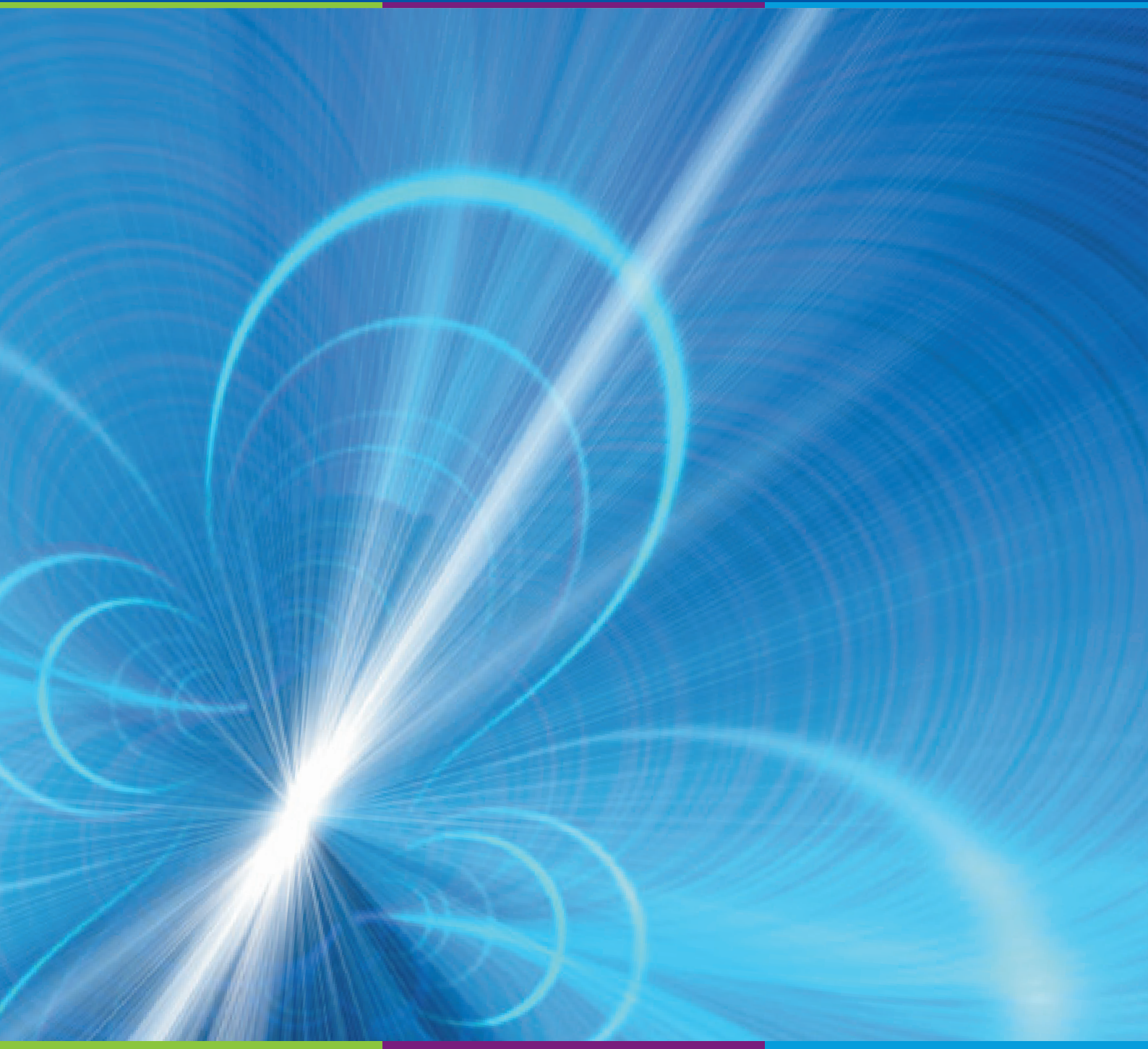
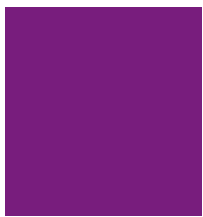
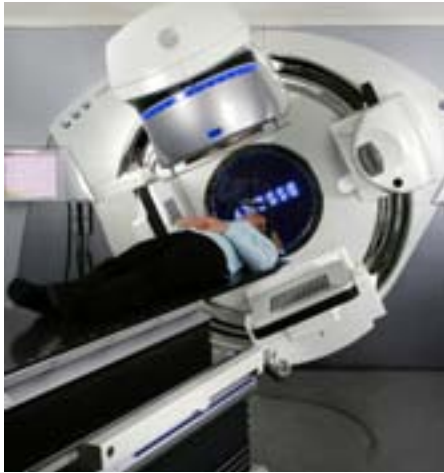


Elekta Annual Report 2007/08



Elekta – an overview



Elekta stretches the boundaries of science and technology to improve, prolong and save the lives of millions of seriously ill individuals worldwide.

Elekta is an international medical technology group, providing oncologists, neurosurgeons and many other medical specialists with advanced clinical solutions, comprehensive information systems and services for efficient and high precision treatment of cancer and brain disorders.

Elekta's solutions employ non-invasive or minimally invasive techniques that are clinically effective, yet cost-effective and gentle on the patient.

Through ambitious research & development programs and close collaborations with clinical partners, Elekta continues to launch groundbreaking new technologies at a rapid pace.

Elekta is the world leader in image guided and stereotactic clinical solutions for radio-surgery and radiation therapy, methods for aggressively targeting tumors and functional disorders with ultra-high precision while sparing healthy tissue.

Elekta's systems and solutions are used in over 5,000 hospitals globally to treat cancer with radiation therapy, to diagnose and treat brain disorders as well as to run efficient and effective clinical practices.



Elekta's corporate headquarters are located in Stockholm and the company's shares have been listed on the Nordic Exchange since 1994 under the ticker EKTAB. In August 2008, the market capital of Elekta was more than SEK 11 billion.

The company was founded in 1972 by Lars Leksell, Professor of Neurosurgery at the Karolinska Institute in Stockholm, Sweden.

During fiscal year 2007/08, Elekta's sales amounted to SEK 5,081 M and operating profit rose 28 percent to SEK 650 M, with about 2,400 employees at fiscal year end.

Facts about Elekta's products and solutions

- Every year, 250,000 patients are treated with Elekta's radiation therapy equipment.
- Every year, 50,000 patients undergo Gamma Knife® surgery and 100,000 patients are treated with Leksell Stereotactic System®.
- Every day, 100,000 patients receive diagnosis, treatment or follow-up facilitated by software systems from Elekta.

A comprehensive provider of cancer and brain disorder treatment solutions

Elekta operates in three business areas focusing on specific medical technology needs and clinical solutions. The business areas share to a large extent a common technology base and competence structure.

Neuro and Stereotactic Systems

Elekta's Neuro and Stereotactic Systems provide neurosurgeons and radiation oncologists with advanced technology for non-invasive stereotactic radiosurgery and radiation therapy, as well as minimally invasive stereotactic neurosurgery.

Based on over half a century of experience in stereotaxy, Elekta sets the gold standard for stereotactic treatments both in the brain and other parts of the body. The Leksell Gamma Knife® product line is complemented by Elekta Axesse™, an integrated robotic and image guided system for stereotactic radiosurgery and radiation therapy (SRS/SRT). For non-invasive registration of nerve cell activity, Elekta offers the Elekta Neuromag® magnetoencephalography (MEG) system.

Oncology Systems

Elekta has a broad product portfolio of clinical solutions for radiation therapy, including linear accelerators with multileaf collimators, integrated x-ray systems and clinical solutions for patient positioning and fixation.

Elekta is the world leader in image guided radiotherapy (IGRT) with Elekta Synergy®, which integrates high-resolution 3D imaging at the time of treatment. During 2007/08, Elekta's offering was expanded by Elekta Compact™, a system for high quality, conventional radiotherapy, and Elekta VMAT (Volumetric intensity Modulated Arc Therapy), a solution which combines a significant reduction in treatment time with optimal avoidance of radiation dose to healthy tissues surrounding the tumor.

Sales 2007/08 per region



Elekta's products and clinical solutions are sold globally. The Group's sales are divided into the three regions: North and South America; Europe including Middle East and Africa; and Asia.

Software Systems

Software from Elekta supports the entire workflow in cancer care, from diagnostics to treatment planning, treatment, administration and patient follow-up.

Following the successful integration of IMPAC and CMS, Elekta is the world's largest provider of software systems developed for oncology practices. The MOSAIQ® oncology information system encompasses image enabled solutions for electronic medical records as well as modules for many of the needs of a busy oncology practice. Elekta also supplies a wide range of highly advanced treatment planning systems for linear accelerator systems and for particle therapy, including XiO, PrecisePLAN, Monaco, ERGO++ and Focal. In addition, Elekta facilitates efficient operations at pathology laboratories, clinical laboratories and cancer registry operations with systems such as PowerPath™ and METRIQ™.

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Financial calendar

3-month interim report,	
May-July 2008/09	September 18, 2008
Annual General Meeting 2008/09	September 18, 2008
6-month interim report,	
May-October 2008/09	December 4, 2008
9-month interim report,	
May-January 2008/09	March 4, 2009
Fiscal year-end report, 2008/09	June, 2009

Regulatory status of products

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

Further information

For more information about Elekta, visit www.elekta.com
Contact: Elekta Investor Relations,
phone: +46 8 587 254 00, e-mail: ir@elekta.com

Elekta's operations 2007/08

Results from operations

- **Order bookings rose 15 percent to SEK 5,882 M (5,102). Based on unchanged exchange rates order bookings rose 21 percent.**
- **Order backlog at year-end was at a record level of SEK 5,069 M (4,247).**
- **Net sales increased by 12 percent to SEK 5,081 M (4,525). Based on unchanged exchange rates, net sales rose 18 percent.**
- **Operating profit rose 28 percent to SEK 650 M (509) and operating margin was 13 percent (11).**
- **Profit after taxes was SEK 406 M (346). Profit per share after dilution was SEK 4.44 (3.70).**

Significant events during the fiscal year

Market position

■ Elekta's technology for image guided radiation therapy in combination with 3D X-ray with advanced software for treatment planning continued to attract new and existing customers. This resulted in continued successes on the North American and European markets. Elekta also continued to gain market share in China.

■ Elekta VMAT (Volumetric intensity Modulated Arc Therapy), a unique radiation therapy technology with improved dose distribution and essentially shorter treatment time, was launched. The first Elekta VMAT treatment was administered in January.

■ Installations of Leksell Gamma Knife® Perfexion™ – the most advanced technology for Gamma Knife surgery – continued during the year, further strengthening Elekta's position in stereotactic radiosurgery. At fiscal year end, there were more than 30 Leksell Gamma Knife Perfexion units in clinical operation. During the fiscal year the number of installed Gamma Knife units increased by more than 25 percent. A large majority of these shipments were Leksell Gamma Knife Perfexion.

■ During the fiscal year, Elekta Compact™, a new system for high quality conventional radiotherapy, configured for countries in need of rapid build-up of additional treatment capacity, was launched. Elekta Compact is based on a combination of technology from Elekta and from the product platform that was developed by BMEI, which Elekta acquired in 2006.

Acquisitions

■ In May 2007, Elekta acquired the Italian company 3D Line Research and Development (3D Line). Through this acquisition, Elekta added a highly qualified R&D group specialized in stereotactic radiosurgery and dynamic IMRT treatment planning, as well as a product portfolio of advanced equipment and treatment planning software systems for performing radiation therapy with high precision and optimized dose distribution.

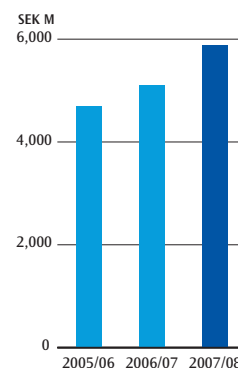
■ In March 2008, Elekta acquired CMS, a leading provider of radiation therapy planning software solutions. The purchase price was 75 MUSD on a cash-free basis. The acquisition was strategically important from several perspectives:

- CMS' portfolio of software systems for radiation therapy planning strength-

Key ratios

	2005/06	2006/07	2007/08
Order bookings, SEK M	4,705	5,102	5,882
Net sales, SEK M	4,421	4,525	5,081
Operating profit, SEK M	453	509	650
Operating margin, %	10	11	13
Return on capital employed, %	18	20	24
Cash flow after continuous investments, SEK M	353	37	273
Equity/assets ratio, %	35	35	29
Net debt/equity ratio, times	0.06	0.27	0.58
Earnings per share after dilution, SEK	3.21	3.70	4.44

Order bookings



ens the total radiation therapy customer offering from Elekta.

- CMS, with several leading treatment planning solutions in clinical use and a strong pipeline of advanced functionality in development, will significantly contribute to Elekta's strategy in radiation therapy planning and enable Elekta to accelerate the development of new solutions as well as bring these to market more quickly and effectively.
- The acquisition is expected to result in an accretion to earnings on a cash basis in fiscal year 2008/09 and onwards, a marginally positive effect on operating profit in fiscal year 2008/09 and accretion thereafter.

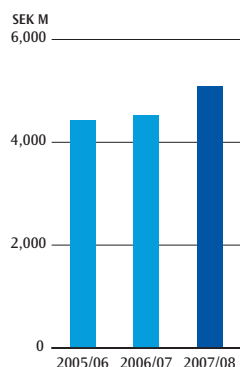
Considerable orders and agreements

- In June 2007, Elekta announced an order of two Elekta Synergy® units with HexaPOD™ and MOSAIQ® from Royal Marsden Hospital, the largest cancer hospital in Europe.
- In September 2007, Elekta was selected to deliver Elekta Synergy® units to two Italian hospitals opening up new radiation therapy clinics. In the same month, Elekta received an order from the hospital in Vöcklabruck, Austria, for equipment and software for a new radiation oncology department.
- In September 2007, Elekta was awarded a contract to supply three linear accelerator systems to the Diagnostic and Therapeutic Center of Athens (HYGIEA), Greece. One of these systems was Elekta Axesse™ for image guided and stereotactic radiation therapy and radiosurgery.
- In October 2007, Elekta initiated a collaborative program with Belgian IBA, the leading proton therapy systems provider. Together with IBA, Elekta will develop information management software and treatment planning systems supporting a safe and efficient workflow in proton therapy.
- In November 2007, Elekta received an order to supply advanced radiation therapy technology and information management software to the University of Liège Hospital, Belgium.
- In January 2008, CHU (University Hospital Center) de Poitiers, France, selected Elekta as the main partner in an ambitious program to improve radiation therapy treatment capacity in the Poitou-Charente region and assigned Elekta to deliver three Elekta Synergy® systems.
- In March 2008, Elekta received its first order from New Zealand. In April, Elekta Synergy®, MOSAIQ® and Elekta VMAT were delivered to Auckland Radiation Oncology Limited.
- In April 2008, Elekta signed an agreement for delivery of Elekta Synergy® with MOSAIQ® and Leksell Gamma Knife® Perfexion™ to a new hospital in Sydney, Australia.
- In April 2008, Elekta signed a strategic multicenter agreement with Mary Bird Perkins Cancer Center in Louisiana, U.S. During the next few years, Elekta will deliver an estimated nine Elekta Synergy® systems to the four hospitals operated by Mary Bird Perkins.

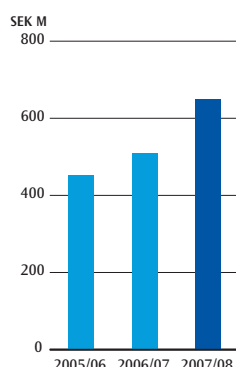
Significant events after the end of the fiscal year

- In May 2008, the Japanese Ministry for Health, Labor and Welfare, issued regulatory approval for Leksell Gamma Knife® Perfexion™, which made it possible to market and install this advanced technology to customers in Japan.
- In June 2008, Elekta completed the process of adding CE marking to Elekta Compact™, thus preparing Elekta for entering new markets with this highly competitive linear accelerator platform.
- In June 2008, Elekta received FDA 510(k) clearances for the technology which allows treatment with the groundbreaking Elekta VMAT.

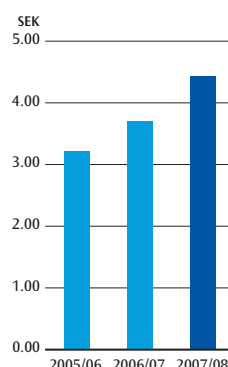
Net sales



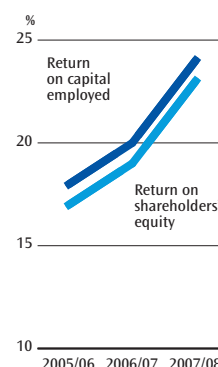
Operating profit



Earnings per share



Return on capital employed and shareholders' equity



New technology drives continued profitable growth

Elekta's ambition is to deliver value to its shareholders through sustainable and profitable growth. During the 2007/08 fiscal year, Elekta continued to develop positively with an improving growth rate and profitability.

We see a continued strong demand and get many confirmations that our aggressive R&D investments have been successful and that the clinical solutions and software systems that we have launched in recent years makes Elekta a competitive and comprehensive supplier. We continue to gain market share in all major markets, not least in North America.

Order intake for the full year increased by 21 percent in local currency, driven primarily by continued success in radiation therapy in North America, a stronger interest in Leksell Gamma Knife® in Europe and a strong recovery on the Chinese market.

