increased 4 percent to SEK 8,360 M (8,051). Based on constant exchange rates order bookings decreased by 6 percent.

Order bookings

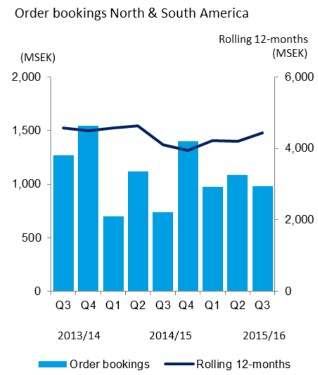
SEK M	Q3 2015/16	Q3 2014/15	Change*	May - Jan 2015/16	May - Jan 2014/15	Change*	May - Apr 2014/15
North & South America	979	740	23%	3,042	2,555	2%	3,952
Europe, Middle East & Africa	810	1,398	-43%	2,776	3,235	-17%	4,470
Asia Pacific	744	696	0%	2,542	2,261	1%	3,485
Group	2,533	2,834	-15%	8,360	8,051	-6%	11,907

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

Order backlog was SEK 18,034 M, compared to SEK 17,087 M on April 30, 2015. Order backlog is converted at closing exchange rates. The translation of the backlog at exchange rates on January 31, 2016 compared to exchange rates on April 30, 2015 resulted in a positive translation difference of SEK 198 M. According to the current delivery plan, the order backlog as per 31 January 2016 is expected to be revenue recognized as follows: 15 percent in the remaining three months of the fiscal year 2015/16, 35 percent in 2016/17 and 50 percent thereafter.

Regional development

North and South America



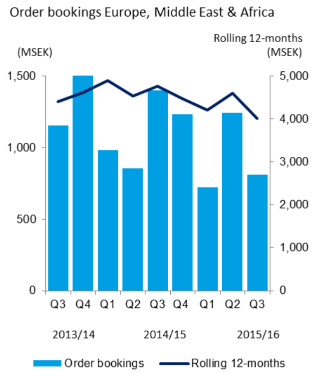
Order bookings increased 19 percent during the nine months period, or 2 percent based on constant exchange rates.

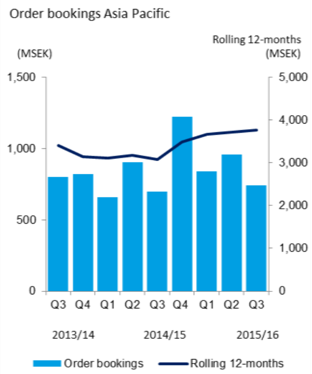
In the US the replacement market is solid and investments in replacing the installed base of radiation therapy equipment continues. The market growth is primarily driven by services and aftermarket sales. Consolidation of the hospital market continues, which drives the market towards more comprehensive solutions and large-scale projects. Elekta's share of the installed base of linear accelerators in the US is approximately 15 percent, however the share of new orders is higher. Elekta's performance in Canada was good. During the third quarter Elekta won a large order in Canada.

South American markets have been affected by weak economic development and depreciating currencies. In Brazil, which has been very seriously impacted, Elekta's order bookings had negative growth during the period. Elekta's performance in other Latin American markets such as Argentina and Colombia was strong and compensated for the shortfall in Brazil.

During the nine months period net sales increased 24 percent or 6 percent based on constant exchange rates. Growth was driven by services, software and aftermarket sales.

Elekta's contribution margin from the region increased to 30 percent (27) during the nine months period, mainly as a result of a favorable product mix.





Europe, Middle East and Africa

Elekta's order bookings declined 14 percent or 17 percent based on constant exchange rates, in the nine months period.

Growth in the region was below expectations. Emerging markets such as Eastern Europe and Russia have been affected by falling oil prices, political instability and weak economic development. Geographical performance varied with good growth in France and Poland while Germany and the Netherlands were weak due to tough comparisons from last year.

Net sales decreased 3 percent or 6 percent based on constant exchange rates during the nine months period. Services grew with 10 percent based on constant exchange rates. A limited number of medical capital equipment units were delivered during the nine months period.

