

RAYSEARCH LABORATORIES AB (PUBL)

INTERIM REPORT JANUARY 1–JUNE 30, 2015

HALF-YEAR (JANUARY–JUNE, 2015)

- Net sales for the period amounted to SEK 165.1 M [105.8], of which RayStation® accounted for SEK 106.6 M [50.9]
- Profit after tax totaled SEK 22.4 M [5.9] and earnings per share were SEK 0.65 [0.17]
- Operating profit amounted to SEK 31.0 M [8.4]
- Cash flow was a negative SEK 2.3 M [neg: 11.3]
- Order intake excluding service agreements amounted to SEK 158.3 M [101.6], of which RayStation® accounted for SEK 124.4 M [59.1]

SECOND QUARTER (APRIL–JUNE, 2015)

- Net sales for the period amounted to SEK 77.3 M [51.9], of which RayStation® accounted for SEK 53.9 M [23.6]
- Loss after tax totaled SEK 2.6 M [profit: 1.0] and loss per share was SEK 0.08 [earnings: 0.00]
- Operating loss amounted to SEK 2.1 M [profit: 2.1]
- Cash flow was a negative SEK 10.1 M [neg: 7.9]
- Order intake excluding service agreements amounted to SEK 72.0 M [46.8], of which RayStation® accounted for SEK 55.3 M [24.4]
- RayStation® order backlog totaled SEK 33.8 M [66.5]

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- The first proton therapy treatments with RayStation® for Mevion S250 in the US
- Texas Center for Proton Therapy, part of the national collaboration The US Oncology Network, has selected RayStation®
- Peter Thysell was appointed new CFO, Björn Hårdemark Deputy CEO, Kjell Eriksson new Chief Science Officer and Victoria Sörving new General Counsel, and all join executive management

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- RaySearch has secured a number of major orders from some of the world's largest and most respected cancer clinics, including the University of Texas MD Anderson Cancer Center and the University of Florida Health Proton Therapy Institute in the US, as well as Gustave Roussy in France
- Long-term collaboration agreement signed with Accuray regarding the RayCare® Oncology Information System

“Our success with RayStation® continues and the strong start to the year remains unabated. During the first half of the year, revenues from RayStation® rose approximately 129 percent to SEK 116.6 M [50.9]. Overall, revenues rose 56.0 percent to SEK 165.1 M [105.8] and operating profit increased to SEK 31.0 M [8.4], representing the highest-ever sales and earnings for the first half-year,” says Johan Löf, CEO of RaySearch.

“In the third quarter, we have already secured several key orders from some of the world's largest and most respected cancer clinics, including MD Anderson and the University of Florida Health Proton Therapy Institute in the US, and Gustave Roussy in France. We secured these orders in direct competition with our main competitors, which I consider firm confirmation that our system offers major benefits,” says Johan Löf.

SUMMARY OF FINANCIAL RESULTS

AMOUNTS IN SEK 000S	JAN-JUN		APR-JUN		JUL 2014-	FULL-YEAR
	2015	2014	2015	2014	JUN 2015	2014
Net sales	165,073	105,833	77,342	51,856	344,457	285,217
Operating profit/loss	30,957	8,368	-2,114	2,142	101,949	79,360
Operating margin, %	18.8	7.9	Neg	4.1	29.6	27.8
Profit/loss for the period	22,418	5,935	-2,605	1	76,315	59,832
Earnings/loss per share, SEK	0.65	0.17	-0.08	0.00	2.23	1.75
Share price at the end of the period, SEK	108.00	39.60	108.00	39.60	108.00	53.00

The information in the interim report is such that RaySearch is required to disclose publicly in accordance with the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on August 28, 2015 at 7:45 a.m.

CEO COMMENTS

SUCCESS WITH RAYSTATION® CONTINUE

Our success with RayStation® continues and the strong start to the year remains unabated. During the first half of the year, order intake for RayStation® more than doubled to SEK 124.4 M [59.1] and in the third quarter, we have secured several key orders from some of the world's largest and most respected cancer clinics, including MD Anderson and the University of Florida Health Proton Therapy Institute in the US, and Gustave Roussy in France. We secured these orders in direct competition with our main competitors, which I consider firm confirmation that our system offers major benefits. Our sales success is based on RayStation's high calculation speed, automated workflow, advanced support for adaptive radiation therapy, unique multi-criteria optimization and user-friendly interface. More and more highly respected customers can now confirm that RayStation's advanced and unique technology helps them improve their radiation therapy and use existing radiation equipment more efficiently.