At the end of the fiscal year, order backlog was a record high SEK 5,069 M. With lead times from order to delivery often between 6–12 months, the size of the order bookings is naturally an important factor for continued growth in the coming year. We expect that approximately 65 percent of net sales during 2008/09 will originate from the order book we had in the beginning of the year.

Net sales during 2007/08 amounted to SEK 5,081 M, representing an increase of 18 percent in local currency, well over our long-term objective to grow by over 10 percent annually.

Improved profitability

I am also very pleased with the continued improvement of Elekta's profitability during the fiscal year 2007/08. Operating profit for the full year improved by 28 percent despite continued significant negative currency developments. The operating profit improvement was primarily driven by higher volumes, a slightly changed product mix and cost control. Also during 2007/08, we saw relatively

“*Elekta continued during the year to develop and launch new advanced and resource-efficient technology for improved cancer care and brain disorder management.*”

large quarterly fluctuations in terms of order bookings as well as sales and profit. For those who have been following Elekta for some time, this is a well known phenomenon and to a large extent attributable to the fact that our deliveries are often in the region of SEK 20-50 M, and it only takes a few of these occurring on one side or the other of a quarter to have a significant impact. Also in 2008/09, net sales and operating profit will be significantly higher in the second half of the year, compared with the first.

As I always stress, it is therefore important to never over-interpret individual quarters and always assess Elekta's development with at least a twelve-month perspective.

The operating margin for 2007/08 improved to 13 percent while also this year being affected by currency movements. Worth noting is that currency developments during the past three years, primarily in terms of the decline of the USD, have weakened Elekta's operating margin significantly. The underlying margin improvements that we have achieved have therefore not been evident in the reported figures.

Elekta continues to have a significant currency exposure, primarily against the US Dollar, the British Pound and the Euro. We continue to run programs aimed both at reducing cost and adjust our currency profile. Going forward,



we will see a larger part of primarily our sourcing, but also manufacturing, being made in low cost countries with China as the main hub. Already at present, we are actively working with production and sourcing cost savings that during the year have yielded around SEK 50 M. I see it as fully achievable to continue to add savings at this pace at least during the next three years. In addition, there is potential for further cost reductions, something that must be evaluated against delivery capacity and quality issues.

Advanced, resource-efficient technology

Our business strategy is to provide meaningful clinical solutions, comprehensive information systems and services for improved cancer care and management of brain disorders.

We do this by offering:

- Clinically effective and cost-efficient technology for precise radiation and minimally invasive techniques.
- Complete information-technology solutions and integrated management systems.
- Excellent customer support and value-added services across the entire care process.
- Operational proficiency based on Elekta's values.

In accordance with our strategy, Elekta continued during the year to develop and launch new advanced and resource-

efficient technology for improved cancer care and brain disorder management.

Elekta Compact™ was developed following the acquisition of Beijing Medical Equipment Institute (BMEI) in 2006. The system was given CE marking in June 2008, and is the result of an ambitious project combining BMEI's robust product platform with advanced technology from Elekta and IMPAC.

With the addition of Elekta Compact to the product portfolio, Elekta will be able to fully satisfy the need for a highly effective but more affordable solution for radiation therapy, specifically adapted for countries in need of rapid build-up of additional treatment capacity. Elekta thereby becomes a more comprehensive provider of linear accelerator systems across the spectrum of price and performance specifications and is able to offer a broader product portfolio than any other manufacturer.

In January 2008, the first patient was treated with Elekta VMAT, a technology for continuous irradiation of the target with simultaneous dynamic control of the multileaf collimator leaves, the collimator jaws, the gantry and the dose rate.

Elekta VMAT may in many cases enable an improved dose distribution while at the same time significantly reduce treatment time compared to traditional intensity modulated radiotherapy (IMRT). For these reasons, we see the VMAT method having the potential to be the next major technology shift, comparable with the introduction of IMRT around the millennium and IGRT a few years ago. The interest in Elekta VMAT is very high and the equipment and software required are already included in many orders.

CMS – a milestone in Elekta's development

Elekta's growth strategy is built on organic growth combined with continuous evaluation of possibilities to acquire related operations or technologies, as well as the establishment of strategic collaborations.

The acquisition of CMS, which was finalised in March 2008, is a milestone in the development of Elekta and I am very pleased that we could complete the acquisition process and initiate the integration of the organisation and with Elekta's other software solutions. Short term it means a stronger and more comprehensive product portfolio. In a longer perspective, it significantly strengthens our resources for developing advanced software systems for cancer care and allows us to improve workflow efficiency through the integration of radiation therapy planning with IMPAC's information management system.

CMS adds to net sales growth, but will only contribute marginally to operating profit for the Group during 2008/09 due primarily to amortization of intangible assets from the acquisition.

During the year, we have intensified our collaboration with the Belgian company IBA, the market leader in particle therapy systems. The combination of IBA's technology for generating particle beams with technology and software from the Elekta Group, that facilitates image guidance, treatment planning and information management is a very strong offering to particle facilities currently under procurement.

Looking towards fiscal year 2008/09 and beyond, we can conclude that Elekta is well positioned for continued strong growth.

The strong and broad product portfolio also creates significant opportunities for Elekta. In 2008/09, we will therefore invest in a stronger direct market presence in selective growth markets and thereby accelerate our growth in regions where the need for expanded care capacity is very high.

We continue our significant investments in R&D, with the aim of improving quality and cost-efficiency in cancer care and management of brain disorders.

In summary, I expect that Elekta in 2008/09 will grow net sales by over

15 percent in local currency and that operating profit will grow by more than 15 percent, given today's currency environment.

100,000 patients each day

I am also very proud of the fact that Elekta, our clinical solutions, IT systems and services are becoming more and more important for global cancer care and for patients throughout the world. And it is with great satisfaction that I witness the collective input from Elekta's more than 2,400 employees in continuing to contribute to the improvement in the care of cancer and brain disorders.

Elekta is steadily developing into a more comprehensive partner in health-care by supplying systems, clinical solutions and services for the entire health chain within cancer treatment and neurosurgery. Through the years, Elekta has developed a broad and in-depth understanding of our customers' needs, with a focus on patients and the processes and procedures that are necessary to provide the best possible care. Our customer relations are becoming more long-term and we are to a greater extent becoming involved in the entire treatment process.

As part of this responsibility, Elekta works to continuously improve quality and service to our customers. Every day, more than 100,000 patients throughout the world, receive diagnosis, treatment or follow-up with the help of treatment equipment or IT systems from Elekta.

With this in mind, I would like to express my thanks to all our customers, employees, suppliers, partners and shareholders, and I look forward with great confidence to yet another exciting year for Elekta.

STOCKHOLM, AUGUST 14, 2008



Tomas Puusepp, President & CEO

Redefining the standard of human care – yesterday, today and tomorrow



For more than 50 years, Elekta has stretched the boundaries of science and technology to improve, prolong and save the lives of millions of seriously ill individuals worldwide.

The company's innovative technologies, products and clinical solutions have transformed the way modern medicine treats cancer and neurological conditions. And its IT systems and services enable medical professionals to focus on what they do best – treat patients. The company is guided by the concept that human care makes the future possible. That is why Elekta is unendingly committed to and passionate about delivering clinical advances that improve patient outcomes.

Ambition to improve creates power of innovation

From its earliest days, Elekta has been motivated by a pioneering spirit. When Professor Lars Leksell decided to become

a neurosurgeon in the late 1930s, the mortality rate for patients undergoing brain surgery was over 50 percent. It was his vision and quest to improve patient outcomes that led to the concept of stereotactic brain surgery (a minimally invasive form of surgery) and the development of Leksell Gamma Knife®, a surgical tool that provides unmatched capability to treat tumors with ultra-high precision and accuracy without damaging healthy tissue. The impetus to commercialize Leksell Gamma Knife is what led to the founding of Elekta.

Driven by Lars Leksell's foresight and commitment, the company remains a revolutionary force in the development of advanced clinical solutions, comprehensive information systems and services for efficient and high precision treatment of cancer and brain disorders. Elekta's entrepreneurial culture inspires and motivates its researchers and engineers to develop ground-breaking

solutions that benefit the human condition. Recent products cultivated in this atmosphere include: Elekta Compact™, a highly competitive solution specifically adapted for countries in need of rapid build-up of additional treatment capacity; Elekta Axesse™, an integrated robotic and image guided system that complements the Leksell Gamma Knife product line; and Elekta VMAT (Volumetric





intensity Modulated Arc Therapy), a solution that combines a significant reduction in treatment time with optimal avoidance of radiation dose to healthy tissues surrounding the tumor.

Open interfaces benefit patients and hospitals

Elekta's focus on product development does not mean that Elekta operates in a vacuum. On the contrary, the company embraces the open source concept, believing it is a beneficial method for advancing human care. No supplier can offer a range of solutions where all parts are the right or preferred component for all customers at all times. This is why Elekta supplies its treatment solutions and software systems with open interfaces based on industry standards, providing clinicians the flexibility they deserve to choose a solution that may involve more than one vendor.

Strong partnerships lay foundation for efficient solutions

Elekta continuously interacts with practitioners, patients, research organizations and medical professionals at leading cancer centers around the world to discuss new treatment methods and to determine what is needed to improve quality and efficiency of the care in the future. It is through collaborative efforts that some of the company's greatest advancements have emerged. For example, Leksell Gamma Knife® Perfexion™, was designed according to the wish list of leading neurosurgeons to make Gamma Knife surgery a viable alternative for many more patients; and Elekta Synergy®, which integrates high-resolution 3D imaging at the time of treatment, was to a large extent developed on site at hospitals in Detroit, Toronto, Amsterdam and Manchester.

And it was the collaborative efforts to develop the Elekta Synergy in 2003 that propelled the company into the forefront of image guided radiotherapy technology (IGRT) and motivated it to extend the technological reach to include stereotactic radiation therapy (SRT). Furthermore, Elekta's participation in and sponsorship of professional societies and user groups such as the Leksell Gamma Knife Society, the Elekta Synergy Research Group and the Elekta VMAT consortium enables leading clinicians worldwide to share information, experiences, clinical techniques and scientific research.

IT systems improve efficiency in workflow management

At Elekta, improving human care is not just about developing new techniques and tools, but also about improving the overall patient outcome at busy hospitals.

Redefining the standard of human care – yesterday, today and tomorrow cont.



Recognizing that this would require going beyond internal development, Elekta looked outside for complementary sources to enhance and extend its product offering and customer base. In 2005, it found such a fit in IMPAC, which enabled Elekta to offer a full spectrum of oncology IT systems for use in cancer care – from diagnosis and treatment planning to treatment and follow-up, including cancer registry and decision support. And in 2008, Elekta broadened its position in the area with the acquisition of CMS, a leading provider of radiation therapy planning software solutions with a strong product portfolio and exciting new developments in the pipeline. The IMPAC and CMS product offerings help oncology departments to reduce costs and increase productivity, but more importantly, they enhance efficiency and enable the staff to spend more time focusing on the patient. These new businesses not

only complement Elekta's technology and product offerings, they also extend the company's marketing efforts to include new customer bases and cross-selling opportunities.

Responsibility during the entire lifecycle

Another key element to Elekta's offering is its life cycle approach to products and solutions. Elekta's relationships with customers do not end at installation and final payment; quite the opposite, that is when they really begin. Elekta advocates being involved with customers throughout the life cycle of the product purchased to ensure the system runs optimally and receives upgrades in a timely manner. Furthermore, the company helps its customers make continuous improvements to patient care and improvements in process and workflow solutions.

Improved and more efficient care

Elekta has come a long way since Professor Leksell's initial vision some 70 years ago. Today, the company is global in size and scope and its product offering has expanded. It has grown organically and through acquisitions. Over the longer term, Elekta's process of transformation will endure, as the company strives to develop a broader spectrum of advanced technologies, products and solutions to improve care for oncology and neurosurgery patients and enhance the efficiency and productivity of the medical professionals who treat them.

But one thing at Elekta has not changed – the pioneering spirit and clinical focus. Elekta's employees continue to be motivated to develop advanced technologies, products and solutions that improve patient outcomes. And Elekta will continue to redefine human care – one technology, one product, one practitioner and one patient at a time.

Global presence in three regions

Elekta's sales, marketing and service is organized in three regional organizations, serving parts of the world with different needs and market situations.

Europe including Middle East and Africa

Elekta's position in the Western European market for radiation therapy is strong, with a large number of linear accelerators installed and a loyal customer base. The largest markets for Elekta are the United Kingdom, Germany, France, Italy and the Netherlands. Elekta is also making important inroads into Eastern Europe and the Middle East, markets that are expected to grow significantly in the future. There is substantial need and demand in Europe for information systems for cancer care, particularly for the purpose of improving productivity and multi-site connectivity.

In 2007/08 Elekta's net sales in Region Europe including Middle East and Africa amounted to SEK 2,020 M.

North and South America

The largest individual market for Elekta is the United States, where market growth predominantly is driven by the rapid adoption of new and refined treatment methods such as image guided radiation therapy (IGRT), stereotactic radiation therapy (SRT) and the new VMAT functionality for dynamic arc treatments. Elekta's market share of new orders in the U.S. is significantly higher than its share of the installed base in this country. South America is expected to be an important growth market for Elekta going forward and the company is currently building up resources for sales, marketing and service in this region.

In 2007/08 Elekta's net sales in Region North and South America amounted to SEK 2,098 M.

Asia

The Asian market for clinical solutions for treatment of cancer and brain disorders is expected to grow significantly. Elekta is the market leader in the segment for high energy radiation treatment in China. In Japan, Elekta has a large installed base of Leksell Gamma Knife® units and treatment planning software from CMS. In India and Australia, Elekta has a strong presence in sales, marketing and service and also an installed base as a platform for further growth.

In 2007/08 Elekta's net sales in Region Asia amounted to SEK 963 M.



Global market for clinical solutions

The total market for Elekta's clinical solutions, information technology (IT) systems and services is expected to grow by five to ten percent annually.

Market development is driven by the shortage of treatment capacity that prevails in most countries and by the increase in the number of cancer cases, as a result of an aging population and better diagnostics.

New advanced, more precise and accurate methods are expected to increase the role of radiation therapy in the future. The rapid development of new technology is resulting in higher average order values.

In virtually all countries, health care systems are under strong pressure to simultaneously improve efficiency and contain costs. Treatment and IT systems facilitating higher efficiency, in patient throughput as well as information management and administration, are becoming more critical to operations. The demand for such systems is increasing. A growing number of customers are requesting more comprehensive and long-term relationships with suppliers.

Sources: IMV, Bentzen, et al. Towards evidence-based guidelines for radiotherapy infrastructure and staffing needs in Europe: the ESTRO QUARTS project. Radiother Oncol. 2005 June, IAEA, WHO.

U.S. market



The U.S. market is characterized by a high number of relatively small entities. For example, half of the radiation therapy centers in the country operate only one treatment system.

The U.S. market continues to show solid growth, despite the fact that the U.S. is relatively well served with capacity in radiation therapy and radiosurgery. The primary growth drivers are the rising

cancer incidence, technology advancements and competition among hospitals. Reimbursement levels have been stable, supporting investment in new technology.

There is rapid acceptance of new and refined treatment methods such as image guided radiation therapy (IGRT), stereotactic radiation therapy (SRT) and the VMAT functionality for dynamic arc treatments. This is reflected in growing capital budgets at radiation oncology departments. The proportion of radiation oncology departments that reported a capital budget of more than 1.5 million USD increased from 19 percent in 2006 to 33 percent in 2007.

Efficiency of patient flow and processing of clinical data are often decisive sales arguments in the U.S. market. Software systems that handle the entire treatment process and the administration and resource allocation are in most cases an integral part of the delivery of treatment systems. Most departments have oncology-specific information management systems installed and more than half of these are supplied by Elekta.

Payment systems in the U.S.

While the government's Medicare and Medicaid programs are a significant source of payment for radiation therapy and radiosurgery services, the majority of the healthcare provided in the U.S. is paid for by private insurances. Medicare is a health insurance program for people aged 65 or older and people with certain disabilities, while Medicaid is available only to certain low-income individuals and families. In total, these programs cover about 95 million inhabitants in the U.S.

In radiation therapy about 65 percent is reimbursed through Medicare/Medicaid. The equivalent proportion for Gamma Knife surgery is 35 percent. Almost all other cases are reimbursed by private insurance companies.

The reimbursement levels are revised annually by the Center for Medicare & Medicaid Services (CMS). Reimbursement levels are important for Elekta's customers and major changes may influence demand. However, the relatively minor adjustments made each year normally have a very marginal effect on market activity.

In radiation therapy, the reimbursement levels have been relatively stable in recent years. Going forward, this is expected to continue, with gradual reductions for certain procedures where efficiency improvements are saving time and resources. Reimbursement for Gamma Knife surgery has increased by over 50 percent since 2005.

European market

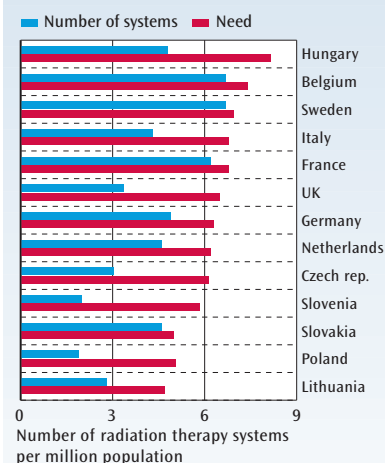
Health care in Europe is predominantly publicly financed with varying compensation systems in different countries. The degree of budget orientation and how investment decisions are made differ from country to country. Investment activity in individual European countries also shows substantial variation from year to year.