During the nine months period, the contribution margin from the region amounted to 24 percent (29). The decline was mainly related to weak deliveries and bad debt losses, principally related to Russia.

Region Asia Pacific

Order bookings increased 12 percent and 1 percent based on constant exchange rates during the nine months period. Region Asia Pacific reported mixed performance. China, where Elekta is strengthening its market share, was stable and the demand for Elekta's solutions was good, particularly in the fast-growing private sector. Elekta reported strong performance in Australia, while Japan and Southeast Asia were weak and generally impacted by the economic development and exchange rate fluctuations. Despite the negative market development in Japan Elekta is strengthening its market share.

Net sales increased 8 percent or decreased 4 percent based on constant exchange rates during the nine months period. The decline in net sales based on constant exchange rates was related to weak market development in Japan and Southeast Asia.

During the nine months period, the contribution margin from the region amounted to 25 percent (21). The increase was mainly attributable to higher aftermarket sales.

Net sales and earnings

Net sales increased 9 percent to SEK 7,614 M (6,984), corresponding to 2 percent decrease based on constant exchange rates. The decrease was mainly due to low delivery volumes of capital equipment.

Net sales

SEK M	Q3 2015/16	Q3 2014/15	Change*	May - Jan 2015/16	May - Jan 2014/15	Change*	May - Apr 2014/15
North & South America	914	821	1%	2,860	2,303	6%	3,651
Europe, Middle East & Africa	850	1,008	-16%	2,466	2,553	-6%	3,829
Asia Pacific	783	723	1%	2,288	2,128	-4%	3,359
Group	2,547	2,552	-6%	7,614	6,984	-2%	10,839

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

Gross margin improved 1.7 percentage point to 40 percent (39). The increase is driven by higher sales for services as well as a positive impact from currency movements.

Operating expenses were negatively affected by SEK 72 M (5) of bad debt losses during the quarter. Bad debt losses for the nine months period amounted to SEK 107 M (28) and were mainly related to Russia and Latin America. Bad debt losses are reported in selling costs. Operating expenses, based on constant exchange rates and excluding amortizations and bad debt losses, decreased 2 percent. As a result of the ongoing transformation program the expenses are expected to decline further during the fiscal year.

R&D expenditure, before capitalization of development costs amounted to SEK 1,053 M (1,037), equal to 14 percent (15) of net sales.

EBITA before non-recurring items increased 6 percent to SEK 748 M (705). The effect from changes in exchange rates was approximately SEK 20 M (40) including hedges. Non-recurring items amounted to SEK -139 M (-2) and were mainly related to the transformation program. EBITA margin, before non-recurring items, was 10 percent (10). Operating result was SEK 267 M (438). Operating margin amounted to 4 percent (6).

Net financial items amounted to SEK -182 M (-163). Interest expense during the period was negatively affected by increased borrowing used to repay debt maturing in August and foreign exchange effects on USD denominated debt.

Profit before tax amounted to SEK 86 M (275). Tax amounted to SEK -19 M (-60). Net income amounted to SEK 67 M (215). Earnings per share amounted to SEK 0.16 (0.55) before dilution and SEK 0.16 (0.55) after dilution. Return on shareholders' equity amounted to 6 percent (17) and return on capital employed amounted to 7 percent (15).

Capitalization and amortization of development costs in the R&D function decreased to a net of SEK 232 M (334). Amortization of capitalized development costs increased to SEK 246 M (167) and is expected to further increase in the last quarter of the fiscal year.

Capitalized development costs

SEK M	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Capitalization of development costs	143	177	460	485	658	683
of which R&D	142	176	459	483	656	680
Amortization of capitalized development costs	-85	-61	-246	-167	-315	-236
of which R&D	-79	-55	-228	-149	-290	-211
Capitalized development costs, net	58	116	214	318	343	447
of which R&D	64	121	232	334	367	469

Investments and depreciation

Continuous investments were SEK 696 M (700) including investments in intangible assets of SEK 553 M (486) and investments in other assets of SEK 143 M (214). Investments in intangible assets mainly related to ongoing R&D programs but also included SEK 91 M from IP licenses acquired during the quarter. Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 466 M (370). Capitalization of development costs for the full fiscal year is expected to decline in local currency. Investments in other assets are also expected to be reduced.