To date, more than 230 cancer clinics in some 20 countries have purchased RayStation®. Meanwhile, since there are more than 8,000 radiation-therapy clinics worldwide, our growth potential remains very strong.

We are continuing to expand our sales and support organization as planned and during the first half of the year, we increased the number of sales and support personnel in our subsidiaries in Europe and the US, and signed distribution agreements with such countries as Turkey, Saudi Arabia and Jordan.

HIGH VOLUME GROWTH

The high volume growth for RayStation® now accounts for more than 70% of our sales. In the first half of the year, revenues from RayStation® rose approximately 129 percent to SEK 116.6 M [50.9], while sales via partners declined slightly to SEK 48.5 M [55.1]. Overall, revenues rose 56.0 percent to SEK 165.1 M [105.8] and operating profit increased to SEK 31.0 M [8.4]. These figures represent the highest-ever sales and earnings for the first half-year.

STABLE BASE FOR CONTINUED FOCUS

Sales of RayStation® have gained real momentum, and the system is firmly established in all major markets around the world. Our sales and earnings will continue to vary from quarter to quarter, since deliveries are subject to major fluctuations. However, I take great pleasure in confirming that our sales have reached record levels for seven consecutive quarters, compared with year-on-year quarters. We also note how this growth is continuing unabated in the third quarter, which we hope will lead to improved earnings for the second half of the year, which is usually considerably stronger than the first half of the year. This will provide a stable base for a continued focus on RayStation®.

GREAT INTEREST IN RAYCARE®

During the spring and summer, we were also able to confirm interest in the Oncology Information System (OIS) that we are developing, known as RayCare®. A radiation therapy clinic essentially needs two software platforms for its business activities: an information system and a treatment planning system. RayCare® and RayStation® will enable us to provide the entire infrastructure for a clinic's information management and treatment planning. The launch of RayCare® in 2017 will present us with new opportunities, both clinically and commercially, which is also confirmed by our long-term collaboration agreement with Accuray regarding RayCare®.

RaySearch celebrated its 15th anniversary in June and, in connection with this landmark, I can confirm that the company has never experienced such powerful momentum, neither internally within research and development, for example, nor externally in the global market. This gives us an excellent platform for continued success. We have now entered a new and exciting phase of development with an ever-growing customer base and new strategic opportunities. I therefore look forward to the future with great confidence.

Stockholm, August 28, 2015

Johan Löf
President and CEO of RaySearch Laboratories AB (publ)

SIGNIFICANT EVENTS

SIGNIFICANT EVENTS DURING THE PERIOD JANUARY 1–JUNE 30, 2015

Changes in executive management

In January 2015, it was announced that CFO, Anders Martin-Löf, had decided to leave RaySearch in April to become CFO of another company. In March, Peter Thysell was appointed Interim CFO and he was subsequently appointed permanent CFO as of August. In June, Victoria Sörving was appointed new General Counsel, Kjell Eriksson new Chief Science Officer and Björn Hårdemark Deputy CEO. All will join executive management.

First proton therapy treatments with RayStation® in Europe.

In February, it was announced that Westdeutsches Protontherapiezentrum Essen (WPE) in Germany was the first proton center in Europe to use RayStation® for clinical treatments.

First proton therapy treatments with RayStation® for Mevion S250

In May, it was announced that the Ackerman Cancer Center in Jacksonville, USA, had started to use RayStation® for clinical proton therapy treatments together with Mevion S250 equipment.

Texas Center for Proton Therapy selects RayStation®

In May, it was announced that the Texas Center for Proton Therapy had chosen the RayStation® treatment planning system. RayStation® has also qualified as an approved treatment planning system for the US Oncology Network, a national collaboration in the US encompassing some 100 radiation therapy clinics.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Long-term collaboration agreement with Accuray regarding the RayCare® Oncology Information System

In July, it was announced that RaySearch and Accuray Inc. had signed a long-term collaboration agreement regarding the RayCare® Oncology Information System (OIS), which RaySearch is currently developing. Under the agreement, Accuray will be able to offer RayCare® in several major radiation therapy markets with a fully integrated solution for its TomoTherapy® and CyberKnife®.