Europe is significantly underserved with capacity for radiation therapy and radiosurgery, ranging from seven linear accelerators per million inhabitants in Belgium and Sweden, down to two systems per million in Slovenia and Poland. The market development is to a large extent driven by national and regional initiatives to remedy the lack of care capacity. Governments and health authorities in several EU countries have identified under-provisioning of radiation therapy as a problem and are trying to improve the situation. National investment programs are in place or under planning in several EU countries.



Elekta's ability to provide comprehensive and integrated solutions, based on industry standards and open connectivity, makes the company an attractive partner in tenders involving comprehensive long-term commitments.

Treatment capacity in Europe



Source: Bentzen et al. Towards evidence-based guidelines for radiotherapy infrastructure and staffing needs in Europe: the ESTRO QUARTS project, Radiother Oncol. 2005 June.

A majority of treatment systems in Europe are procured through public tenders, facilitating transparent, yet relatively long sales processes.

Emerging markets

The amount of radiotherapy services available in countries of low and middle income varies greatly. Many have no radiation therapy service, while others have old or poorly functioning services restricted to a few centers. The Asia-Pacific region has the largest overall discrepancy between estimated need and supply for radiation therapy systems.

In China, the healthcare system is undergoing reform and restructuring to meet the growing need for advanced care and to make these services more accessible to a larger share of the population.

There is solid rationale for continued market growth in China and other Asian countries. The number of linear accelerators in China is approximately 0.6 per

million inhabitants. In countries such as India, the Philippines and Indonesia, this number is even lower.

In India, an estimated 800,000 new cancer cases are diagnosed each year. The World Health Organization estimates that cancer incidence rates will double in the next 15 years and that India needs at least 1,000 radiotherapy units to fulfill the future treatment demand. The nation currently has only about 400 systems installed.

There is also a significant lack of treatment capacity in Latin America. Its largest market, Brazil, is expected to show high growth, partly as a result of new credit opportunities for private radiation clinics in this country.



What is cancer?



...and how is cancer treated?

Cancer is a generic term for more than 200 diseases that can affect all parts of the body. Although there are many different kinds of cancer, they all start when abnormal cells grow out of control. Normal body cells grow, divide and die, but cancer cells continue to grow and divide, outliving normal cells and continuing to form new abnormal cells.

Normal cells in our body divide and multiply many times, and eventually stop at a certain point. Some of these cells, for example skin cells, die and are replaced by younger cells while some remain dormant or die off slowly during the rest of our lives.

Cancer is the result of cells dividing, multiplying and regenerating out of programmed control. They have somehow lost their ability to stop dividing, which is ordinarily controlled via certain genes within chromosomes inside the cell. This loss of control may be the result of a number of factors, including gene mutations caused by a virus, mutations caused by an environmental exposure, a hereditary mutation already present in a gene passed down by our parents, or a genetic mutation from an as yet unknown or undiscovered factor.

Cancer is not a single disease. It really is a term to describe hundreds of diseases that behave in a similar manner, and have their basis in uncontrolled cell growth as described above.

Cancers are generally thought of as having “malignant” potential – meaning that they can divide, multiply and spread to other areas of the body. However, there are “benign” tumors that are composed of groups of cells that divide and multiply but do not spread to other areas in the body.

Cancer is an ancient disease, and there is archaeological evidence from bones and mummified remains that dates back to prehistoric times. Still, it remains amongst the most challenging and

studied of modern diseases, and only in the last 50 years has our understanding at the genetic level been appreciated.

Increased cancer incidence

The number of new cancer cases (cancer incidence) is increasing in both developed and developing countries, mainly as a result of the steadily aging population. According to the World Health Organisation (WHO), the share of people over 60 years old was 8 percent in 1950, 11 percent in 2007 and is projected to increase to 21 percent in the year 2050.

Other factors contributing to an increased cancer incidence are unhealthy lifestyles such as smoking, poor diet and lack of physical activity. Tobacco consumption remains the most important avoidable cancer cause.

In summary, the WHO predicts cancer incidence will increase from approximately 10 million new cases diagnosed annually in 2003 to about 15 million new cases diagnosed in the year 2020. The most common forms of cancer are lung cancer and breast cancer.

Cancer survival

Thanks to earlier detection and better treatments, survival rates are improving for many types of cancer. Still, survival prospects vary considerably depending on the type of cancer. In 2005, around 7 million people died from cancer and the WHO projects deaths from cancer to rise to approximately 9 million in 2015 and over 11 million in 2030. More than 70 percent of all cancer deaths occur in low and middle income countries, where resources available for prevention, diagnosis and treatment of cancer are limited or non-existent.

It is estimated that there are over 25 million people worldwide who have received a diagnosis of cancer in the last five years. About 50 percent of these people live in Europe and North America.

Cancer treatment

The treatment of cancer varies depending on a number of factors including the type of cancer and tumor, location and amount of disease, as well as the general condition of the patient. The treatments are normally designed to either kill or remove the tumor or bring about its destruction by depriving it of signals needed for cell division.

The most common types of treatment are surgery, radiation therapy and chemotherapy. Other treatments include immunotherapy, monoclonal antibody therapy and bone marrow transplantation.

Cancer treatment makes demands of integrated medical services and it is often a joint decision by the physician and the patient about which treatment to use and in what order. Today, medical information is easily available on the Internet providing patients with more decision-making power. As a result, patients in many countries are more empowered than ever before with more preferring non-invasive procedures.

Of the three common treatment methods for cancer, radiation therapy is often the least traumatic to the patient and at the same time the most cost-effective.

Radiation therapy and radio-surgery are chosen for more and more patients. Today, approximately half of all patients in developed countries who are diagnosed with cancer are treated with radiation therapy, often in combination with other treatment, at some stage of their illness. More advanced, precise and accurate methods are expected to increase the role of radiation therapy in the future.

Lung



Lung cancer is a cancer that forms in the tissue of the lung, usually in the cells lining air passages. Since it tends to metastasize early in its course, lung cancer is particularly dangerous and difficult to treat.

Facts about the disease

1.4 million people worldwide every year are diagnosed with lung cancer, making it the most common form of cancer. Patients with lung cancer often do not develop symptoms until the cancer is in an advanced state, resulting in a high mortality rate.

Global trends

Lung cancer rates in developed countries have stabilized due to public awareness campaigns and political initiatives to ban smoking from public places. However, rates are rising in developing countries.

Treatment

Treatment options depend on the type, location and size of the tumor. Surgery may offer a definitive cure if the disease is diagnosed early. Radiation and chemotherapy are widely accepted adjuvant treatments for some types of lung cancer, and may contribute to cure or long-term control. New radiation therapy technology offers more targeted treatment that may prolong life and relieve pain.

Lung cancer – most often caused by tobacco smoking

With about 1.4 million people diagnosed each year – double the number since 1975 – lung cancer is the most common cancer in the world. Worldwide, about 80 percent of lung cancer cases in men and 50 percent in women are caused by tobacco smoking. Among non-smokers, lung cancer is often attributed to a combination of genetic factors, radon gas, asbestos and air pollution, including second-hand smoke.

Lung cancer is divided into two major types. Small cell lung cancer, which often occurs in heavy smokers. The more common, non-small cell lung cancer is an umbrella term for several types of lung cancers that behave in a similar way.

Since the majority of lung cancer is diagnosed at a relatively late stage, only 10 percent of all lung cancer patients are ultimately cured.

Treatment

Treatment depends on the type of cancer, its location and size, as well as the age and health of the patient.

Surgical removal is generally performed when the cancer is confined to the lung; to remove a small section of lung that contains the tumor along with a margin of healthy tissue. Alternatively, one lobe of the lung or the entire lung can be removed.

Chemotherapy, which can be used as a first line treatment for lung cancer or as additional treatment after surgery, may involve a combination of drugs to kill cancer cells.

Radiation therapy uses high energy X-ray to kill cancer cells. Radiation works by damaging the DNA inside cells making them unable to divide and reproduce. Abnormal cancer cells are more sensitive to radiation because they divide more quickly than normal cells.

The goal of radiation therapy is to maximize the dose to the tumor while minimizing exposure to normal tissue.

The most common technology for radiation therapy, i.e. creating, shaping and aiming a beam of ionizing radiation (gamma rays), is the linear accelerator.

In advanced lung cancer, where metastases have grown in other parts of the body, treatment is often limited to relieving pain and other symptoms.

The radiation challenge

Tumors move significantly due to normal respiration, presenting a particular challenge during imaging and planning. Large margins to encompass the motion are required, increasing doses received by surrounding healthy lung tissue, and consequently the risks of complications, limiting the possible prescribed radiation doses.

In recent years, many Elekta innovations have been made to address the challenge of irradiating a tumor that is constantly moving during the breathing

cycle. Integrated 3D X-ray technology on Elekta Synergy has enabled clinicians to more exactly see the movement patterns. Active Breathing Coordinator™ virtually fixates tumors momentarily through assisted breath hold.

To further address this challenge, Elekta, together with the Antoni van Leeuwenhoek hospital in Amsterdam, The Netherlands, has developed an innovative 4DCT (computer tomography) technique to manage the motion of lung tumors. Used at the time of treatment, this 4D image guided (with time as the fourth dimension) process employs the planning 4DCT in conjunction with a 4D volumetric image featured on Elekta Synergy. The 4D volumetric image is generated automatically using a patented technique, which eliminates both set up errors and baseline shifts in the tumor position and reduces the volume of lung irradiated.

CASE STUDY: The Royal Marsden Hospital

Treatment of lung tumor using Elekta VMAT

A 71-year old woman, non-smoker with a past medical history of a heart murmur, hypercholesterolaemia and a melanoma of the right leg treated surgically in 1984, presented with a cough, haemoptysis, chest pain and shortness of breath on exertion.

Imaging showed a large subcarinal mass measuring 7x5 cm and a small nodule in the apical segment of the left lower lobe. Histology showed small cell carcinoma of the lung. The disease was staged as “limited stage” and chemotherapy was prescribed.

Treatment

Radiation therapy consisted of 50 Gy in 25 fractions. The daily VMAT procedure was to check the freedom of gantry rotation, acquire the image, check the registration of the images, and treat. The whole treatment process fitted within a 20-minute treatment slot. The treatment alone, without imaging, was completed in 10 minutes.

Treatment delivery time was around 90 seconds, compared to 180 seconds for the standard conformal plan used on the first two fractions.

Outcome and follow-up

The patient tolerated the treatment well. The patient commented that the treatment was much faster than the conformal treatment given on the first two fractions.

The main advantage of Elekta VMAT was its speed, which will be important for hypofractionated treatments in conjunction with Active Breathing Coordinator™. With a conformal plan, this would require a large number of breath-holds. However, with Elekta VMAT, only a few breath-holds will be needed, making the treatment much more tolerable.

The Royal Marsden 
NHS Foundation Trust

Källor: WHO, American Cancer Society, National Institute of Health, Medicinet.com.

Elekta Axesse™ – advanced technologies integrated in a single system for stereotactic treatment

Combining the most advanced technologies with 50 years experience in stereotactic applications, Elekta Axesse™ is a comprehensive and integrated system that offers clinicians the ability to deliver higher and more conformal doses of radiation to the target in fewer fractions than with conventional radiation therapy.

Elekta Axesse is a fully integrated stereotactic system that combines true three-dimensional (3D) image guidance at the time of treatment with highly conformal beam shaping and robotic 6D sub-millimeter patient positioning to deliver fast, efficient and accurate treatment. All treatment processes, from planning to delivery, are controlled from a single workstation supported by an electronic medical record centered workflow.

Its unparalleled level of accuracy allows tumors to be treated more aggressively while avoiding healthy tissue and critical structures.

Elekta Axesse is optimized for management of the most demanding cases such as spine tumors, while at the same time versatile enough to handle the majority of cases at a busy radiation therapy practice.

Offers control without compromise

Tumor localization: True 3D imaging provide target and critical structure visualization at the time of treatment, improving accuracy in tumor targeting. During treatment, clinicians can monitor patient movement in real time and utilize imaging to choose a “beam’s eye view” during treatment.

Planning: Elekta Axesse treatment planning offers the tools required to achieve with better dose distribution a choice of beam placements to optimize results for individual patients and pathologies. Sophisticated planning techniques support the latest stereotactic treatment technologies.

6D positioning: Elekta Axesse integrates remote, automatic positional

correction in 6D (X, Y, Z, roll, pitch and yaw) with sub-millimeter positional accuracy. Clinicians need to be certain clinical structures nearby or potentially in the radiation path are avoided as planned; the 6D correction provides this realignment at the time of treatment.

Dose shaping: Integrated, high resolution beam shaping is supported by sophisticated planning and delivery techniques to improve target conformance. The unique configuration of Elekta Axesse allows efficient treatment delivery with flexible beam shaping options, from circular cones through IMRT to dynamic conformal delivery utilizing

volumetric modulated arc therapy.

Patient immobilization: State-of-the-art patient immobilization helps to maintain accurate targeting during delivery. Non-invasive repeat positioning capabilities enable difficult targets to be effectively treated throughout the body.

Workflow management: Elekta Axesse employs a powerful integrated workspace combining imaging and set-up correction, delivery control and EMR on a single display. With one point of control, complexity is reduced and decision-making streamlined, enhancing patient throughput and safety while executing more sophisticated protocols.



Elekta Compact™ – high quality conventional radiation therapy for small treatment rooms

In 2006, Elekta acquired Beijing Medical Equipment Institute (BMEI) with the aim of combining the BMEI product platform and production capacity with Elekta linear accelerator technology. The outcome of this project is a new linear accelerator system that provides high quality conventional and conformal radiotherapy aimed at serving the needs of specific markets in need of rapid build-up of care capacity.

The newly developed Elekta Compact™ fulfills the needs of new, entry level cancer treatments facilities as well as being an excellent alternative for those who would ordinarily consider purchasing a cobalt unit or replacing or upgrading an existing cobalt treatment system.

In June 2008, the process of adding CE marking to Elekta Compact was completed, which prepared Elekta for entering new markets with this highly competitive linear accelerator system.

Compliant with all relevant international standards, Elekta Compact is an excellent choice for the busy radiation oncology department because it is affordable, clinically effective, and technologically flexible. Elekta Compact is a treatment system capable of delivering a wide range of clinical radiation therapy techniques and seamlessly interfaces with a variety of Elekta products and



accessories. It has a modular design enabling new functions and features to be easily added and it is a robust and reliable treatment solution.

The low isocentric height, combined with the exceptional large patient clearance, enables unrestricted access that ensures treatment techniques can be optimized for a wide range of gantry positions without having to compromise technique or patient set up.

For more advanced treatments such as conformal techniques, a range of accessories are available such as micro multi-leaf collimator, small field treatment cones and an array of treatment planning and quality assurance products.

In summary, Elekta Compact is optimized for underserved markets in need of rapid build-up of care capacity.

Tobacco habits shifts to the developing world

Tobacco smoking is the main cause of lung cancer worldwide and kills 5.4 million people a year – an average of one person every six seconds.

There are today more than one billion regular smokers. In the developed world, smokers number about 300 million (200 million males and 100 million females) compared to 800 million (700 million males and 100 million females) in developing countries.

Trends in lung cancer death rates vary widely between countries, depending on the stage of the tobacco epidemic. In developed countries where smoking was first established, the habit

has become less common in recent decades, first in men, and later in women. Lung cancer death rates have followed this trend.

China and India see increase

In the developing world, however, tobacco consumption is rising by over three percent per year. East Asia and the Pacific regions have the highest smoking rate, with nearly two-thirds of men smoking. The greatest increases are in China and India, where about half the men are smokers, compared with about eight percent of women.

Although tobacco use is four times more prevalent among men than women worldwide,

trends show an increase in smoking among women in countries where they have more equal opportunities. In Denmark and Germany, more women smoke than men. In Eastern and Southern Europe, where tobacco use is still increasing, death rates have climbed in men, and are now rising in women.

One in five teenagers smokes worldwide. Between 80,000 and 100,000 children start smoking every day. By 2030, seven of every ten smoking-related deaths will be in low to middle-income countries.

Sources: WHO, American Cancer Society.

Breast



Breast cancer, the most common cancer among women today after lung cancer, forms in the tissues of the breast, usually in the ducts (tubes that carry milk to the nipple) and lobules (glands that produce milk). Like other cancers, breast cancer that spreads, or metastasizes, is more challenging to treat.

Facts about breast cancer

Every year, about 1.3 million women worldwide are diagnosed with breast cancer. Thanks to earlier detection and better treatments, mortality from breast cancer has been dropping steadily since 1990. Unfortunately, an estimated 465,000 women annually will still die from this form of cancer.

In the U.S., one in nine women will develop breast cancer in their lifetimes. Of note is that male breast cancer accounts for about one out

of every 100 breast cancer cases. Early diagnosis is key and detection is usually via combinations of self-examination, physical exam and screening mammography.

Global trends

In western countries, breast cancer rates have risen about 30 percent in the past 25 years due in part to increased screening that detects the cancer in earlier stages. In the U.S., breast cancer rates decreased by 10 percent between

2000 and 2004, due in part to a reduction in the use of hormone therapy. In developing countries, the risk of breast cancer is lower but appears to be increasing.

Treatment

Breast cancer treatment depends upon many factors, including the type of cancer and the extent to which it has spread. Treatment options include surgery, radiation therapy, chemotherapy and hormone treatment.

Breast cancer – survival rates improve with early detection

Greater awareness has led to increased screening, early detection and improved survival rates. For early stages of disease, cure is likely and cosmetic outcome is generally very good to excellent. Acute and late side effects of radiation therapy depend on the age of the patient at the time of treatment, the structures in the radiation field, the radiation dose and technique, and the extent of surgery performed. Still, breast cancer is the most common cause of death in women between the ages of 45 and 55.