Cash flow

Cash flow from operating activities improved to SEK 311 M (158) mostly from a better working capital development. Cash flow from operating activities / EBITDA before non-recurring items was 130 percent (126 on April 30, 2015) during the 12 months rolling period. Cash flow after continuous investments improved by SEK 261 M to SEK -280 M (-541).

Cash flow (extract)

SEK M	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Operating cash flow	47	353	447	551	1,195	1,299
Change in working capital	*267*	*-153*	*-136*	*-393*	*781*	*524*
Cash flow from operating activities	314	200	311	158	1,976	1,823
Continuous investments	*-177*	*-245*	*-591*	*-700*	*-847*	*-956*
Cashflow after continuous investments	137	-45	-280	-541	1,128	867
*Cash flow from operating activities / EBITDA**	*103%*	*52%*	*36%*	*20%*	*130%*	*126%*
*Cash conversion***	*84%*				*111%*	*81%*

**EBITDA before non-recurring items*
*** 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 957 M (1,852) corresponding to 8 percent (17) of net sales (rolling 12-months).

During the nine months period net working capital increased with SEK 76 M (403).

Working capital

SEK M	Jan 31, 2016	Jan 31, 2015	Apr 30, 2015
Working capital assets			
Inventories	1,462	1,446	1,297
Accounts receivable	3,529	4,392	4,207
Accrued income	1,926	1,777	1,895
Other operating receivables	888	816	695
Sum working capital assets	7,806	8,431	8,094
Working capital liabilities			
Accounts payable	1,135	975	1,262
Advances from customers	2,074	2,095	2,165
Prepaid income	1,618	1,587	1,673
Accrued expenses	1,709	1,606	1,789
Other operating liabilities	312	316	324
Sum working capital liabilities	6,848	6,579	7,213
Net working capital	957	1,852	881
% of 12 months net sales rolling	8%	17%	8%

The increase in inventories is due to finished goods build up ahead of fourth quarter shipments. The decrease in accounts receivable was mostly due to lower levels in Eastern Europe and Middle East.

The Days Sales Outstanding (DSO) has been reduced to 56 days (83). Region North and South America has a relatively high level of software sales, with a corresponding high level of prepayments, resulting in a negative

DSO number. Region Europe, Middle East and Africa has a higher portion of hardware sales, public tender sales with fixed payment terms, and large part of sales in emerging markets, leading to a high DSO number. The DSO number for region Asia Pacific varies within the region due to local differences in payment terms.

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 in China.

Days Sales Outstanding (DSO)

SEK M	Jan 31, 2016	Jan 31, 2015	Apr 30, 2015
North & South America	-42	-32	-16
Europé, Middle East & Africa	132	176	163
Asia Pacific	97	87	95
Group	56	83	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 1,683 M (3,265 on April 30, 2015) and interest-bearing liabilities amounted to SEK 5,047 M (6,033 on April 30, 2015). Thus, net debt amounted to SEK 3,364 M (2,768 on April 30, 2015). Net debt/equity ratio was 0.52 (0.42 on April 30, 2015).

The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 4 M (158). The translation difference in long-term interest-bearing liabilities amounted to SEK 57 M (554). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK -107 M (706).

The change in unrealized exchange rate effects from effective cash flow hedges amounted to SEK 29 M (-231) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from effective cash flow hedges amounted to SEK -108 M (-169) exclusive of tax.

Outlook

We expect growth in net sales to be slightly negative for the fiscal year, based on constant exchange rates, and that the EBITA margin, adjusted for non-recurring items, will improve.

The outlook is adjusted from the previous: "We expect growth in net sales to continue to be modest for the fiscal year, based on constant exchange rates, and that the EBITA margin, adjusted for non-recurring items, will continue to improve."

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). The Board of Directors had appointed Tomas Puusepp as President and CEO as of May 13, 2015. Tomas Puusepp has, during the past year, been an Executive Director of the Elekta Board and served as President and CEO of Elekta during fiscal years 2005/06 to 2013/14.