RayStation® selected in a number of large-scale procurements

In August, it was announced that RaySearch with RayStation®, in direct competition with the company's main competitors, had secured several major orders with some of the world's largest and most respected cancer clinics, including

- The University of Texas MD Anderson Cancer Center, which is the world's largest and most highly rated cancer clinic
- The University of Florida Health Proton Therapy Institute, which has selected RayStation® as its primary treatment planning system
- Gustave Roussy, which is one of the largest and leading cancer clinics in Europe, with a large network of satellite centers and business partners, both nationally in France and internationally with some of Europe's foremost oncology clinics

FINANCIAL INFORMATION

SALES AND EARNINGS FOR THE SECOND QUARTER OF 2015

Revenues and currency effects

In the second quarter of 2015, sales rose 49.1 percent year-on-year to SEK 77.3 M (51.9). Sales consist of license revenues from sales of RayStation® and sales of software modules via partners, as well as support revenues. In the second quarter of 2015, license revenues amounted to SEK 66.7 M (45.5). In the same period, support revenues increased to SEK 10.7 M (6.4). The sales increase is due to the sharp growth in sales of RayStation®. At the same time, sales via partners continued to decline.

Order intake excluding service agreements amounted to SEK 72.0 M (46.8). Of the order intake, RayStation® accounted for SEK 55.3 M (24.4). At June 30, the order backlog for RayStation® was SEK 33.8 M (66.5).

The company is dependent on exchange-rate trends in the USD and EUR against the SEK, since invoicing is mainly denominated in USD and EUR, while most of the costs are in SEK. During the first quarter of 2015, revenues in USD were recognized at an average exchange rate of SEK 8.42, compared with SEK 6.60 in the year-earlier period. During the second quarter of 2015, revenues in EUR were recognized at an average exchange rate of SEK 9.30, compared with SEK 9.05 in the year-earlier period. Accordingly, currency effects had a positive impact on sales. At unchanged exchange rates, sales would have increased 27.3 percent year-on-year.

Expenses and profit

During the quarter, the operating result deteriorated to a loss of SEK 2.1 M (profit: 2.1), corresponding to a negative operating margin of 2.7 percent (pos: 4.13). Operating expenses, excluding exchange-rate gains and losses, increased SEK 23.0 M to SEK 73.2 M, compared with the year-earlier quarter. The deterioration in earnings is largely a result of increased operating expenses due to the focus on sales of RayStation® and the development of RayCare®. This has led to higher costs for marketing and additional personnel in sales, service, research and development. In addition, the head office in Stockholm has relocated to new, purpose-built premises.

Other operating income and expenses refers to exchange-rate gains and losses, with the net of these amounting to an expense of SEK 4.1 M (income: 1.9) in the second quarter of 2015. The decrease is mainly due to the major portion of accounts receivable that are denominated in USD, which weakened in the second quarter compared with the end of the first quarter.

At 30 June 2015, some 92 (80) employees were engaged in research and development. Research and development costs include payroll costs, consulting fees, computer equipment and premises. Before capitalization and amortization of development expenditures, research and development costs totaled SEK 34.5 M (24.2).

In the second quarter of 2015, capitalized development expenditure amounted to SEK 18.6 M (13.9) and in the same period, amortization of capitalized development expenditure amounted to SEK 12.6 M (14.6). After adjustments for capitalization and amortization of development costs, research and development costs totaled SEK 28.5 M (24.9). Loss after tax for the quarter was SEK 2.6 M (0.0).

Geographic distribution of license revenues

In the second quarter of 2015, license revenues were distributed as follows: North America, 44 percent (37); Asia, 16 percent (33); Europe and the rest of the world, 40 percent (30).

SALES AND EARNINGS FOR THE FIRST HALF OF 2015

Revenues and currency effects

During the first half of 2015, sales rose 56.0 percent year-on-year and amounted to SEK 165.1 M (105.8). License revenues during the first half of 2015 amounted to SEK 144.0 M (92.3), and rose due to increased revenues from direct sales of RayStation®. Order intake excluding service agreements amounted to SEK 158.3 M (101.6). Of the order intake, RayStation® accounted for SEK 124.4 M (59.1). At June 30, the order backlog for RayStation® was SEK 33.8 M (66.5). Support revenues in the first half of 2015 rose to SEK 21.1 M (13.6).