Research reveals that genetic and/or hormonal factors are the primary risk factors. Staging systems, from ductal carcinoma in situ (Stage 0) to metastasis (Stage IV), have been developed to allow doctors to characterize the extent to which a particular cancer has spread and to make decisions concerning treatment options.

Treatment

Treatment exists for every type and stage of breast cancer. Primary options include surgery, radiation therapy, chemotherapy and hormone treatment.



Surgery

Today, radical mastectomy (removal of the entire breast tissue with the axillary contents) is rarely performed. Most common methods are simple mastectomy or lumpectomy, an operation that saves as much of the breast as possible by removing only the tumor plus a surrounding area of normal tissue. Lumpectomy is almost always followed by radiation therapy to destroy any remaining cancer cells. Many women are candidates for reconstructive surgery.

Radiation therapy

Radiation is the standard treatment following a lumpectomy. Oncologists may recommend radiation following a large tumor mastectomy, inflammatory breast cancer, cancer that has invaded the chest wall or cancer that has spread to lymph nodes in the armpit.

One challenge in radiation therapy is the heart, in the case of left-side breast cancer, which sometimes cannot be avoided without compromising target coverage.

Publications indicate that survival benefits may be offset by increased mortality caused by adverse cardiac events.

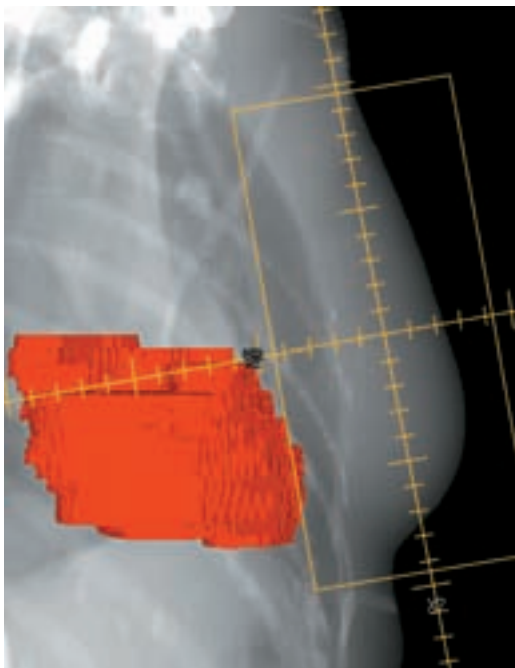
Image guided radiation therapy (IGRT) on Elekta Synergy® dramatically improves accuracy and clinical confidence when using radiation on left-breast cancer. To further reduce this problem, Elekta offers Active Breathing Coordinator™, a unique assisted breath-holding device. The application of a deep inspiration breath holder results in a separation of the heart and chest wall, reducing irradiated cardiac volume for left-sided breast patients.

Chemotherapy

The size of the tumor, characteristics of the cancer cells and extent of the spread of cancer, help determine the need for chemotherapy, which uses drugs to destroy cancer cells. Chemotherapy may be used to reduce the chances of the cancer recurring locally and may ameliorate metastatic disease.

Hormone therapy

Hormone blocking therapy is used to treat women whose cancers are sensitive to hormones – estrogen and progesterone receptor positive cancers.



Treatment image above with courtesy of William Beaumont Hospital, Michigan, USA.

Sources: American Cancer Society, WHO, National Cancer Institute, Mayo Clinic, American Cancer Society.

Elekta Synergy® emerges as a standard of care

When Elekta Synergy® was introduced, it was the first advanced, multi-functional linear accelerator that allowed clinicians to both image the tumor and treat the patient in the same frame of reference at the time of treatment by utilizing a technology known as image guided radiation therapy (IGRT).

With its success in irradiating tumors while minimizing damage to surrounding tissue, Elekta Synergy has, in just a few years, emerged as a standard of oncology care. In only a couple of years, Elekta Synergy has become the most common choice by clinics investing in new technology from Elekta.

Today, Elekta Synergy is in routine clinical use in hundreds of centers around the world. Purchasers have the option of buying an Elekta Synergy Platform linac and later, budget permitting, add the kilovoltage, 3D imaging system, or acquiring the complete system initially.

The fully equipped Elekta Synergy incorporates 4D CBCT (cone beam computerized tomography) image guidance, a patented Elekta technology that previously was utilized only in diagnostic environments. Elekta Synergy is first to use this technology for treatment

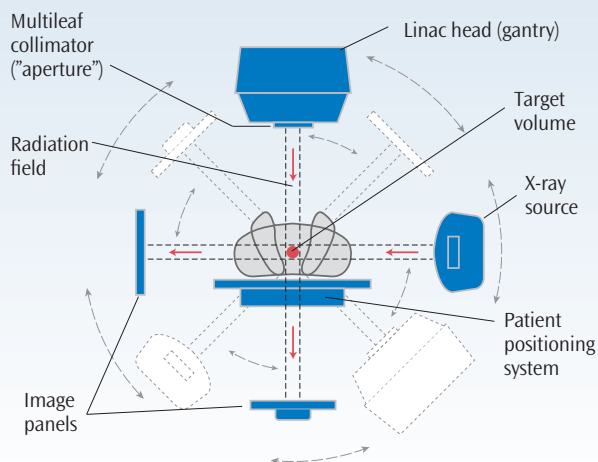


purposes. Upgrades to XVI will enable volumetric and time-lapse imaging that utilize 4D (3D moving images with time as the fourth dimension), which for example can be used to register the movement of a tumor during the respiratory cycle. With these new tools, clinicians can compensate for target motion, gate the patients' breathing or the treatment beam and adapt the treatment

plan according to tumor changes.

Elekta Synergy includes a software option that automates the clinical workflow. Known as SYNERGISTIQ™, this synchronized user interface integrates MOSAIQ® patient management system and Elekta Synergy, bringing together, in a coordinated manner, the various systems that are required for optimal IGRT.

Radiation therapy with a linear accelerator



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

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

With Elekta Synergy® the patient is imaged at the time of treatment and in the treatment position, using a kilovoltage X-ray source and an additional imaging panel. This enables 2D images, fluoroscopic real-time monitoring and 3D volumetric images.

CMS acquisition enables Elekta to develop best-in-class radiation treatment planning (RTP)



The acquisition of CMS, a worldwide leader in advanced treatment planning, by Elekta has significantly strengthened the vision of integrated solutions across the entire spectrum of cancer care.

Today, CMS forms the basis of the treatment planning arm of Elekta. CMS works closely with IMPAC, also an Elekta company, to accelerate the development of a next-generation electronic medical record-centric distributed adaptive radiotherapy software solution that integrates the complementary capabilities of all of Elekta's product portfolios.

With the integration of the CMS product lines, Elekta's radiation treatment planning (RTP) products include:

- Elekta PrecisePLAN, an entry level RTP product dedicated to Elekta linacs.
- 3D Line ERGO++ for stereotaxy and VMAT planning.
- CMS XiO, a vendor-neutral full service product supporting all vendor linacs.
- CMS Focal & Focal 4-D products for distributed review and approval.
- CMS Monaco for best-in-class inverse planning for IMRT.

CMS products enhance MOSAIQ RTP suite

When integrated with the MOSAIQ electronic medical record,

MOSAIQ RTP, a new suite of treatment planning applications already under development, will provide all the functionality of a classical RTP system. Each MOSAIQ RTP application can be provided stand-alone or be replaced by components of any and all existing RTP systems, including those of Elekta and other vendors.

By adding the XiO and Focal products from CMS, Elekta's RTP system capabilities expand considerably. These products provide classical 2D and 3D planning, virtual simulation, fluence-based inverse planning for IMRT as well as proton treatment planning.

CMS Monaco provides next-generation inverse planning, which is being expanded to support VMAT and will be integrated within MOSAIQ.

A common philosophy

All of Elekta's RTP products are compatible with each other. Following Elekta's policy, CMS will maintain market support for multiple vendors and continue to promote freedom, flexibility and choice in any clinical environment.

CMS's core products, such as XiO and Focal, will be maintained and fully supported, and new developments will predominantly take place on the MOSAIQ platform.

About CMS

CMS is a worldwide leader in the development and support of radiation treatment planning and workflow management solutions. CMS has treatment planning systems installed in more than 1,500 sites worldwide.

XiO is a comprehensive 3D IMRT treatment planning platform that combines the latest tools and most robust dose calculation algorithms with a user-friendly interface, allowing users to generate plans quickly and accurately to optimize radiation therapy delivery.

Focal is a desktop distributed planning solution that provides all members of the treatment team with flexible access to planning functionality and patient data. Focal is a fully integrated platform with separate modules for image fusion, patient contouring, virtual simulation and plan review.

CMS' next-generation Monaco IMRT planning system represents the most advanced solution on the market. Monaco is fully integrated with the CMS Focal platform, providing seamless connectivity and integration with Focal's advanced fusion, contouring, simulation and plan review capabilities. It represents the state of the art for IMRT planning.

The Electron Monte Carlo algorithm enhances XiO with a more accurate dose calculation method for electron beams. As the leader in algorithm applications, CMS continually expands its technology with multiple dose calculation algorithms.

Prostate



Prostate cancer is a disease in which cancer develops in the prostate, a gland in the male reproduction system. Cancer of the prostate is, in most cases, slow-growing, and mostly affects men over 65, although it may affect younger men in a more aggressive form. In many cases, the disease may spread or metastasize from the prostate to other parts of the body, especially the bones and lymph nodes.

Facts about prostate cancer

- Prostate cancer is the fifth most commonly diagnosed cancer and after lung cancer the second most common cause of cancer death in men.
- Most often diagnosed in men 65 and older, although younger men can be affected as well.
- Most prostate cancers grow slowly, and the risk of dying from prostate cancer today is low.
- By age 80, more than half of all men have some cancer in their prostate.

Global trends

The incidence of prostate cancer varies from region to region, with the highest incidence in the U.S. and Canada, and the lowest in Asia. In recent years, the increase in prostate cancer has probably resulted from the widespread use of PSA testing, introduced in 1986, allowing for earlier diagnosis in men who have not yet developed symptoms. Because it is generally a disease in older men, the trend towards an ageing worldwide population is likely to lead to an increased incidence of prostate cancer.

Treatment

Prostate cancer can be treated with surgery, radiation therapy, hormonal therapy and occasionally particle therapy, cryosurgery, or some combination of these. Age, health and extent of spread are factors in determining which treatment to use.

Prostate cancer – a common, slow-growing cancer among older men



A number of factors, including genetics and diet, have been implicated in the development of prostate cancer. In the United States, prostate cancer is the most common type of cancer in men, responsible for more male deaths than any other cancer, except lung cancer. However, many older men who develop prostate cancer never have symptoms, do not undergo therapy and eventually die of other causes.

This form of cancer is most often discovered by physical examination or by screening blood tests, such as the PSA (prostate specific antigen) test. Suspected prostate cancer is typically confirmed by biopsy. Further tests, such as X-rays and bone scans, may be performed to determine whether prostate cancer has spread.

Treatment options

Prostate cancer can be treated with surgery, radiation therapy, hormonal therapy, occasionally chemotherapy, proton therapy, cryosurgery, or some combination of these. The age and underlying health of the man as well as the extent of spread, appearance under the microscope, and response to initial treatment are important in determining the appropriate course of treatment.

In older men with less aggressive prostate cancer, a conservative approach, which may include observation only, might be the most appropriate strategy.

Surgery

Patients in good health are usually offered surgery as treatment for prostate cancer. Pelvic lymphadenectomy, a surgical procedure to remove the lymph nodes in the pelvis, and radical prostatectomy, a surgical procedure to remove the prostate, surrounding tissues and seminal vesicles, are two common procedures.

In some cases, doctors can use a technique known as nerve-sparing surgery. This type of surgery may save the nerves that control erection.

Radiation therapy

Radiotherapy is an option for patients who do not want to undergo more invasive treatment.

An ideal radiotherapy treatment course would eradicate the prostate cancer, while sparing the surrounding organs and healthy tissue. The challenge for radiotherapy

treatment is to treat the cancer without impacting on the adjacent bladder and rectum. Tolerance issues limit prescribed doses. Furthermore, the cancer is difficult to see due to low contrast differential from surrounding organs and tissue.

During the last decade, intensity modulated radiation therapy (IMRT) has been employed in order to optimize the radiation dose to the prostate and minimize dose to critical organs.

The revolutionary 3D imaging system integrated on Elekta Synergy® allows soft tissue visualization at the time of treatment. Elekta's solution provides the ability to visualize critical structures and target with lower dose than with the systems that were previously used.

The newly launched Elekta VMAT solution delivers IMRT treatments with improved dose distribution in less time compared to conventional IMRT treatments.

Hormone therapy

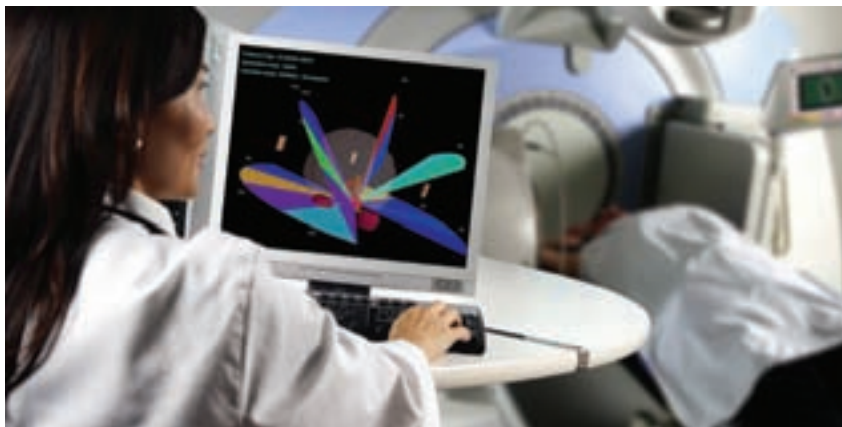
In prostate cancer, male sex hormones can cause prostate cancer to grow. Drugs, surgery, or other hormones are used to reduce the production of male hormones or block them from working.

New types of treatment, such as cryosurgery, chemotherapy, and biotherapy or immunotherapy, are among those being tested in clinical trials.



Sources: American Cancer Society, National Cancer Institute, The Prostate Cancer Treatment Guide.

Elekta VMAT – the future of radiation therapy



Elekta has again advanced the field of radiation oncology, this time by dramatically improving on existing intensity modulated radiation therapy (IMRT) technology.

The clinical benefits of IMRT have been tempered by an appreciation of the time it takes to execute highly conformal, organ-sparing, dose-efficient and optimally therapeutic IMRT plans. By introducing Elekta VMAT (Volumetric intensity Modulated Arc Therapy) Elekta has addressed these issues and reshaped radiotherapy delivery.

Elekta VMAT uses single or multiple gantry arcs that sweep non-stop over the target isocenter, while simultaneously controlling gantry speed, multileaf collimator leaves, dose rate and collimator angle. VMAT promises highly conformal,

yet dramatically shorter treatments – as short as 120 seconds.

Elekta VMAT is an integral function on both Elekta Infinity™ and Elekta Axesse™ and is available as an upgrade for Elekta Synergy®.

Faster treatment times and reduced radiation of healthy tissue

With Elekta VMAT's delivery technology and progressive inverse planning algorithms, treatment delivery can be performed in three minutes or less. This is a substantial time saving procedure compared with typical IMRT treatments.

Targets that are close to critical structures or regions of interest may be treated with smaller margins and less complicated treatment set-ups.

The simultaneous control functions

together with superior treatment planning algorithms, give the clinician the tools to deliver the dose exactly where prescribed, avoiding healthy tissue.

First patients treated

The first VMAT treatment was performed by The Royal Marsden Hospital, Surrey, UK, in January, 2008 on an existing Elekta Synergy system.

The speed that clinicians experienced is attributable to VMAT's ability to perform multiple tasks simultaneously. Apart from the speed advantage, VMAT's continuous arc motion with the beam on, means the technique effectively has an unlimited number of fields. For these reasons, there is widespread interest among clinicians in using VMAT.

Jim Warrington, head of Radiotherapy Physics at The Royal Marsden, said, "I was impressed with VMAT's variable dose rate and gantry speed features, which afford the potential to finely tailor the dose to the treatment field even during gantry motion."

"A significant portion of all new radiation therapy patients could benefit from VMAT," he concluded. "With the shorter treatment times afforded by using VMAT, The Royal Marsden can significantly increase the number of patients treated each day, without using additional resources."

Partnering with particle therapy providers

Particle therapy (PT), which normally uses a particle accelerator to energize protons (hydrogen atoms whose electrons have been removed), is currently generating high interest from leading academic centers around the world. Globally, there are some 30 facilities currently delivering particle therapy treatments and the number is expected to double in the next ten years.

For many cancers, specifically pediatric cancers, particle therapy allows clinicians to deliver a high dose to the tumor while further reducing entry and exit dose to the healthy tissue.

To support particle therapy manufacturers' "turn-key" systems offer, Elekta provides solutions that optimizes patient management both from a clinical and administrative perspective. Elekta's solutions include MOSAIQ® PT, a comprehensive oncology information system for particle therapy, the XiO treatment planning system, as well as a range of conventional radiotherapy solutions and patient fixation systems.