Changes to the Executive Management team

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

Transformation program

On June 11, 2015, the transformation program, with the objectives of improving growth, increasing profitability, reduce costs and focus on cash flow, was outlined.

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

US lawsuit

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

Investigation in Italy

As communicated on November 12, 2015, there is an ongoing investigation in Italy where Elekta employees are suspected of interfering with public procurement processes. Elekta is providing all requested information to the Italian authorities. Elekta has zero tolerance for any deviation from the code of conduct and clear corporate policies and procedures in place.

Significant events after the reporting period

Transformation program

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.
- The additional restructuring cost needed for the transformation is currently estimated to be approximately SEK 550 M and will be charged as a non-recurring item in future periods.

Employees

The average number of employees during the period was 3,677 (3,696). The number of employees on January 31, 2016 totaled 3,689 (3,802) compared to 3,844 on April 30, 2015. The decrease since April 30 is mainly related to the ongoing transformation program.

The average number of employees in the Parent Company was 27 (34).

Shares

During the period 270 new B-shares were subscribed through conversion of convertibles. Total number of registered shares on January 31, 2016 was 382,829,045 divided between 14,250,000 A-shares and 368,579,045 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.

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 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.

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, March 2, 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				
		Q3 2015/16	Q3 2014/15	Change	Jan 31, 2016	Jan 31, 2015	Apr 30, 2015	Change [1] 12 months	Change [2] 9 months
Euroland	1 EUR	9.337	9.222	1%	9.294	9.362	9.267	-1%	0%
Great Britain	1 GBP	12.907	11.635	11%	12.239	12.439	12.769	-2%	-4%
Japan	1 JPY	0.070	0.066	6%	0.071	0.070	0.070	1%	1%
United States	1 USD	8.468	7.164	18%	8.528	8.256	8.252	3%	3%

1. January 31, 2016 vs January 31, 2015
2. January 31, 2016 vs April 30, 2015

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	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Net sales	2,547	2,552	7,614	6,984	11,469	10,839
Cost of products sold	-1,540	-1,554	-4,541	-4,282	-6,792	-6,533
Gross income	1,007	998	3,073	2,702	4,677	4,306
Selling expenses	-333	-275	-1,009	-848	-1,496	-1,335
Administrative expenses	-241	-277	-763	-759	-1,052	-1,048
R&D expenses	-275	-227	-821	-703	-1,070	-952
Exchange rate differences	-10	31	-73	48	-152	-31
Operating result before non-recurring items	148	250	407	440	907	940
Non-recurring items	-91	—	-139	-2	-140	-3
Operating result	56	250	267	438	766	937
Result from participations in associates	3	-1	6	-2	8	0
Interest income	8	2	19	19	25	25
Interest expenses and similar items	-62	-62	-214	-188	-285	-259
Exchange rate differences	3	5	7	8	12	13
Profit before tax	9	194	86	275	527	716
Income taxes	-2	-42	-19	-60	-117	-158
Net income	7	152	67	215	410	558
Net income attributable to:						
Parent Company shareholders	4	150	61	211	402	552
Non-controlling interests	3	2	6	4	8	6
Earnings per share before dilution, SEK	0.01	0.39	0.16	0.55	1.06	1.45
Earnings per share after dilution, SEK	0.01	0.39	0.16	0.55	1.06	1.45

STATEMENT OF COMPREHENSIVE INCOME	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Net income	7	152	67	215	410	558
Other comprehensive income:						
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	—	—	—	—	-6	-6
Tax	—	—	—	—	2	2
Total items that will not be reclassified to the income statement	—	—	—	—	-4	-4
Items that subsequently may be reclassified to the income statement						
Revaluation of cash flow hedges	-33	-150	29	-231	78	-182
Translation differences from foreign operations	-196	347	-107	706	-67	746
Tax	6	30	-7	48	-16	39
Total items that subsequently may be reclassified to the income statement	-223	227	-85	523	-5	603
Other comprehensive income for the period	-223	227	-85	523	-9	599
Comprehensive income for the period	-216	379	-18	738	401	1,157
Comprehensive income attributable to:						
Parent Company shareholders	-218	377	-23	734	394	1,151
Non-controlling interests	2	2	5	4	7	6