During the first half of 2015, revenues in USD were recognized at an average exchange rate of SEK 8.38, compared with SEK 6.58 in the year-earlier period. During the first half of 2015, revenues in EUR were recognized at an average exchange rate of SEK 9.34, compared with SEK 8.98 in the year-earlier period. Accordingly, currency effects had a positive impact on sales. At unchanged exchange rates, sales would have increased 33.1 percent year-on-year.

A sensitivity analysis of currency exposure indicates that the impact of a +/-10 percent change in the average USD exchange rate on operating profit for the first half of 2015 was +/- SEK 17.9 M, and that the corresponding effect of a +/-10 percent change in the average EUR exchange rate was about +/- SEK 6.2 M. The company pursues the currency policy established by the Board of Directors, whereby exchange-rate changes are not hedged.

Expenses and profit

During the first half of 2015, operating profit amounted to SEK 31.0 M (8.4), representing an operating margin of 18.8 percent (7.9). Operating expenses, excluding exchange-rate gains and losses, increased SEK 35.8 M to SEK 131.2 M, compared with the year-earlier period. The increase in operating expenses was mainly due to higher costs for marketing and personnel for sales and service resulting from the focus on direct sales of RayStation®, and personnel for the development of RayCare®. In addition, the head office in Stockholm has relocated to new, purpose-built premises. Other operating income and expenses refers to exchange-rate gains and losses, with the net of these amounting to income of SEK 3.8 M (1.7) in the first half of 2015. The increase is mainly due to the major portion of accounts receivable that are denominated in USD, which strengthened during the period.

Before capitalization and amortization of development expenditures, research and development costs totaled SEK 62.9 M (47.5).

During the first half of 2015, capitalized development costs amounted to SEK 35.0 M (28.3). Amortization of capitalized development expenditure in the first half of 2015 amounted to SEK 25.3 M (29.1). After adjustments for capitalization and amortization of development costs, research and development costs totaled SEK 53.2 M (48.3).

Amortization of intangible fixed assets in the first half of 2015 amounted to SEK 25.3 M (29.1) and depreciation of tangible fixed assets totaled SEK 2.4 M (0.6). Total amortization and depreciation during the first half of 2015 amounted to SEK 27.7 M (29.7). Amortization and depreciation primarily pertained to capitalized development expenditure.

For the first half of 2015, profit after tax was SEK 22.4 M (5.9), corresponding to earnings per share before and after dilution of SEK 0.65 (0.17)

Geographic distribution of license revenues

In the first half of 2015, license revenues were distributed as follows: North America, 42 percent (31); Asia, 16 percent (39); Europe and the rest of the world, 42 percent (30).

SEASONAL VARIATIONS

Revenues from RaySearch are subject to seasonal variations that are typical of the industry, whereby the fourth quarter is strongest, while the second quarter is usually relatively weak.

LIQUIDITY AND FINANCING

In the first half of 2015, cash flow from operating activities rose to SEK 57.1 M (19.0), mainly due to improved earnings. Cash flow from investing activities was a negative SEK 57.7 M (neg: 30.3), of which investments in tangible fixed assets amounted to a negative SEK 22.6 M (neg: 2.0), primarily pertaining to the head office's new premises and a new exhibition booth. In addition, investments in intangible fixed assets amounted to a negative SEK 35.1 M (neg: 28.3), and comprised capitalized development costs.

Cash flow for the period amounted to a negative SEK 2.3 M (neg: 11.3), and at June 30, 2015, cash and cash equivalents amounted to SEK 53.9 M, compared with SEK 27.0 M at June 30, 2014. At June 30, 2015, current receivables totaled SEK 156.8 M, compared with SEK 94.6 M at June 30, 2014. The receivables mainly comprise accounts receivable, and the increase was due mainly to a sharp rise in sales and to the appreciation of the USD against SEK.

In November 2014, the company's credit facility was expanded from SEK 30 M to SEK 50 M, whereby chattel mortgages were increased to SEK 50 M. The credit facility comprises an overdraft facility of SEK 25 M and a revolving loan of up to SEK 25 M, which expires on November 4, 2017. Within the terms of the revolving loan, an amount of SEK 25 M has been borrowed until February 2016.