MOSAIQ PT has been deployed at the University of Texas MD Anderson Cancer Center, Houston, Texas, and the University of Florida Shands

Cancer Center, Jacksonville, Florida. These sites are the first of their kind to consolidate both particle and conventional therapy into single systems. CMS has treatment planning in clinical use at eight particle therapy installations.

As particle therapy continues to evolve, manufacturers will begin to also offer ion therapy, a next-generation technology. Elekta for its part, will continue to be at the forefront in patient management by providing these manufacturers with comprehensive and integrated packages that support these new technologies.

MOSAIQ® for a more efficient workflow

MOSAIQ® is an image-enabled electronic medical record system developed for the oncology practice and capable of supporting every member of the cancer team. It unites diverse systems and devices, providing an efficient process management solution.

MOSAIQ® provides the foundation for image, data and workflow management that includes comprehensive radiation therapy charting and business process management as well as integration with virtually all imaging, planning and delivery systems. Capable of supporting multi-vendor, multi-disciplinary, and multi-site organizations, MOSAIQ provides a central database solution to ensure that information is easily accessible throughout the entire treatment process.

The software further optimizes resource allocations to streamline the workflow within a clinic, which makes it possible to spend more time with the patients and less time on administration. One branch on the MOSAIQ tree is the Oncology PACS system, an archiving solution for management of all IGRT planar and volumetric datasets.



Filmless and paperless workflow

Through the combination and integration of MOSAIQ image-enabled oncology information system and MOSAIQ Oncology PACS, Universitätsklinikum Mannheim in Germany achieved a filmless and paperless workflow.

“The way we see our patients has basically been transformed,” said Prof. Dr. Frederik Wenz. “When we conduct our first admissions for patients, we

have the image information readily available in the EMR. We have instant access to electronic patient information and all relevant images.”

“My gut feeling is that MOSAIQ is saving 30 to 60 minutes of time per day for every doctor in the department. Data access is now measured in multiple seconds rather than multiple minutes,” he continued.

CASE STUDY: The Netherland Cancer Institute Antoni van Leeuwenhoek Hospital

IGRT protocol for prostate using Elekta Synergy®

A patient with prostate cancer was prescribed treatment with radiation therapy in combination with six months of neo-adjuvant and concurrent hormonal therapy.

Treatment planning

An intensity modulated radiation therapy plan was generated and the hospital's adaptive radiation therapy protocol was used for verification of the target and patient position using Elekta Synergy®. This involved acquiring Elekta VolumeView™ images on the first six days of treatment, prior to treatment delivery.

Once all six images were acquired, a grey scale registration algorithm was used to automatically localize the prostate in the images.

The physician confirmed that the automatic prostate registration tool had correctly localized the prostate. An average prostate position was then calculated from all translations and rotations generated from the image registration.

To improve image quality and to obtain constant bowel volumes, in order to reduce intra- and interfraction motion, a dietary protocol for the patient was introduced. This increased image quality and the success rate of the IGRT treatment, and minimized interfraction prostate motion.

After that, a new treatment plan using smaller margins was created using the average rectum and prostate positions as calculated from the images. The planning target volume (PTV) was reduced by 30 percent.

Conclusion

Over 60 patients have been treated with this offline protocol. The success rate of the automated gray value prostate match was more than 90 percent, indicating that Elekta VolumeView imaging is useful for routine prostate image guidance. Moreover, an average PTV reduction of 29 percent was achieved.



Brain



There are two main types of brain cancer, primary and secondary. Primary brain cancer originates in the brain itself while secondary brain malignancies – metastases – originate in organs outside the brain and are spread to the brain through the blood stream.

Facts about brain diseases

- Tumors and other disorders of the brain have serious implications and may have a strong negative impact on the patient's quality of life. They are often difficult to treat without risking the patient's ability to function normally.
- Tumors that occur in the brain can be divided into two groups, malignant and benign.

- Malignant brain tumors occur in about 4.5 people per 100,000 population. They may occur at any age but incidence is generally highest between ages 40 to 60.
- Among benign brain tumors, vestibular schwannomas, meningiomas and pituitary adenomas are most notable. Because they occupy space inside the skull benign tumors can become life threatening if not treated in time.

Brain cancer – insidious symptoms and often misdiagnosed

What causes brain cancer to develop is not well understood, but there are accepted risk factors for brain cancer. Workers in the oil and rubber industry have a higher than normal incidence of brain cancer. The same is true in several chemical industries. Patients with a history of melanoma, lung, breast, colon or kidney cancer are at risk for secondary brain cancer, i.e. metastatic brain disease.

The most common primary malignant brain tumor in adults are various forms of so-called gliomas. The most common types of brain tumor in children are astrocytomas, medulloblastomas, ependymomas and brain stem gliomas.

Brain cancers cause central nervous system changes by invading and destroying normal brain tissue and by secondary effects such as exertion of pressure on the brain, encased as it is in the cranial space. Onset of symptoms is usually insidious and brain tumors are often misdiagnosed.

Brain metastases

Brain metastases originate in tissues or organs outside the brain and spread secondarily to the brain. Up to 40 percent of all cancer patients develop brain metastases and commonly in a late stage of the primary disease.



About 50 percent of brain metastases originate from lung and breast cancers. Other common tumors that metastasize to the brain are melanoma, renal cell carcinoma and colon cancer.

Treatment

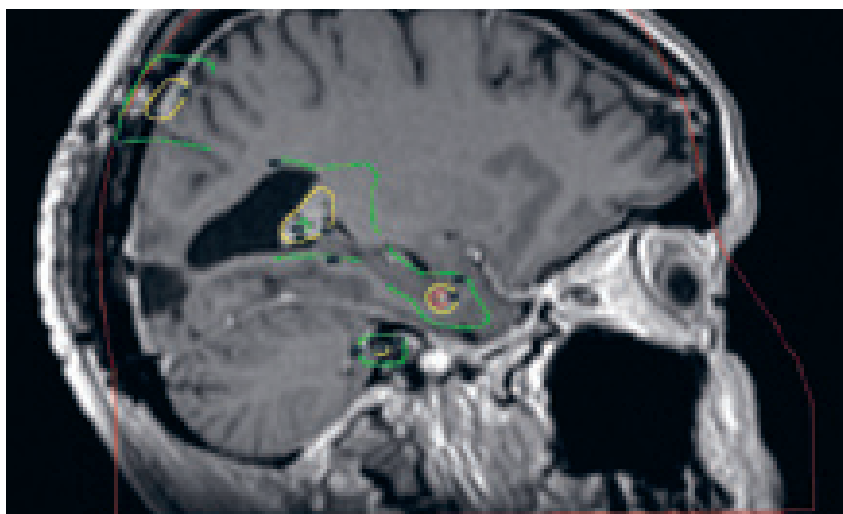
How brain tumors are treated depends on the age of the patient, the stage of the disease, the type and location of the tumor, and whether the cancer is a primary tumor or a brain metastases. Brain cancer and brain tumors are somewhat unique because of a blood-brain barrier that prevents some substances from

penetrating into the brain. This makes chemotherapy for brain lesions more difficult than for lesions elsewhere in the body.

Malignant primary brain tumors are often difficult to delineate and often aggressively spread into surrounding normal brain. This can make them difficult both to surgically resect and to treat with radiation therapy.

Brain cancer survival statistics for the deadliest types of tumors, such as glioblastomas, have not improved significantly over the past two decades. The therapeutic arsenal for these tumors is limited to open surgery and/or radiation therapy.

The therapeutic alternatives are the same in cases with less malignant types of tumors and in all benign tumors. However, for these patients there is the alternative of non-invasive radiosurgery. This method has been developed over the last 40 years and has reached a very high level of sophistication and clinical success. The dominant technology for radiosurgery is Leksell Gamma Knife®, pioneered by the late Professor Lars Leksell, a Swedish neurosurgeon, and further refined by Elekta over the years.



Leksell Gamma Knife® – radiation surgery with unsurpassed precision

Gamma Knife surgery has become standard therapy for many different kinds of brain tumors, including metastases from primary tumors elsewhere in the body. The number of radiosurgically treated patients has increased exponentially within the last decades.

More than 160,000 patients with brain metastases and more than 150,000 patients with benign tumors have been radiated using Leksell Gamma Knife.

In total, almost 500,000 patients have been radiated with Gamma Knife surgery. The results have been documented in over 2,000 scientific papers.

Leksell Gamma Knife allows non-invasive cerebral surgery to be performed in one session and with extreme precision, sparing normal tissue adjacent to the tumor. Patients benefit from fast, painless radiation, often conducted in

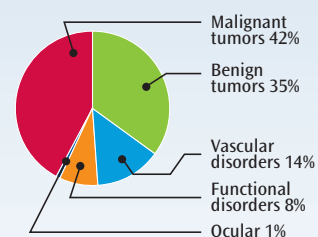
an outpatient surgical setting without the need for general anesthesia or even convalescence.

Studies show that no other system is capable of delivering the standards of accuracy achieved by Leksell Gamma Knife. In intracranial radiosurgery, clinical accuracy is the sum of the accuracy contributions that make up the entire treatment procedure – imaging, dose planning, patient positioning, radiological and mechanical accuracy. Elekta's Leksell Gamma Knife systems are guaranteed to perform with a total radiological accuracy of 0.5 mm. However, a study of 189 installed systems over two years, proved an unprecedented average level of radiological accuracy of 0.15 mm.

Multiple metastases

Gamma Knife surgery can be applied to multiple tumors in one session or

Neurological disorders irradiated with Leksell Gamma Knife®*



* Based on data from Leksell Gamma Knife Society.
Note: Approval of indications may vary between different countries.

repeated if needed for more tumors. Even metastases that are resistant to radiation, such as metastatic malignant melanoma, can be treated with Gamma Knife surgery due to the highly accurate dosage.



Gamma Knife surgery has had a most dramatic impact on the treatment of patients with multiple metastases. The high level of tumor control is the same in these patients as in those with single metastases. This is a clinically important development, showing that aggressive treatment of multiple metastases is a valuable strategy.

Preferred treatment

While Leksell Gamma Knife is increasingly recognized worldwide as an efficient system for irradiation of metastatic brain tumors, it has since long been used by neurosurgeons to irradiate many benign tumors, including vestibular schwannomas, meningiomas and pituitary tumors, as well as vascular malformations and functional disorders such as chronic facial pain (trigeminal neuralgia).

Early studies are also being conducted on epilepsy, Parkinson's disease and on eye disorders, such as advanced glaucoma.

Multiple benefits

No other technology in this area are as well documented as Gamma Knife



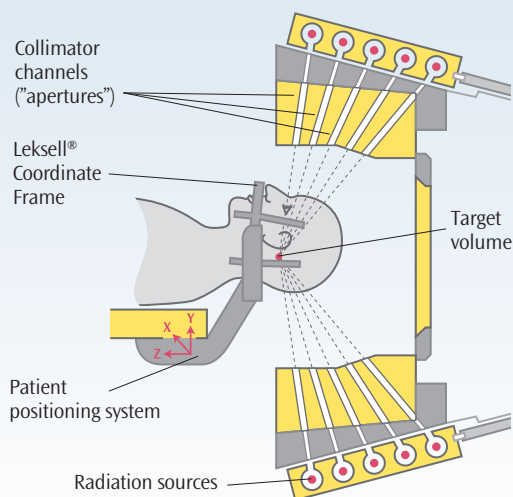
surgery. For the past years, more than 60,000 patients have been documented in about 500 peer-reviewed papers, showing good long term effects on patients quality of life.

Many patients who are presently undergoing surgical treatment could be candidates for Gamma Knife surgery. With its proven success rates, less traumatic procedures and the absence of the potential for serious side effects from

surgery, Gamma Knife radiosurgery can help to increase the number of successful outcomes significantly. Side effects are very rare.

From a health economic perspective significant savings can be appreciated. Reduced hospitalization, no need for intensive care and none of the serious complications from microsurgery are among the economic benefits.

Stereotactic radiosurgery with Leksell Gamma Knife®



Gamma Knife® surgery is, with very few exceptions, given in a single session and without general anesthesia. After Gamma Knife surgery the patient normally leaves the hospital the same day, making it a very cost effective alternative to open surgery.

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

The beams converge in an isocenter where the cumulative radiation intensity becomes extremely high. By moving the patient's head in relation to the beams' isocenter, the radiation dose can be optimized in relation to the shape and size of the target. The extreme precision of Leksell Gamma Knife, guaranteed to be better than 0.5 mm, makes it possible to administer a high radiation dose to the diseased area, with minimal risk of damaging adjacent healthy tissue.

Leksell Gamma Knife® Society – a forum for facilitating excellence

The Leksell Gamma Knife® Society was established in 1989 to provide a forum for Gamma Knife users to share information, experiences, clinical techniques and scientific research with the aim to develop and improve non-invasively treatments of an expanding number of brain disorders. The society has over 2,000 members around the world who meet biannually. The meetings result in a large number of clinical publications, which have in recent years been published as a supplement to the Journal of Neurosurgery.

The 14th meeting was held in May 2008 in Quebec, Canada under Quebec's motto "*Je me souviens*" ("*I remember*"), which connected to the 40 years anniversary of Gamma Knife surgery.

Since Leksell Gamma Knife® Perfexion™ was introduced two years prior to this meeting, interest in the presentations from users who have clinical experience with this new technology was high.

Clinical results elevate Gamma Knife surgery to a new level

Professor Jean Régis and his team at Timone University Hospital in Marseille, France, have treated over 800 patients with Leksell Gamma Knife Perfexion. He highlighted the unique dose shaping capabilities of Leksell Gamma Knife Perfexion, which enable the users to treat a broader range of targets, much faster



and more efficiently than ever before.

Leksell Gamma Knife Perfexion makes it possible to irradiate multiple brain metastases with surgical precision, instead of the alternative treatment by radiation therapy to the whole brain that often causes severe side effects. Elekta's new technology means improved quality of life for a large number of patients.

New clinical possibilities

At the meeting, a preview was given of Elekta's most recent development – a complete program for extending the utilization of Leksell Gamma Knife Perfexion. With the EXTEND™ program, clinicians may explore the possibility to treat indications that were previously unmanageable with Gamma

Knife surgery, i.e. larger tumors and targets located so that not even Gamma Knife conformity is sufficient. For these cases, fractionation with Leksell Gamma Knife Perfexion becomes an alternative.

The EXTEND™ system comprises rigid carbon-fiber construction that provides maximum stability to enable the most accurate non-invasive fixation available. It also provides an alternative non-invasive fixation method.

Planned to be commercially available in 2009, the EXTEND™ system will enable fractionated Gamma Knife surgery and may thereby open new possibilities in both stereotactic radiosurgery and stereotactic radiation therapy.

Leksell Gamma Knife® Perfexion™ measures up to expectations

Dr. David Larson, Professor Emeritus of radiation oncology at the University of California, San Francisco, and Washington Hospital, Fremont, California, treated the first three patients with a newly installed Leksell Gamma Knife® Perfexion™ in June 2007.

Dr. Larson said planning and treatment were fast and patients experienced outstanding comfort and satisfaction. In a comparison of the average procedure time between Leksell Gamma

Knife Perfexion and 4C, results show the newer technology cut time almost in half.

Dr. Larson is also in a unique position to assess whether Leksell Gamma Knife Perfexion has met expectations. He was a key member of an expert panel formed in 2002 to guide the development of the new system.

The results have clearly met his expectations. Based on one year's experience, Dr. Larson, concludes that Leksell Gamma Knife Perfexion

provides the lowest risk of secondary malignancy, fastest treatments, most reliable and conformal treatments and the best treatment of multiple targets compared to competing technologies.



Leksell Stereotactic System® – sophisticated tools for stereotactic neurosurgery

The driving force in the treatment of brain disorders is to achieve the highest possible level of clinical accuracy to optimize patient outcomes and maximize cost efficiency.

Leksell Stereotactic System® creates a three-dimensional reference system, which allows the surgeon to accurately localize and treat brain disorders with the highest precision. The system is used for minimally invasive procedures, both diagnostic as well as therapeutic.

Utilizing a three-dimensional coordinate system to locate small targets inside the body and treat pathological areas with the highest accuracy, Leksell Stereotactic System is the most widely used frame in the world.

Leksell Stereotactic System constitutes one integrated system, together with

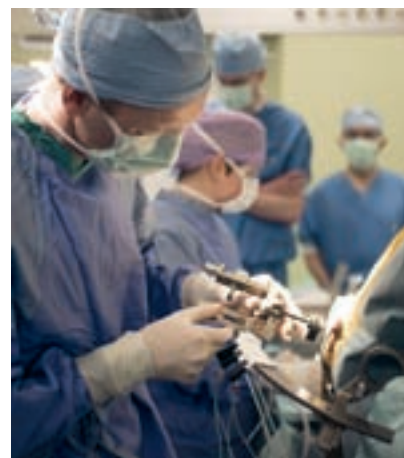
two other major components, Leksell SurgiPlan® for pre-operative planning and Leksell® NeuroGenerator for lesioning and stimulation.

A pacemaker for the brain

One exciting application where Leksell Stereotactic System plays a vital role is in deep brain stimulation (DBS). This is a surgical treatment method involving the implantation of a medical device which sends electrical impulses to specific parts of the brain. It may be likened to a brain pacemaker.

DBS directly changes brain activity in a controlled manner. It is reversible, adjustable and may create less persistent adverse effects than conventional operations that involve the intentional scarring of brain tissue.

DBS surgery is currently being used to



treat people who suffer from Parkinson's disease, essential tremor, and dystonia. The method is also being explored for other indications, such as obsessive compulsive disorders, clinical depression and Tourettes syndrome.