RESULT OVERVIEW

SEK M	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Operating result/EBIT before non-recurring items	148	250	407	440	907	940
Amortization:						
capitalized development costs	85	61	246	167	315	236
acquisitions	30	34	95	97	128	130
EBITA before non-recurring items	263	345	748	705	1,350	1,306
Depreciation	41	38	124	106	164	146
EBITDA before non-recurring items	304	383	872	810	1,514	1,452

CONSOLIDATED BALANCE SHEET

SEK M	Jan 31, 2016	Jan 31, 2015	Apr 30, 2015
Non-current assets			
Intangible assets	8,378	7,868	8,174
Tangible fixed assets	825	830	881
Financial assets	385	411	371
Deferred tax assets	347	187	224
Total non-current assets	9,935	9,297	9,650
Current assets			
Inventories	1,462	1,446	1,297
Accounts receivable	3,529	4,392	4,207
Accrued income	1,926	1,777	1,895
Current tax assets	125	75	92
Derivative financial instruments	29	188	83
Other current receivables	888	816	695
Cash and cash equivalents	1,683	1,011	3,265
Total current assets	9,644	9,705	11,534
Total assets	19,578	19,001	21,184
Elekta's owners' equity	6,424	6,221	6,638
Non-controlling interests	8	5	8
Total equity	6,432	6,226	6,646
Non-current liabilities			
Long-term interest-bearing liabilities	5,031	3,961	4,958
Deferred tax liabilities	769	713	732
Other long-term liabilities	246	231	279
Total non-current liabilities	6,046	4,905	5,969
Current liabilities			
Short-term interest-bearing liabilities	16	1,075	1,075
Accounts payable	1,135	975	1,262
Advances from customers	2,074	2,095	2,165
Prepaid income	1,618	1,587	1,673
Accrued expenses	1,709	1,606	1,789
Current tax liabilities	98	30	119
Derivative financial instruments	139	186	162
Other current liabilities	312	316	324
Total current liabilities	7,101	7,870	8,569
Total equity and liabilities	19,578	19,001	21,184
Assets pledged	10	12	18
Contingent liabilities	55	76	59

CASH FLOW

SEK M	Q3 2015/16	Q3 2014/15	May - Jan 2015/16	May - Jan 2014/15	12 months rolling	May - Apr 2014/15
Profit before tax	9	194	86	275	527	716
Amortization & Depreciation	157	132	466	370	608	512
Interest net	46	53	163	143	212	192
Other non-cash items	-28	103	111	208	314	411
Interest received and paid	-58	-40	-202	-147	-225	-170
Income taxes paid	-79	-89	-177	-298	-241	-362
Operating cash flow	*47*	*353*	*447*	*551*	*1,195*	*1,299*
Increase (-)/decrease (+) in inventories	-100	-44	-207	-187	7	27
Increase (-)/decrease (+) in operating receivables	270	-302	432 *)	153	811	532
Increase (-)/decrease (+) in operating liabilities	97	193	-361 *)	-359	-37	-35
Change in working capital	*267*	*-153*	*- 136*	*- 393*	*781*	*524*
Cash flow from operating activities	314	200	311	158	1,976	1,823
Investments intangible assets	-143	-178	-462	-486	-655	-679
Investments other assets	-48	-67	-143	-214	-206	-277
Sale of fixed assets	14	—	14	—	14	—
Continuous investments	*- 177*	*-245*	*- 591*	*- 700*	*- 847*	*-956*
Cash flow after continuous investments	137	-45	-280	-541	1,128	867
Business combinations and investments in associates	-12	1	-22	-46	-164	-188
Cash flow after investments	125	-44	-302	-588	965	679
Cash flow from financing activities	-1	61	-1,284	-806	-292	186
Cash flow for the period	124	17	-1,586	-1,394	673	865
Exchange rate differences	-27	52	4	158	-1	153
Change in cash and cash equivalents for the period	97	69	-1,582	-1,236	672	1,018