Of the company's credit facility of SEK 25 M, SEK 3.8 M has been blocked as collateral for bank guarantees totaling EUR 0.4 M to MedAustron.

The provision pertaining to the settlement with Prowess was reclassified as a liability during 2014, as a result of the signed settlement. The liability is in USD and it has been discounted since it does not carry interest. Currency and discounting effects during the year had a negative impact of SEK 0.2 M on profit from financial items.

FINANCIAL INSTRUMENTS

RaySearch's financial assets and liabilities comprise accounts receivable, cash and cash equivalents, accrued income, accrued expenses, bank loans, accounts payable and a liability attributable to the settlement agreement signed with Prowess in April 2014. The liability pertaining to the settlement is discounted, while other financial assets and liabilities have short terms. Accordingly, the fair values of all financial instruments are deemed to correspond approximately to the carrying amounts. RaySearch has not applied net accounting to any financial assets or liabilities and has no agreements that permit offsetting.

INVESTMENTS

During the first half of 2015, investments in intangible fixed assets amounted to SEK 35.1 M (28.3) and comprised capitalized development costs for RayStation® and RayCare®. Investments in tangible fixed assets amounted to SEK 34.9 M (2.0) and primarily pertained to the head office's new premises and a new exhibition booth.

EMPLOYEES

At the end of the first half-year, the Group had 153 (125) employees, of whom 128 were based in Sweden and 25 in foreign subsidiaries. The average number of employees in the Jan-June 2015 period was 144 (119).

PARENT COMPANY

Since the Parent Company's operations match the Group's operations in all material respects, the comments for the Group are also largely relevant for the Parent Company. Development expenditure and adjustments related to financial leasing are capitalized in the Group but not in the Parent Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

AMOUNTS IN SEK 000S	JAN-JUN		APR-JUN		JUL 2014-	FULL-YEAR
	2015	2014	2015	2014	JUN 2015	2014
Net sales	165,073	105,833	77,342	51,856	344,457	285,217
Cost of goods sold ¹⁾	-6,706	-3,832	-2,173	-1,447	-14,501	-11,627
Gross profit	158,367	102,001	75,169	50,409	329,956	273,590
Other operating income	11,699	3,902	-	3,249	24,600	16,803
Selling expenses	-58,088	-32,827	-33,737	-18,597	-103,694	-78,433
Administrative expenses	-19,867	-14,190	-10,962	-6,680	-36,413	-30,736
Research and development expenditure	-53,228	-48,346	-28,500	-24,911	-99,951	-95,069
Other operating expenses	-7,926	-2,172	-4,084	-1,328	-12,549	-6,795
Operating profit/loss	30,957	8,368	-2,114	2,142	101,949	79,360
Result from financial items	-1,095	-302	-606	-364	-1,452	-659
Profit/loss before tax	29,862	8,066	-2,720	1,778	100,497	78,701
Tax	-7,444	-2,131	115	-1,777	-24,182	-18,869
Profit for the period ²⁾	22,418	5,935	-2,605	1	76,315	59,832
Other comprehensive income						
Items to be reclassified to profit or loss						
Translation difference of foreign operations for the period	-1,555	-1,084	1,279	-1,055	-5,356	-4,885
Items not to be reclassified to profit or loss	-	-	-	-	-	-
Comprehensive income for the period²⁾	20,863	4,851	-1,326	-1,054	70,959	54,947
Earnings/loss per share before and after dilution (SEK)	0.65	0.17	neg	0.00	2.23	1.75

¹⁾ Does not include amortization of capitalized development costs. Depreciation and capitalization of development costs is included in research and development costs.

²⁾ 100% attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN SUMMARY

AMOUNTS IN SEK 000S	2015-06-30	2014-06-30	2014-12-31
ASSETS			
Intangible fixed assets	173,801	165,855	164,081
Tangible fixed assets	45,482	7,060	12,951
Total fixed assets	219,283	172,915	177,032
Current receivables	156,805	94,573	156,636
Cash and cash equivalents	53,906	27,010	56,085
Total current assets	210,711	121,583	212,721
TOTAL ASSETS	429,994	294,498	389,753
EQUITY AND LIABILITIES			
Equity	272,411	201,452	251,548
Deferred tax liabilities	42,863	36,488	40,724
Long-term liabilities	53,086	23,050	41,096
Accounts payable	7,904	7,326	9,034
Other current liabilities	53,730	26,182	47,351
TOTAL EQUITY AND LIABILITIES	429,994	294,498	389,753
Pledged assets	53,800	55,400	53,800
Contingent liabilities	-	-	-