Elekta Neuromag® – mapping the brain

Elekta Neuromag®, the world's most advanced and most used magnetencephalography (MEG) system, provides real-time mapping of brain activity by non-invasively measuring in both spatial and high temporal (millisecond) resolutions the magnetic fields produced by the brain.

This information provides an important piece of the puzzle for diagnosing and treatment planning for patients with certain brain disorders, such as epilepsy.

Specifically, Elekta Neuromag enables researches and clinicians to answer questions such as:

- What activity is the brain producing and where in the brain does it come from? For example, MEG can be used to measure brain activity associated with relaxation, migraine or epilepsy.
- Which part of the brain undertakes different tasks? For example, MEG can determine exactly which part of the patient's brain controls specific actions.

- How does the brain function, both normally and in cases of illness?

The rate of clinical and research activity employing MEG is accelerating, fostering excitement that this diagnostic modality will have an increasing and more prevalent clinical role.

MEG analysis and diagnosis are sensitive to magnetic interference. Although Elekta Neuromag already has very high immunity to these kinds of disturbances, MaxShield™ is a significant advancement in interference reduction. This patented concept utilizes coils that run perpendicular to the floor, walls and ceilings, compensating for external interference and filtering out much of the disruptive fields.

In addition, a sophisticated software program actually performs the interference cancellation by separating the magnetic activity of the brain from the remaining interference as well as those created by patients' implanted devices, such as dental fillings, pacemakers or

stimulators in the brain. The software then enhances the data further during processing, producing images of the brain even more accurate than previously.



Growing together – people and products

Elekta's development from a small, private research company some 30 years ago to the global group it is today is based on a combination of highly skilled and motivated employees and leading edge technology. One key success factor is the belief that people and products grow together and that every interaction counts in the daily operations, but also in Elekta's strategic alliances and partnerships with leading hospitals.

Elekta has a decentralized organization, which means that Elekta's employees have considerable freedom to exercise their own professional judgement.

The combination of products of high technical complexity and of solutions of clinical importance promotes a broad skills base among the employees as well as a strong sense of loyalty to the company. For example, approximately 60 percent of the employees have university degrees, of which about half are engineers, and Elekta has overall a notably low turnover of personnel. Global

employee surveys are carried out every year and in 2007 improvements were noted in such areas as professional development as well as manager's coaching and receiving feedback on individual performance.

Change is our only constant

Elekta's growth strategy and a more challenging and competitive environment has demanded an organization that promotes change and ability to bridge different structures and cultures. Elekta has had a functional organization with work groups that often have employees in several different countries. A large portion of work takes place within the framework of the three core processes: *Time to Market*, *Time to Customer* and *Installed Base Management*. The focus on the development of these processes in recent years has formed the basis of cross-functional cooperation and created a foundation for a common management structure and common working methods and values.



Employees' voices from within Elekta

Kathy Podmaniczky,
Software Engineer, IMPAC

■ What motivates you in your work?

Like most people I need to make a living. But this isn't just any job. I am highly motivated to do it to the best of my ability because the products we create affect patient care. We have to get it right, because it is important for many people.

■ How does your work contribute to saving and improving people's lives?

I help design and write software that is used in the delivery and management of clinical patient care, specifically radiation therapy.

■ **What do you think distinguishes Elekta as an employer?** Having never entertained a change in employer since 1992 when I joined IMPAC, now an Elekta company, I can't compare.



I can say that I work in an environment where I am able to enjoy the satisfaction of collaborating with many of my co-workers in our efforts to create important, high quality products

and my contributions as an employee are respected and appreciated. Not a bad way to make a living!

Andrew Wilson, Sales Manager,
Elekta Australia & New Zealand

■ **What motivates you in your work?** Elekta's products contribute to a patient's improved quality of life. My motivation is driven by enabling those who suffer from serious diseases to gain access to the Elekta products and services. In the future, this could actually involve my family and so the best potential outcome for everyone is the ability to choose Elekta. Furthermore, it has been very exciting and deeply satisfying to be part of a project that helped Elekta win the first Gamma Knife installation in Australasia.

■ **How does your work contribute to saving and improving people's lives?** Nearly 80 percent of radiation therapy patients in Australia will have their treatment influenced by an Elekta product. When you put it into that perspective it becomes a much bigger picture. Our relationships with our customers help them make the choice to provide a quality radiation therapy program to their patients.

At the end of the fiscal year 2007/08, Elekta reviewed the current organization and the result of this review was to change the organization to a matrix structure to be effective from the beginning of the fiscal year 2008/09 (see page 76).

Increased number of employees

On April 30, 2008, the Elekta Group had a total of 2,406 employees, an increase of 375 compared with the previous year. Approximately 300 of these are new colleagues at CMS, Inc. in St Louis and other CMS locations throughout the world. The R&D specialized Italian company 3D Line Research and Development S.r.l., acquired in May 2007, provided an additional 20 qualified employees, primarily based in Milan, Italy.

Integration of new units

In line with Elekta's vision and values, it is the company's philosophy that the integration of new units will take place

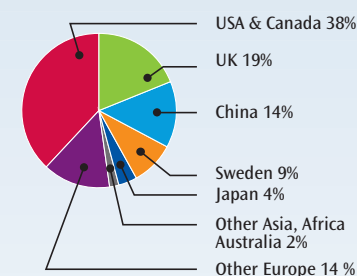
at a pace that facilitates the use of business and organizational synergies at the same time as the acquired operations continue to perform favorably and customer relations are maintained. During 2007 and 2008, the acquired companies, 3D Line and CMS, were continuously integrated in the Elekta organization.

Human Resources initiative

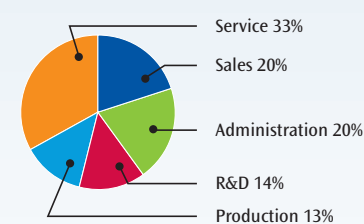
Parallel to integrating acquired operations, the work to increase growth in the existing operations is continuing and Elekta's management is focusing on preparing the organization for future challenges. To ensure natural manager succession within the company, major focus has been directed toward a certain talent management process to identify and prepare the next generation of managers and ensure that we have top-class bench strength in our leadership pipeline aiming to continue to recruit most new managers internally within Elekta.

Elekta employees, as of April 30, 2008, distributed by...

...country/region



...function



■ **What do you think distinguishes Elekta as an employer?** Elekta is continually evolving and growing and brings in varying commercial cultures under the realm of a single company.



It's great to know that the whole ship is moving in one direction, yet our individual needs are met. It's also satisfying to be part of a company that exhibits an entrepreneurial role

within the industry. Elekta always encourages its staff to form bonds and relationships with charity and community events.

Philippe Minato,
Service Engineer, Elekta France

■ **What motivates you in your work?** I am fascinated by this machine (the linac) because it helps fight serious diseases. It is a complex machine, which I find very motivating. It is gratifying to feel the satisfaction of the client when a repair is complete. I also always have in mind that life can be saved thanks to the quality of my work. As a Service Engineer, I take initiative and have direct contact with our clients. For each troubleshooting I have to find solutions in various fields and I never know from one day to another what the forthcoming day will be like.

■ **How does your work contribute to saving and improving people's lives?** When a machine is down, the whole service is disrupted. There is tension and stress, both from patients and from clinical staff, and you know that the sooner you solve the problem the more you help. Experiences made from one site can be applied on other sites.

■ **What do you think distinguishes Elekta as an employer?** For me, Elekta stands for important values such as respect and autonomy. Elekta is established worldwide and people



working within neurosurgery or oncology can meet and for the most part have already met through training courses, symposiums etc. We all work hard to meet the

increasing demands from our clients and we are proud at our level to help fighting cancer.



Financial Report

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Board of Directors' report*

The Board of Directors and the President of Elekta AB (corp. reg. no. 556170-4015) hereby submit the annual report and consolidated accounts for the fiscal year from May 1, 2007 to April 30, 2008.

Elekta's operations

Elekta is an international medical technology group, providing oncologists, radiation therapists, neurosurgeons and many other medical specialists with state of the art tools to fight serious disease. Elekta's solutions are used at over 5,000 hospitals globally to treat cancer with radiation therapy, to diagnose and treat brain disorders as well as to run efficient and effective clinical practices. Elekta is the world leader in image guided and stereotactic clinical solutions for radiosurgery and radiation therapy, methods for aggressively treating tumors and functional targets with ultrahigh precision while sparing healthy tissue. Through ambitious research and development programs and close collaborations with clinical partners, Elekta continues to launch groundbreaking new technology at a rapid pace. All of Elekta's solutions employ non-invasive or minimally invasive techniques, which are clinically effective, yet cost-effective and gentle to the patient.

Market outlook

The total market for Elekta's clinical solutions, IT systems and services is expected to grow by 5-10 percent annually and the unmet needs remain high. However, the high value of individual orders and the particularities of the healthcare industry market often lead to significant quarterly variations in business volume, product mix and geographical mix.

The market development is driven by the shortage of treatment capacity that is prevailing in most countries and by the increase in number of cancer cases, a result of higher life expectancy and better diagnostics. New advanced, more precise and accurate methods are expected to increase the role of radiation therapy in the future. The rapid development of new technology is resulting in higher average order values. An increasing number of customers are requesting more comprehensive and long-term relationships with suppliers.

In virtually all countries, health care systems are under strong pressure to improve efficiency and at the same time slow down cost expansion. Software systems for higher efficiency, in patient throughput as well as information management and administration, are becoming more critical for operations and the demand is increasing.

Competition

Elekta's main competitors on the global market for radiation therapy are Varian Medical Systems and Siemens Medical Solutions and to some extent also niche players such as TomoTherapy and Accuray. Elekta is currently the world's second largest supplier.

In the area of radiation therapy planning, Elekta supplies systems both developed by Elekta and by the newly acquired CMS. The main competitors in this area are Philips Medical and Varian Medical Systems.

In the market for Gamma Knife surgery, Elekta has no direct competitors, although Leksell Gamma Knife® in certain areas competes with other treatment technologies.

Elekta is, with systems developed by IMPAC, the leader on the market for administrative software and information processing systems for cancer care, with Varian Medical Systems as the largest competitor.

Order bookings and order backlog

Order bookings rose 15 percent to SEK 5,882 M (5,102). Based on unchanged exchange rates order bookings rose 21 percent.

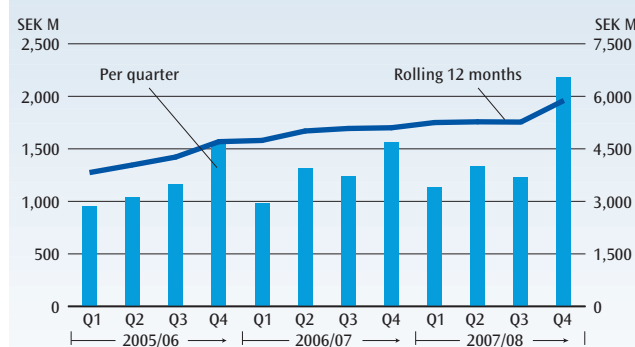
Based on unchanged exchange rates order bookings in North and South America rose 26 percent, region Europe including Middle East and Africa rose 10 percent and Asia rose 31 percent.

Order backlog April 30, 2008 was at an all time high level of SEK 5,069 M (4,247).

Order bookings

SEK M	2007/08	2006/07	Change, %
Europe, Middle East, Africa	2,200	1,997	10
North and South America	2,694	2,307	17
Asia	988	798	24
Group	5,882	5,102	15

Order bookings



* In addition to these pages, the Board of Directors' report includes the comments on financial results and position provided in conjunction with the income statement, balance sheet, changes in shareholders' equity and cash flow statement on pages 43, 45, 47 and 49.

Board of Directors' report cont.

Market comments

North and South America

The North American market continues to show solid growth, primarily driven by the rising cancer incidence and by the rapid acceptance of new and refined treatment methods such as image guided radiation therapy (IGRT), stereotactic radiation therapy (SRT) and the new VMAT functionality for dynamic arc treatments.

Elekta is leading the development in advanced methods for radiation therapy and radiosurgery and sees strong growth in the linear accelerator market in North America. The introduction of Elekta Infinity™ and the VMAT technology, which has met strong interest, has the potential to reduce treatment times and thereby improve patient throughput as well as clinical effectiveness.

In the US market, software systems that support the entire treatment process are normally an integrated part of the delivery of treatment systems. MOSAIQ®, Elekta's system for EMR, workflow and information management, is now being installed at new and existing customers at a rapid pace at both radiation oncology and medical oncology centers.

Europe including Middle East and Africa

Elekta's position in the European market for radiation therapy is strong. The market development is to a large extent driven by national and regional initiatives to remedy the lack of care capacity and therapeutic equipment. In many European countries, the number of linear accelerators per capita is less than half that of the US.

Elekta's ability to provide comprehensive and integrated solutions, yet based on industry standards and open connectivity, makes the company an attractive partner in tenders involving comprehensive long-term commitments.

Asia

There is a solid rationale for a continued long-term market growth in Asia. The number of linear accelerators per capita is low, in an international comparison. Through the introduction of Elekta Compact™, Elekta will be able to offer solutions across the spectrum of price and performance and is well positioned to meet continued strong demand in the region as well as to support health care providers in these countries in their quest to develop cancer care.

In China, the healthcare system is undergoing reform and restructuring, in order to meet the growing need for advanced care and to make these services more accessible to a larger share of the population.

In Japan, there is a large installed base of Leksell Gamma Knife® and subsequently, there is substantial potential for upgrades to Leksell Gamma Knife® Perfexion™.

CMS is the market leader in Japan on the market for radiation therapy planning, which will facilitate for Elekta to address new customers.

Net sales

Net sales rose 12 percent to SEK 5,081 M (4,525). Based on unchanged exchange rates net sales increased by 18 percent.

Net sales

SEK M	2007/08	2006/07	Change, %
Europe, Middle East, Africa	2,020	1,840	10
North and South America	2,098	1,933	9
Asia	963	752	28
Group	5,081	4,525	12

Earnings

Operating profit increased by 28 percent to SEK 650 M (509), positively impacted by higher volumes and a slightly changed product mix and negatively by currency effects.

Net financial items amounted to an expense of SEK 26 M (expense 2). Net interest expenses amounted to SEK 44 M (expense 25). Income from participations in associated companies amounted to SEK 10 M (17) and financial currency exchange gain was SEK 8 M (gain 6).

Profit after net financial items amounted to SEK 624 M (507). Calculated tax expense amounted to SEK 218 M or 35 percent. Profit after taxes amounted to SEK 406 M (346).

Earnings per share amounted to SEK 4.46 (3.72) before dilution and SEK 4.44 (3.70) after dilution.

Investments and depreciation

The acquisitions of 3D Line and CMS, together with final additional purchase price for Medical Intelligence resulted in an increase of intangible and tangible fixed assets of SEK 706 M. Other investments in intangible and tangible fixed assets amounted to SEK 108 M (153). Amortization of intangible and depreciation of tangible fixed assets amounted to SEK 176 M (136).

Liquidity and financial position

Cash flow from operating activities amounted to a positive SEK 319 M (pos. 150). The improvement is related to improved operating flow. Cash flow after investments was

negative SEK 280 M (neg. 107). The acquisitions of 3D Line and CMS affected cash flow negatively by SEK 553 M (144)

Liquid funds amounted to SEK 402 M (484). Of total bank balances SEK 2 M were pledged, primarily for commercial guarantees.

Interest-bearing liabilities totaled SEK 1,449 M (987). Net debt amounted to SEK 1,047 M (503).

Net debt/equity ratio was 0.58 and equity/assets ratio was 29 percent.

Acquisition of 3D Line

On May 3, 2007, Elekta acquired 3D Line Research and Development S.r.l. (3D Line), adding to Elekta a qualified R&D group specialized in stereotactic radiosurgery and dynamic IMRT treatments as well as a product portfolio of advanced equipment and treatment planning software systems for performing radiation therapy with high precision and optimized dose distribution.

3D Line's registered office is in Milan, Italy and at the time of acquisition 3D Line had 20 employees.

In May 2007, Elekta paid 10 million Euro in cash for 3D Line. The purchase agreement also contains an earn-out maximized to 8 million Euros, dependent on the company's performance during the next three years. Acquisition cost amounted to SEK 3 M.

Of the fair values assigned to the acquired unit's identifiable assets and liabilities, intangible assets and goodwill have been valued at SEK 178 M. The intangible assets consist of technology and the amortization period is six years. Goodwill refers primarily to future synergy effects.

Following the transaction, 3D Line's organization as well as products and services, has been fully integrated into the Elekta Group.

Acquisition of CMS

CMS is a worldwide leader in the development, sales and support of advanced radiation therapy dose planning solutions, supporting over 1,500 sites in clinical operation throughout the world. CMS will significantly contribute to Elekta's strategy in radiation therapy planning. Further, CMS is the market leader in treatment planning for proton therapy with eight installations in clinical use. Integrating these solutions with the MOSAIQ® information management system will reinforce Elekta's leadership in software systems for proton therapy facilities and strengthen the collaboration between Elekta and its current partners in this area.

CMS is based in St Louis, Missouri, USA. The group had at acquisition about 300 employees worldwide.

On March 4, 2008, Elekta acquired CMSI Holdings Corp. for a total cash consideration representing an enterprise value of USD 75 M. Acquisition costs amounted to USD 1.4 M.

The initial accounting for the fair values to be assigned to the acquired unit's identifiable assets and liabilities has been provisionally established. Intangible assets and goodwill have been valued at SEK 494 M. The intangible assets consist of customer relationships, technology, trademarks and order backlog. Goodwill refers primarily to future synergy effects.