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

CHANGES IN EQUITY

SEK M	May - Jan 2015/16	May - Jan 2014/15	May - Apr 2014/15
Attributable to Elekta's owners			
Opening balance	6,638	6,249	6,249
Comprehensive income for the period	-23	734	1,151
Conversion of convertible loan	0	0	0
Dividend	-191	-763	-763
Total	6,424	6,221	6,638
Attributable to non-controlling interests			
Opening balance	8	8	8
Comprehensive income for the period	5	4	6
Dividend	-5	-6	-6
Total	8	5	8
Closing balance	6,432	6,226	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.

	Jan 31, 2016		Jan 31, 2015		Apr 30, 2015	
SEK M	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term interest-bearing liabilities	5,030	5,276	3,961	4,234	4,958	5,252
Short-term interest-bearing liabilities	16	16	1,075	1,113	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	Jan 31, 2016	Jan 31, 2015	Apr 30, 2015
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss:				
Derivative financial instruments – non-hedging	2	17	168	70
Derivatives used for hedging purposes:				
Derivative financial instruments – hedging	2	16	29	15
Total financial assets		33	197	85
FINANCIAL LIABILITIES				
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments – non-hedging	2	40	57	44
Contingent consideration	3	118	28	152
Derivatives used for hedging purposes:				
Derivative financial instruments – hedging	2	124	198	133
Total financial liabilities		282	283	329

KEY FIGURES

	May - Apr 2010/11	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Jan 2014/15	May - Jan 2015/16
Order bookings, SEK M	9,061	10,815	12,117	12,253	11,907	8,051	8,360
Net sales, SEK M	7,904	9,048	10,339	10,694	10,839	6,984	7,614
Operating result, SEK M	1,502	1,849	2,012	1,727	937	438	267
Operating margin before non-recurring items, %	19	20	20	18	9	6	5
Operating margin, %	19	20	19	16	9	6	4
Profit margin, %	19	19	17	14	7	4	1
Shareholders' equity, SEK M	3,833	5,010	5,560	6,257	6,646	6,226	6,432
Capital employed, SEK M	4,714	9,540	10,112	10,743	12,678	11,262	11,479
Equity/assets ratio, %	43	33	34	35	31	33	33
Net debt/equity ratio	-0.13	0.53	0.36	0.36	0.42	0.65	0.52
Return on shareholders' equity, %	30	29	27	21	9	17	6
Return on capital employed, %	35	28	21	17	9	15	7

DATA PER SHARE

	May - Apr 2010/11	May - Apr 2011/12	May - Apr 2012/13	May - Apr 2013/14	May - Apr 2014/15	May - Jan 2014/15	May - Jan 2015/16
Earnings per share							
before dilution, SEK	2.76	3.26	3.52	3.01	1.45	0.55	0.16
after dilution, SEK	2.73	3.23	3.52	3.00	1.45	0.55	0.16
Cash flow per share							
before dilution, SEK	1.31	-7.07	3.17	1.31	1.78	-1.54	-0.79
after dilution, SEK	1.30	-7.01	3.17	1.24	1.78	-1.54	-0.79
Shareholders' equity per share							
before dilution, SEK	10.22	13.19	14.55	16.39	17.41	16.32	16.78
after dilution, SEK	10.61	13.31	14.55	20.32	17.41	16.32	16.78
Average number of shares							
before dilution, 000s	373,364	376,431	380,672	381,277	381,287	381,287	381,287
after dilution, 000s	378,028	380,125	380,672	400,686	381,287	381,287	381,287
Number of shares at closing							
before dilution, 000s *)	374,951	378,991	381,270	381,287	381,287	381,287	381,288
after dilution, 000s	383,618	384,284	381,270	400,696	381,287	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 January, 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
Order bookings	2,027	3,101	3,224	3,901	2,341	2,876	2,834	3,856	2,536	3,291	2,533
Net sales	1,912	2,443	2,385	3,954	1,865	2,567	2,552	3,855	2,239	2,828	2,547
EBITA before non-recurring items	148	407	340	1,288	-38	397	345	601	41	444	263
Operating result	46	304	260	1,117	-122	310	250	499	-93	304	56
Cash flow from operating activities	-391	282	153	1,231	-478	436	200	1,665	-349	346	314