CONSOLIDATED STATEMENT OF CASH FLOW IN SUMMARY

AMOUNTS IN SEK 000S	JAN-JUN		APR-JUN		FULL-YEAR
	2015	2014	2015	2014	2014
Profit/loss before tax	29,862	8,066	-2,720	1,778	78,701
Adjusted for non-cash items ¹⁾	25,744	26,941	18,726	12,628	46,315
Taxes paid	-5,327	-8,211	-3,519	-4,412	-15,247
Cash flow from operating activities before changes in working capital	50,279	26,796	12,487	9,993	109,769
Cash flow from changes in working capital	6,830	-7,762	5,971	-2,847	-59,496
Cash flow from operating activities	57,109	19,034	18,458	7,146	50,273
Cash flow from investing activities	-57,712	-30,316	-27,546	-15,014	-57,844
Cash flow from financing activities	-1,700	-	-1,004	-	24,345
Cash flow for the period	-2,303	-11,282	-10,092	-7,868	16,774
Cash and cash equivalents at the beginning of the period	56,085	38,231	64,540	34,749	38,231
Exchange-rate difference in cash and cash equivalents	124	61	-542	129	1,080
Cash and cash equivalents at the end of the period	53,906	27,010	53,906	27,010	56,085

¹⁾ These amounts include amortization of capitalized development costs of SEK 25.3 M (29.1) and exchange-rate losses of SEK 2.8 M (loss: 3.1).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN SUMMARY

AMOUNTS IN SEK 000S	JAN–JUN		FULL-YEAR
	2015	2014	2014
Opening balance	251,548	196,601	196,601
Profit/loss for the period	22,418	5,935	59,832
Translation difference for the period	-1,555	-1,084	-4,885
Closing balance	272,411	201,452	251,548

KEY FIGURES AND CONDENSED FINANCIAL DATA

AMOUNTS IN SEK 000S	JAN–JUN			FULL-YEAR
	2015	2014	2013	2014
Net sales	165,073	105,833	75,400	285,217
Operating profit/loss	30,957	8,368	-11,122	79,360
Operating margin, %	18.8	7.9	neg	27.8
Profit margin, %	18.1	7.6	neg	27.6
Profit/loss for the period	22,418	5,935	-10,824	59,832
Earnings per share, SEK	0.65	0.17	-0.32	1.75
Return on capital employed, %	12.4	4.2	8.0	33.7
Return on equity, %	9.5	2.9	6.6	26.7
Equity/assets ratio, %	63.4	68.4	73.1	64.5
Total number of shares	34,282,773	34,282,773	34,282,773	34,282,773
Adjusted equity per share at the end of the period, SEK	7.95	5.88	6.00	7.34
Share price at the end of the period, SEK	108.00	39.60	26.20	53.00

For definitions of key figures, see page 48 of the 2014 Annual Report.

PARENT COMPANY INCOME STATEMENT IN SUMMARY

AMOUNTS IN SEK 000S	JAN-JUN		APR-JUN		FULL-YEAR
	2015	2014	2015	2014	2014
Net sales	138,906	90,104	64,064	37,609	250,363
Cost of goods sold	-4,084	-1,385	-891	-130	-7,223
Gross profit	134,822	88,719	63,173	37,479	243,140
Other operating income	11,699	3,902	-	3,249	16,803
Selling expenses	-36,783	-20,429	-22,879	-12,209	-50,669
Administrative expenses	-20,298	-14,179	-11,208	-6,677	-30,912
Research and development expenditure	-62,948	-47,523	-34,515	-24,212	-92,472
Other operating expenses	-7,926	-2,172	-4,084	-1,328	-6,795
Operating profit/loss	18,566	8,318	-9,513	-3,698	79,095
Result from financial items	-795	-318	-408	-373	1,565
Profit/loss after financial items	17,771	8,000	-9,921	-4,071	80,660
Appropriations	-	-	-	-	-21,029
Profit/loss before tax	17,771	8,000	-9,921	-4,071	59,631
Tax	-4,336	-1,905	1,904	-1,905	-13,651
Profit/loss for the period	13,435	6,095	-8,017	-5,976	45,980