During the fourth quarter, a large number of software projects were closed. Also within the treatment planning product area, including CMS, Elekta was able to deliver relatively high volumes. Order bookings for CMS amounted to SEK 119 M and net sales were SEK 123 M during the fourth quarter. CMS contributed positively to both operating profit and profit after tax.

The integration of CMS is proceeding according to plan and will be finalized during fiscal year 2008/09.

Risks

Due to its global structure and market focus, Elekta is exposed to various risk factors.

As a global supplier to the healthcare industry, Elekta is dependent on continued investments in the medical disciplines where Elekta's products are utilized. Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Since Elekta operates in a large number of countries, this risk is limited for the Group as a whole.

Product safety issues and the regulatory approval processes in various countries constitute a risk since they could delay the ability of introducing products into the countries affected.

Elekta's ability to deliver treatment equipment is, to a large extent, dependent on customers being able to accept delivery in the agreed timeframe, which results in a risk of delayed deliveries and corresponding delayed revenue recognition.

In its operations, Elekta is subject to a number of financial risks, primarily related to exchange rate fluctuations. The Group's credit risks are limited since customer operations are, to a large extent, financed either directly or indirectly by public funds.

Risk management is regulated through a financial policy established by the Board of Directors. Overall responsibility for handling the Group's financial risks and developing methods and guidelines for dealing with financial risks, rests with executive management and the Finance function. For more detailed information regarding these risks, see note 2; Risk management objectives and policy.

Board of Directors' report cont.

Sensitivity analysis

Elekta's operations are characterized by significant quarterly variations in delivery volumes, which have a direct impact on net sales and profits.

Elekta's gross margin, meaning sales minus costs for sold products, can vary considerably from period to period depending on projects delivered, product and geographic mix and currency movements. During the year, Elekta had a gross margin of 43 percent (41).

As a result of its international operations and structure, Elekta has considerable exposure to exchange rate fluctuations. This pertains primarily to expenses in SEK and GBP against revenues in USD and EUR. A general change of 1 percentage point in the exchange rate for SEK against other currencies affects the Group's profit by about SEK 14 M, given the current structure and business focus. 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 this hedging is determined by the company's assessment of currency risks.

A general change of 1 percentage point in the interest on loans and investments would affect Elekta's profit by about SEK 6 M.

Research and development

Elekta conducts intensive R&D aimed at strengthening the company's position as technology leader in its markets and product areas. During the year, SEK 414 M, corresponding to 8 percent of net sales, were invested in the following areas:

- Refinement of Leksell Gamma Knife technology to develop methods for new anatomic regions, to further automate treatments and to make additional improvements to comfort and safety for both patients and staff.
- The further development of treatment equipment, software systems and method support to enable a higher level of precision and to improve clinical results in radiation therapy.
- Further improvement of intensity modulated, image guided and stereotactic radiation therapy. During the fiscal year, significant R&D efforts have resulted in the launch of Elekta VMAT, which enables more conformal treatments in significantly shorter time.
- The further development of IT support for cancer care to enable an open and integrated flow of information throughout all stages of the treatment process.
- Development and refinement of radiation therapy planning

systems and closer integration of these systems into the treatment workflow process.

- Within the framework of R&D operations, Elekta also conducts clinical research in close cooperation with leading neurosurgery and oncology clinics throughout the world.

Significant portions of Elekta's R&D investments involve integration and further development of acquired technology, with the purpose of strengthening Elekta's ability to offer integrated and comprehensive solutions for treatment of cancer and brain disorders.

IT

Elekta has continued its investments in global and efficient communications and systems solutions. The IT infrastructure is being continuously expanded to support business processes and to strengthen productivity and competitiveness. The acquisitions made by Elekta require significant resources for integration and harmonization of the IT infrastructure of the Group.

The project to implement a global ERP system for the Elekta Group continues. During fiscal years 2006/07 and 2007/08, the system has been implemented at most of the larger units. The ERP system is expected to generate significant efficiency gains.

Quality

Elekta works determinedly to improve and assure quality in all processes within the Group. Quality work also ensures that all government requirements are fulfilled. All Elekta's development and production units are certified in accordance with the relevant ISO 9000 and ISO 13485 where appropriate. Elekta conducts regular audits to ensure that the Group complies with the requirements that various supervisory authorities have established for medical technology companies.

Employees

The average number of employees was 2,113 (1,951), of which acquired entities employed 209 (103).

The number of employees on April 30, 2008 totaled 2,406 (2,031).

Value added per employee amounted to SEK 965,000 (881,000).

Parent Company

The operations of the Parent Company include Group management, joint Group functions and financial management. The Parent Company's profit after financial items amounted to SEK 595 M (38), positively impacted by dividends from subsidiaries. The average number of employees was 21 (20).

Future prospects for fiscal year 2008/09

Demand for Elekta's clinical solutions, products and services remains strong. The order backlog is on a record high level and Elekta continues to strengthen its market share. The product portfolio is more comprehensive and more competitive than ever before.

CMS, acquired in March 2008, adds further to net sales growth, but will only contribute marginally to operating profit for the Group during 2008/09.

Elekta will continue its significant investments in R&D, with the aim of improving quality and cost-efficiency in cancer care and management of brain disorders. By strategic investments in selected growth markets, Elekta will also strengthen its position in new market segments and on new geographic markets.

In fiscal year 2008/09, net sales growth is expected to exceed 15 percent in local currency. Operating profit is likewise expected to grow by more than 15 percent.

Changes in currency exchange rates may affect the ability to reach or exceed its targets.

Net sales and operating profit is also for fiscal year 2008/09 expected to be significantly higher in the second half of the year compared with the first half.

Long-term financial objectives for Elekta

Elekta conducts its operations with financial objectives, which form the base for the Group's operational planning, aiming to achieve sustainable profitable growth:

- Annual sales growth exceeding 10 percent in local currency.
- Annual operating result growth to exceed sales growth.
- Return on capital employed to exceed 20 percent.
- Net debt/equity ratio not to exceed 0.50.

Dividend and proposal to repurchase shares

Elekta's goal is to provide shareholders with a favorable return and value growth. According to the company's dividend policy, the goal is to distribute 20 percent or more of net profit to the shareholders in the form of dividends, share repurchases or comparable measures. Decisions regarding dividend payments are based on Elekta's financial position, the expected profitability trend, growth potential and investment needs.

For the three fiscal years 2004/05 to 2006/07, dividend together with share repurchases during the following year, has corresponded to between 84 and 100 percent of net profit, in line with the company's ambition to create shareholder value.

In accordance with the company's dividend policy, the Board proposes a dividend of SEK 1.75 (1.00) per share, corresponding to approx. SEK 161 M and 39 percent of net profit.

Similar to previous years, the Board also intends to propose to the Annual General Meeting on September 18, 2008 a new authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB. The decision on repurchases will be made during the year based on the share price performance, Elekta's financial position, profitability trend and investment needs.

The Board's proposal to the Annual General Meeting regarding principles for remuneration for the executive management

Principles for remuneration to the executive management are described in note 24 on pages 65-67. The Board proposes unchanged principles for 2008/09.

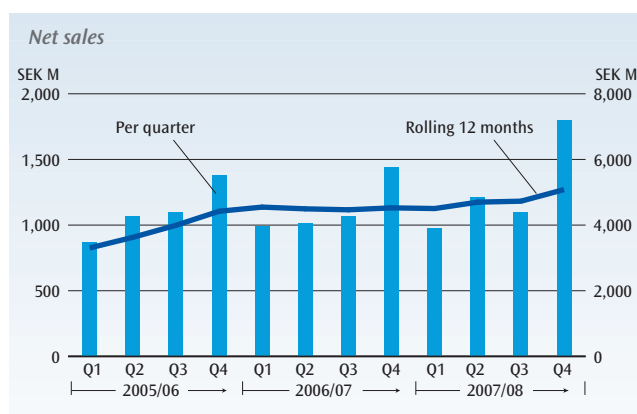
Income sheet

SEK M	Note	IFRS GROUP		SWEDISH GAAP PARENT COMPANY	
		2007/08	2006/07	2007/08	2006/07
Net sales	4	5,081	4,525	—	—
Cost of products sold		–2,899	–2,648	—	—
Gross profit		2,182	1,877	—	—
Selling expenses		–679	–613	—	—
Administrative expenses		–498	–430	–67	–54
R&D expenses		–383	–360	—	—
Currency exchange differences in operations		28	35	—	—
Operating profit/loss	5, 23-26	650	509	–67	–54
Income from participations in Group companies	6	—	—	676	61
Income from participations in associated companies	7	10	17	—	—
Interest income	8	32	46	55	85
Interest costs and similar profit/loss items	8	–76	–71	–67	–63
Financial currency exchange differences		8	6	–2	9
Profit after financial items		624	507	595	38
Appropriations	9	—	—	–6	–5
Taxes	10	–218	–161	–4	–5
PROFIT FOR THE YEAR		406	346	585	28
Attributable to:					
Parent Company shareholders		411	348	585	28
Minority shareholders		–5	–2	—	—
Earnings per share before dilution, SEK		4.46	3.72		
Earnings per share after dilution, SEK		4.44	3.70		
Average number of shares before dilution, 000s		92,199	93,698		
Warrants, 000s		280	551		
Average number of shares after dilution, 000s		92,479	94,249		

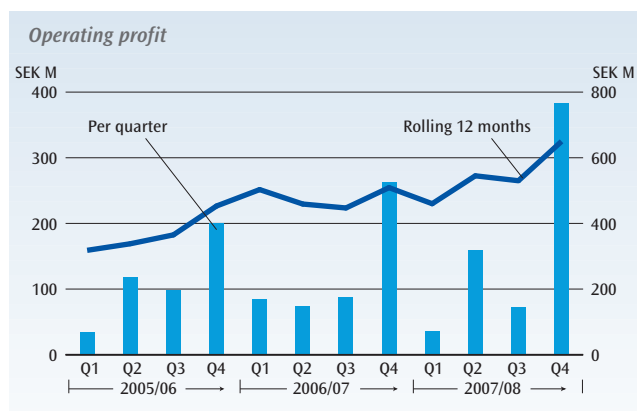
Comments on the income statement

Net sales

Net sales rose 12 percent to SEK 5,081 M (4,525). Based on unchanged exchange rates net sales increased by 18 percent.



	Net sales, SEK M	Change, %	Operating profit, SEK M	Operating margin, %
Q1	975	-2	36	4
Q2	1,213	19	159	13
Q3	1,097	3	72	7
Q4	1,796	24	383	21
Full year 2007/08	5,081	12	650	13



Earnings

Operating profit increased by 28 percent to SEK 650 M (509), positively impacted by higher volumes and a slightly changed product mix and negatively by currency effects.

Gross margin amounted to 43 percent (41) and operating margin to 13 percent (11).

The purchase of products, materials and consumables comprises the largest single cost item, accounting for 41 percent (41) of the Group's total operating expenses. The second largest item is personnel costs, at 32 percent (35).

Calculated costs for Elekta's outstanding option programs amounted to SEK 23 M (22).

Investments in research and development rose 11 percent to SEK 414 M (374) equal to 8 percent (8) of net sales. Capitalization of development and amortization of capitalized development affected earnings by SEK 31 M (14). Capitalization amounted to SEK 52 M (27) and amortization to SEK 21 M (13).

Exchange rate effects on operating profit compared with previous year:

- Exchange rate movements affected operating profit before recorded exchange differences negatively by SEK 81 M.
- Recorded exchange gains in operations amounted to SEK 28 M.
- Recorded exchange gains in operations preceding year was SEK 35 M.

In total, exchange rate fluctuations affected the operating profit for the year, compared with previous year, negatively by SEK 88 M.

Currency hedging is done on the basis of anticipated sales in foreign currency over a period of up to 24 months. Exchange rate gains from forward contracts in operating profit amounted to SEK 16 M (gains 63). Unrealized exchange rate gains from cash flow hedges amounted to SEK 6 M and are reported in shareholders' equity taking into account the tax impact.

Net financial items amounted to an expense of SEK 26 M (expense 2). Net interest expenses amounted to SEK 44 M (expense 25).

Profit after financial items amounted to SEK 624 M (507). Calculated tax expense amounted to SEK 218 M or 35 percent. Profit after taxes amounted to SEK 406 M (346).

Balance sheet

SEK M	Note	IFRS GROUP		SWEDISH GAAP PARENT COMPANY	
		April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Intangible assets	11	2,659	2,198	—	—
Tangible fixed assets	12	226	252	—	—
Shares in associated companies	13	21	18	8	8
Deferred tax assets	10	14	14	37	15
Other financial fixed assets	13	16	14	2,034	2,123
Total fixed assets		2,936	2,496	2,079	2,146
Inventories	14	529	423	—	—
Current tax assets	10	—	—	4	—
Receivables	15	2,455	1,953	723	146
Liquid funds	16	402	484	17	104
Total current assets		3,386	2,860	744	250
TOTAL ASSETS	4	6,322	5,356	2,823	2,396
<i>Parent Company shareholders</i>					
Share capital		185	188	185	188
Contributed funds		194	172	—	—
Statutory reserve		—	—	156	156
Reserves		–270	–59	0	66
Retained earnings		1,695	1,556	672	342
<i>Minority interest</i>		9	6	—	—
Total shareholders' equity	17	1,813	1,863	1,013	752
Untaxed reserves	9	—	—	32	26
Deferred tax liabilities	10	135	198	—	—
Other longterm provisions	18	58	63	12	6
Long-term interest-bearing liabilities	19	1,416	840	1,384	840
Total long-term liabilities		1,609	1,101	1,396	846
Short-term provisions	18	58	62	—	—
Short-term interest-bearing liabilities	19	33	147	32	171
Current tax liabilities	10	114	35	—	1
Other interest-free liabilities	20	2,695	2,148	350	600
Total liabilities		2,900	2,392	382	772
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		6,322	5,356	2,823	2,396
Assets pledged	21	2	9	—	—
Contingent liabilities	22	64	89	304	267

Comments on the balance sheet

Assets and capital employed

The Group's total assets rose by SEK 966 M to SEK 6,322 M (5,356).

The Group's fixed assets totaled SEK 2,936 M (2,496) at fiscal year-end. The acquisition of 3D Line and CMS together with final additional purchase price for Medical Intelligence resulted in an increase of goodwill of SEK 520 M and other intangible assets of SEK 171 M.

Current assets excluding liquid funds rose by SEK 608 M, of which SEK 106 from acquisitions, to SEK 2,984 M (2,376). Accounts receivable, accrued income and inventory has increased by a total of 25 percent. Accounts receivable and accrued income corresponded to 112 days (104) of net sales. Inventory value in relation to net sales was 10 percent (9).

Liquid funds declined by SEK 82 M to SEK 402 M (484) at year-end, totaling 6 percent (9) of total assets. Of total bank balances SEK 2 M (9) were pledged, primarily for commercial guarantees.

Expressed in SEK, the value of the Group's foreign net assets was SEK 1,949 M.

The Group's capital employed increased to SEK 3,262 M (2,850). The capital turnover ratio was 0.9 (0.9).

Liabilities and shareholders' equity

Interest-bearing liabilities totaled SEK 1,449 M (987).

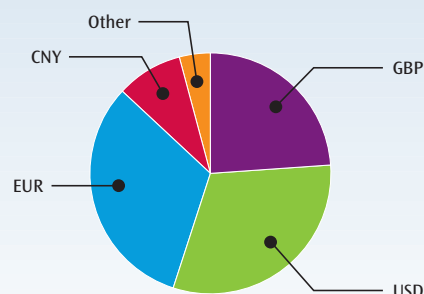
Net debt amounted to SEK 1,047 M (503). The net debt/equity ratio was 0.58 (0.27) and equity/assets ratio was 29 percent (35).

Interest-free liabilities rose SEK 554 M to SEK 3,060 M (2,506). Operating liabilities exceeded operating assets by SEK 62 M (116).

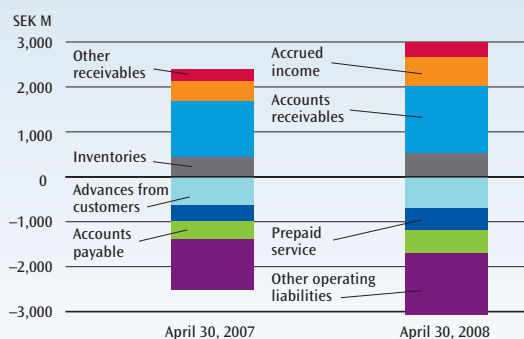
Shareholders' equity was SEK 1,813 M (1,863).

Return on shareholders' equity was 23 percent (19) and return on capital employed totaled 24 percent (20).