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
North & South America, %	-26	8	40	-4	11	-2	-53	-31	13	-18	23
Europe, Middle East & Africa, %	18	32	15	13	31	-33	14	-27	-30	41	-43
Asia Pacific, %	8	-7	-9	-23	-5	2	-23	23	12	-6	0
Group, %	-2	10	15	-3	12	-13	-22	-18	-5	3	-15

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 - Jan 2015/16

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	2,860	2,466	2,288	7,614	
Operating expenses	-2,015	-1,864	-1,717	-5,596	73%
Contribution margin	845	602	571	2,018	27%
Contribution margin, %	30%	24%	25%		
Global costs				-1,611	21%
Operating result before non-recurring items				407	5%
Non-recurring items				-139	
Operating result				267	4%
Net financial items				-182	
Income before tax				86	

May - Jan 2014/15

SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	2,303	2,553	2,128	6,984	
Operating expenses	-1,682	-1,817	-1,683	-5,182	74%
Contribution margin	621	736	445	1,802	26%
Contribution margin, %	27%	29%	21%		
Global costs				-1,362	20%
Operating result before non-recurring items				440	6%
Non-recurring items				-2	
Operating result				438	6%
Net financial items				-163	
Income before tax				275	

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	

12 months rolling

SEK M	North and South America	Middle East and Africa	Asia Pacific	Group total	% of net sales
Net sales	4,208	3,742	3,519	11,469	
Operating expenses	-2,906	-2,837	-2,613	-8,356	73%
Contribution margin	1,302	905	906	3,113	27%
Contribution margin, %	31%	24%	26%		
Global costs				-2,206	19%
Operating result before non-recurring items				907	8%
Non-recurring items				-140	
Operating result				766	7%
Net financial items				-240	
Income before tax				527	

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 - Jan 2015/16	May - Jan 2014/15
Operating expenses	-140	-93
Financial net	139	-14
Income after financial items	-1	-107
Tax	35	18
Net income	34	-89
Statement of comprehensive income		
Net income	34	-89
Other comprehensive income	—	9
Total comprehensive income	34	-80

BALANCE SHEET

SEK M	Jan 31, 2016	Apr 30, 2015
Non-current assets		
Intangible assets	91	—
Shares in subsidiaries	2,136	2,142
Receivables from subsidaries	2,663	2,663
Other financial assets	99	96
Deferred tax assets	47	11
Total non-current assets	5,036	4,912
Current assets		
Receivables from subsidaries	4,082	3,804
Other current receivables	28	46
Cash and cash equivalents	1,178	2,630
Total current assets	5,288	6,480
Total assets	10,324	11,392
Shareholders' equity	2,162	2,319
Untaxed reserves	43	43
Non-current liabilities		
Long-term interest-bearing liabilities	5,030	4,958
Long-term liabilities to Group companies	39	39
Long-term provisions	71	97
Total non-current liabilities	5,140	5,093
Current liabilities		
Short-term interest-bearing liabilities	0	1,031
Short-term liabilities to Group companies	2,786	2,700
Other current liabilities	193	206
Total current liabilities	2,979	3,937
Total shareholders' equity and liabilities	10,324	11,392
Assets pledged	—	—
Contingent liabilities	1,077	1,213

Shareholder information

Conference call

Elekta will host a telephone conference at 10:00-11:00 CET on March 2, 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 64
UK dial-in number: +44 (0) 203 008 98 11
US dial-in number: +1 855 753 22 36

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

http://event.onlineseminarsolutions.com/r.htm?e=1130188&s=1&k=D687F74BEEB287B382610C038CAC32A2

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Financial calendar

Year-end report May – April 2015/16	June 1, 2016
Interim report May – July 2016/17	September 1, 2016