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN SEK 000S	JAN-JUN		APR-JUN		FULL-YEAR
	2015	2014	2015	2014	2014
Profit/loss for the period	13,435	6,095	-8,017	-5,976	45,980
Other comprehensive income	-	-	-	-	-
Comprehensive income/loss for the period	13,435	6,095	-8,017	-5,976	45,980

PARENT COMPANY BALANCE SHEET IN SUMMARY

AMOUNTS IN SEK 000S	JUNE 30, 2015	JUNE 30, 2014	DEC. 31, 2014
ASSETS			
Tangible fixed assets	27,839	5,520	6,975
Financial fixed assets	2,493	2,493	2,493
Total fixed assets	30,332	8,013	9,468
Current receivables	187,952	130,258	185,239
Cash and cash equivalents	42,533	20,412	47,935
Total current assets	230,485	150,670	233,174
TOTAL ASSETS	260,817	158,683	242,642
EQUITY AND LIABILITIES			
Equity	149,647	96,328	136,213
Untaxed reserves	21,029	-	21,029
Provisions	-	-	36,853
Long-term liabilities	37,676	23,050	-
Accounts payable	9,126	8,057	9,823
Other current liabilities	43,339	31,248	38,724
TOTAL EQUITY AND LIABILITIES	260,817	158,683	242,642
Pledged assets	53,800	55,400	53,800
Contingent liabilities	-	-	-

OTHER INFORMATION

ACCOUNTING POLICIES IN ACCORDANCE WITH IFRS

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions of the Swedish Annual Accounts Act. The Parent Company's financial statements have been prepared pursuant to Chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting. The same accounting policies and measurement bases applied in the most recent Annual Report have been used to prepare the Group and Parent Company accounts. New or revised IFRS standards during 2015 have not affected RaySearch during the period and no known changes are expected to affect RaySearch in 2015.

RISKS AND UNCERTAINTIES IN THE GROUP AND THE PARENT COMPANY

Financial risk management

RaySearch's financial policy governing the management of financial risks has been established by the Board of Directors and represents a framework of guidelines and rules in the form of risk mandates and limits for financial activities.

RaySearch is primarily affected by exchange-rate risk. The predominant part of RaySearch's net sales is denominated in USD and EUR. In accordance with the established financial policy, no currency hedging is employed. The financial policy is updated at least once annually.

Operational risks

As a result of its activities, RaySearch is exposed to various operational risks, including the following: dependence on key persons, competition, legal disputes and strategic partnerships. For a more detailed description of RaySearch's risks and risk management, refer to page 27 of the 2014 Annual Report. No significant changes have been made to the risk assessment compared with the 2014 Annual Report.

RELATED-PARTY TRANSACTIONS

No transactions between RaySearch and related parties materially affected the company's position and earnings during the period.

ESTIMATES

Preparation of the interim report requires that company management makes estimates that affect the carrying amounts of assets, liabilities, revenues and expenses. The actual outcome could deviate from these estimates. The critical sources of uncertainty in the estimates are the same as those in the most recent Annual Report.

REVIEW

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

INTERIM REPORT JANUARY 1–JUNE 30, 2015

The Board of Directors and President give their assurance that the six-month report provides a true and fair view of the Group and Parent Company's operation, position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, August 28, 2015

Erik Hedlund
Chairman of the Board

Johan Löf
President and Board member

Carl Filip Bergendal
Board member

Hans Wigzell
Board member

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FORTHCOMING FINANCIAL INFORMATION

Interim report for the third quarter November 25, 2015
Year-end report February 18, 2016

ABOUT RAYSEARCH

RaySearch Laboratories is a medical technology company that develops advanced software solutions for improved radiation therapy of cancer. RaySearch markets the RayStation® treatment planning system to clinics all over the world. In addition, RaySearch's products are distributed through licensing agreements with leading medical technology companies such as Philips, IBA Dosimetry, Varian and Brainlab. To date, 15 products have been launched via partners and RaySearch's software is used by over 2,500 clinics in more than 65 countries. RaySearch was founded in 2000 as a spin-off from Karolinska Institutet in Stockholm and the company is listed in the Small Cap segment on Nasdaq Stockholm.

More information about RaySearch is available at www.raysearchlabs.com.