Foreign net assets



Working capital



Changes in shareholders' equity

Group, SEK M	IFRS	Share capital	Premium reserve	Translation reserve	Hedge reserve	Retained earnings	Elektas owners' equity	Minority interest	Total
Opening balance May 1, 2006		189	156	34	7	1,482	1,868	—	1,868
IFRS 2 cost and deferred tax		—	—	—	—	18	18	—	18
IAS 39 unrealized cash flow hedges		—	—	—	6	—	6	—	6
Translation of subsidiaries and associated companies		—	—	–59	—	—	–59	—	–59
Translation of loans for equity hedge		—	—	–47	—	—	–47	—	–47
Minority's capital contribution		—	—	—	—	—	—	8	8
Profit for the year		—	—	—	—	348	348	–2	346
Total changes excluding transactions with Company's owners		0	0	–106	6	366	266	6	272
Dividend		—	—	—	—	–93	–93	—	–93
Repurchase of shares		—	—	—	—	–200	–200	—	–200
Cancellation of repurchased shares		–1	—	—	—	1	0	—	0
Exercise of warrants		0	16	—	—	—	16	—	16
Closing balance April 30, 2007		188	172	–72	13	1,556	1,857	6	1,863
IFRS 2 cost and deferred tax		—	—	—	—	17	17	—	17
IAS 39 unrealized cash flow hedges		—	—	—	–8	—	–8	—	–8
Translation of subsidiaries and associated companies		—	—	–149	—	—	–149	—	–149
Translation of loans for equity hedge		—	—	–54	—	—	–54	—	–54
Minority's capital contribution		—	—	—	—	—	—	8	8
Profit for the year		—	—	—	—	411	411	–5	406
Total changes excluding transactions with Company's owners		0	0	–203	–8	428	217	3	220
Dividend		—	—	—	—	–92	–92	—	–92
Repurchase of shares		—	—	—	—	–200	–200	—	–200
Cancellation of repurchased shares		–3	—	—	—	3	0	—	0
Exercise of warrants		0	22	—	—	—	22	—	22
Closing balance April 30, 2008		185	194	–275	5	1,695	1,804	9	1,813

Parent Company, SEK M	SWEDISH GAAP	Share capital	Statutory reserve	Premium reserve	Unrestricted reserve	Retained earnings	Total
Opening balance May 1, 2006		189	—	156	342	361	1,048
Transfer of premium reserve to statutory reserve		—	156	–156	—	—	0
Exchange difference on monetary item that is part of net investment in subsidiary		—	—	—	—	–47	–47
Profit for the year		—	—	—	—	28	28
Dividend		—	—	—	–93	—	–93
Repurchase of shares		—	—	—	–200	—	–200
Cancellation of repurchased shares		–1	—	—	1	—	0
Exercise of warrants		0	—	16	—	—	16
Closing balance April 30, 2007		188	156	16	50	342	752
Exchange difference on monetary item that is part of net investment in subsidiary		—	—	—	—	–54	–54
Profit for the year		—	—	—	—	585	585
Dividend		—	—	—	—	–92	–92
Repurchase of shares		—	—	—	–53	–147	–200
Cancellation of repurchased shares		–3	—	—	3	—	0
Exercise of warrants		0	—	22	—	—	22
Closing balance April 30, 2008		185	156	38	0	634	1,013

Comments on the statement of changes in shareholders' equity

For 2006/07 Elekta paid a dividend of SEK 1.00 per share totaling SEK 92 M.

During May-April 2007/08, 357,756 new Series B shares were subscribed through exercise of warrants distributed within the framework of the established option programs.

In July 2007, Elekta repurchased 871,600 series B shares at an average price of SEK 114.73 totaling SEK 100 M. These shares, together with shares repurchased in March 2007 have been cancelled following the approval of the Annual General Meeting.

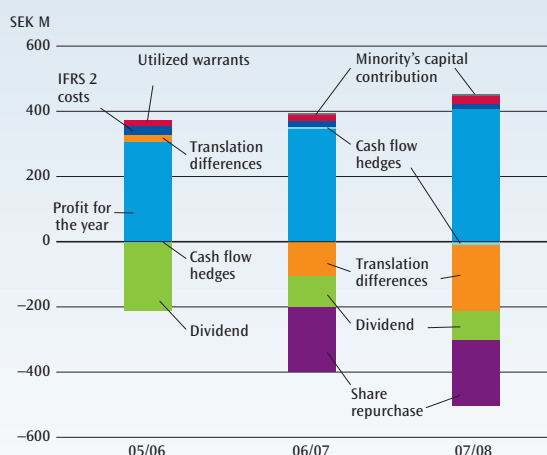
During the period January 24 through February 8, 2008, Elekta repurchased 951,300 Series B shares at an average price of SEK 105.11 totaling SEK 100 M. The Board intends to propose to the next AGM that also these repurchased shares should be cancelled.

Total number of shares on April 30, 2008 amounted to 92,521,661, distributed among 3,562,500 Series A shares and 88,959,161 Series B shares. One Series A share entitles the holder to 10 votes and Series B shares to one vote each. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, Series A shares are subject to right of first refusal. All Series A shares are owned by Laurent Leksell. At a General Meeting, each shareholder is entitled to exercise unlimited voting rights on the full number of shares that he/she owns or represents.

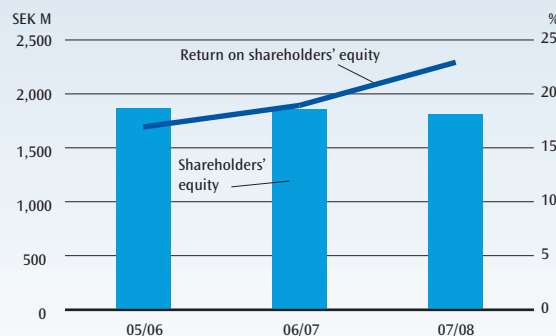
Shareholders' equity includes foreign currencies valued at the closing rate. The translation difference is reported directly against shareholders' equity. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases. Long-term borrowing in USD raised in December 2002 is used to hedge net investment in US companies.

The translation reserve includes all exchange rate differences arising in conjunction with the translation of foreign operations that have prepared their financial reports in a currency other than that used in the Group's financial reports. The Parent Company and the Group present their financial reports in SEK. In addition, the translation reserve consists of exchange rate differences arising from the translation of liabilities raised as a hedging instrument for a net investment in foreign operations.

Changes in shareholders' equity



Shareholders' equity and return



In accordance with IAS 39 cash flow hedges are also reported directly against shareholders' equity. Elekta hedges its currency risk in line with the policy established by the Board.

The scope of this hedging is determined by the Company's currency risk assessment. Currency hedging is defined on the basis of the expected sales in foreign currency over up to 24 months. Hedging is done to reduce the effects of short-term fluctuations on the currency markets.

The hedge reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred. See note 2.

Cash flow statement

SEK M	IFRS GROUP		SWEDISH GAAP PARENT COMPANY	
	2007/08	2006/07	2007/08	2006/07
Profit for the year	406	346	585	28
Adjustment for:				
Depreciation and writedowns charged against these results	176	136	—	—
Participation in profit/loss of associated companies, after tax	–10	–15	—	—
Result from divestments of fixed assets	3	2	—	—
IFRS 2	22	16	—	—
Capitalized development	–52	–27	—	—
Appropriations	—	—	6	5
Taxes unpaid	90	27	–6	1
Operating flow	635	485	585	34
Increase (–)/ decrease (+) in current receivables	–536	–485	–597	–81
Increase (–)/ decrease (+) in inventories	–127	–45	—	—
Increase (+)/ decrease (–) in interest-free liabilities	347	195	–244	16
Changes in working capital	–316	–335	–841	–65
Cash flow from operating activities	319	150	–256	–31
Investments in shares and participations	–6	—	–177	–162
Repayments from partnerships	10	11	57	—
Increase (–)/ decrease (+) in long-term receivables	0	2	155	44
Investments in intangible assets	–1	–57	—	—
Investments in machinery and equipment	–55	–69	—	—
Sale of fixed assets	6	—	—	—
Acquisition of operations*	–553	–144	—	—
Investments and divestments	–599	–257	35	–118
CASH FLOW AFTER INVESTMENTS	–280	–107	–221	–149
Borrowings	590	39	590	—
Repayment of debt	–131	–138	–188	–137
New issues, warrant premiums and repurchase of shares	–176	–184	–176	–184
Dividend	–92	–93	–92	–93
Minority contribution	8	3	—	—
External financing	199	–373	134	–414
Change in liquid funds during the year excl. translation differences	–81	–480	–87	–563
Translation differences on liquid funds	–1	–17	—	—
Change in liquid funds during the year	–82	–497	–87	–563
Liquid funds at the beginning of the year	484	981	104	667
Liquid funds at year-end	402	484	17	104
* Acquired operations				
Intangible assets	672	130		
Tangible fixed assets	15	40		
Financial fixed assets	2	7		
Inventories	19	26		
Operating receivables	87	40		
Liquid funds	13	5		
Liabilities	–242	–94		
Minority	—	–5		
Purchase price paid	566	149		
Liquid funds in acquired companies	–13	–5		
Effect on Group's liquid funds	553	144		

Comments on the cash flow statement

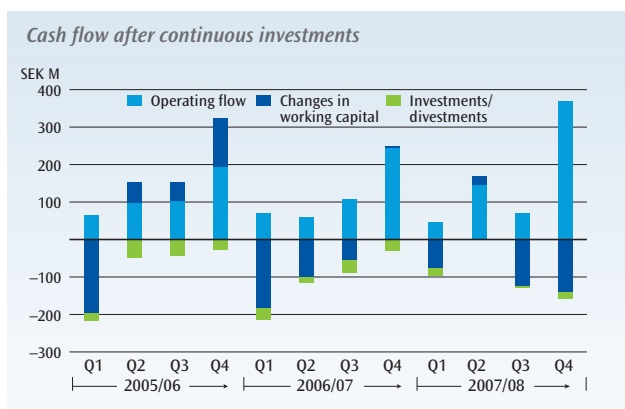
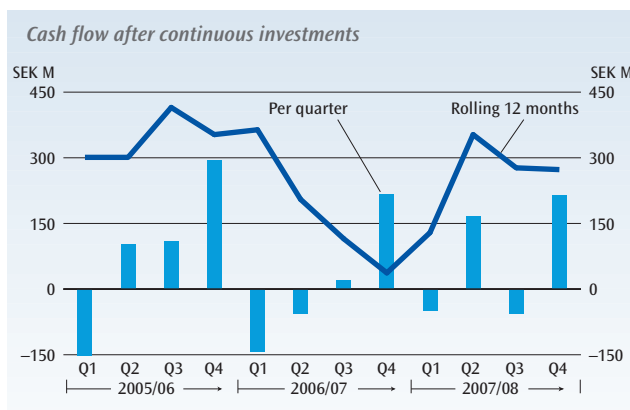
The purpose of a cash flow statement is to describe the ability of the operations to generate cash and cash equivalents. Elekta's cash flow is used primarily to finance market growth, strategic research projects and investments. Based on the income statement and balance sheet translated at the average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

Elekta's project-based operations affect cash flow as well as order booking and net sales. Payment flows from projects generally occur in connection with order receipt, delivery and acceptance, generating considerable fluctuations in the amount of working capital during the year.

Profit for the year, adjusted for items not affecting cash flow, provided an operating flow of SEK 635 M, an improvement of SEK 150 M compared with the preceding year.

Tied up working capital increased during the year by SEK 316 M. Cash flow from operating activities increased compared with the preceding year by SEK 169 M to SEK 319 M.

Acquisitions reduced cash flow by SEK 553 M (144). Cash flow from continuous investments and divestments amounted to a negative SEK 46 M (neg. 113). Cash flow after continuous investments totaled SEK 273 M (37).



Notes

Note 1 Accounting principles

Basis for accounting

Elektas consolidated financial statements were prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) and the Swedish Annual Accounts Act. Also, additional information is provided in accordance with Recommendation RR30 of the Swedish Financial Accounting Standards Council, Supplementary accounting rules for corporate groups. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and recommendation RR32, Accounting for legal entities.

Introduction of new and revised IFRS

New standards (IAS/IFRS), amendments and interpretations (IFRIC) that came into force and have been adopted by the EU

From May 1, 2007 Elekta applies IFRS 7 Financial Instruments: Disclosures and Amendment to IAS 1 Presentation of Financial Statements. This entails increased additional disclosures with respect to financial instruments and capital management. Moreover two interpretations from IFRIC came into force, IFRIC 9 and 10. The new standards and interpretations have not had any impact on Elekta's income statement, balance sheet, cash flow or shareholders' equity.

New standards (IAS/IFRS), amendments and interpretations published by IASB but either not yet effective or not yet adopted by the EU:

A number of new standards and amendments will come into force January 1, 2009 or later. A review of the effects these will have on the Group will be performed during 2008.

Consolidated accounts

Elektas financial statements include all companies in which the Parent Company directly or indirectly holds more than 50 percent of the shares' voting rights as well as companies in which the Group exerts a decisive influence in some other manner. Companies in which Elekta holds more than 20 percent and less than 50 percent of the voting rights or in some other manner exerts significant influence are reported as associated companies. Associated companies are reported in line with the equity method.

Consolidated accounts was prepared in accordance with the purchase method, which means that the subsidiary's equity on the acquisition date – determined as the difference between the

identifiable assets, liabilities and the fair value of any undertakings – is eliminated in its entirety against the acquisition price. Any remaining, non-eliminated share of the acquisition price is reported as goodwill.

Acquired companies are included in the consolidated accounts as of the date on which the Group gains control or influence over the company.

Internal transactions, internal balances and unrealized internal profits in the Group are eliminated in the consolidated accounts.

The income statements and balance sheets of foreign subsidiaries have been translated in accordance with the current method. This means that all items in the income statements have been translated at the average rate for the fiscal year, while assets and liabilities in the balance sheets have been translated at the fiscal year-end rate. Translation differences have been reported directly against consolidated shareholders' equity.

Long-term financing of subsidiaries in their functional currency is considered to represent an increase in the Parent Company's net investment in a subsidiary. Taking the tax effect into consideration, exchange gains and losses are reported against translation reserve in shareholders' equity.

Income recognition

Income from all Elekta products is recognized upon delivery of the products and when significant risks and benefits associated with ownership of the products are transferred to the purchaser.

Employee benefits

Remuneration paid to employees in the form of wages/salary, paid vacation, etc. is reported as it is earned.

Pensions

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

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

Actuarial gains and losses are reported in the income statement in the period during which they arise.

Employee share option program

Elekta has two employee share option programs in progress, Elekta AB 2004 Share Unit Plan and Elekta AB 2007 Share Unit Plan. They are reported in line with IFRS 2, Share-based

Exchange rates		Average rate			Closing rate		
Country	Currency	May–Apr. 2007/08	May–Apr. 2006/07	Change, %	Apr. 30 2008	Apr. 30 2007	Change, %
Australia	1 AUD	5.695	5.498	4	5.620	5.565	1
Canada	1 CAD	6.363	6.263	2	5.935	6.020	–1
Euro	1 EUR	9.317	9.205	1	9.367	9.159	2
Great Britain	1 GBP	13.052	13.604	–4	11.815	13.423	–12
Hong Kong	1 HKD	0.834	0.915	–9	0.770	0.863	–11
Japan	100 JPY	5.772	6.087	–5	5.780	5.635	3
USA	1 USD	6.504	7.120	–9	6.008	6.738	–11

Note 1 Accounting principles cont.

payments, which entails that an estimated cost corresponding to the earned portion of the option value on the allotment of the option program 2004/2008, 2006/2010 and 2007/12 is charged to earnings. In addition, there are calculated social security expenses for the earned portion of the options based on a theoretical market valuation of the option. The market value is calculated in accordance with Black & Scholes based on the share price on the closing date and the subscription price. For options exercised, social security expenses are paid on the basis of the difference between the market value on the exercise date and the price paid for the share.

Taxes

Deferred tax is calculated and reported in accordance with the balance sheet method. In accordance with this method, deferred tax is calculated on the basis of the difference between the taxable value and the reported value of assets and liabilities. Loss carry-forwards that arise are treated as deferred tax assets in those cases in which it is probable that these will be utilized. Valuation is based on the anticipated tax rate for the immediately following year in each country.

Reported tax expense includes current tax, changes in deferred tax assets/liabilities and taxes on participations in the earnings of associated companies.

Intangible assets

Research and development

Research costs are expensed as they are incurred. In those instances in which it is difficult to distinguish between the research phase and the development phase in a project, the entire project is considered as research and is expensed on an immediate basis. Identifiable costs for the development of new products are capitalized to the extent that these are considered to provide future financial benefits. In other instances, development expenditures are expensed as they are incurred. Costs for development reported for a period in the income statement are never capitalized during future periods. Capitalized expenditures are amortized on a straight-line basis from the time when the asset begins to be used or is produced commercially and during the estimated useful life of the asset. The amortization period is 3–5 years.

Goodwill

Goodwill comprises the amount by which the acquisition price exceeds the market value of the net assets acquired by the Group in connection with a corporate acquisition. Goodwill is not amortized but is instead tested annually to identify any impairment requirement.

Customer relations and other intangible assets

Intangible assets include technology, brands, customer relations, etc. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized straight-

line during the estimated useful life. Surplus value in acquired order backlog is also reported as other intangible assets.

Technology	5-11 years
Brands	6-10 years
Customer relations	15-20 years
Order backlog	0.5-1 year

Tangible fixed assets

Tangible fixed assets acquired by Group companies are reported at their historic acquisition value, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at the fair value on the acquisition date after deduction for subsequent accumulated depreciation. Machinery and equipment is depreciated on a straight-line basis during its economic life of between 3 and 5 years. Installations and improvements on other parties' property are depreciated during the period of the lease agreement.

The residual value of assets and their useful economic lives are reviewed annually and adjusted as required.

Impairment

In conjunction with each reporting period, an assessment is made of whether there is any indication of a decline in value of the Group's assets. If this is the case, a calculation is made of the asset's recoverable value. Goodwill has been allocated to cash generating units and is subject to annual impairment testing, even though there is no indication of a decline in value. The recoverable value consists of the higher of the value in use of the asset in operations and the value that would be received if the asset were sold to an independent party, the net sales value. Value in use consists of all incoming and outgoing payments attributable to the asset during the period it is expected to be used in operations, plus the net sales value at the end of the service life. If the calculated recoverable amount is less than the reported value, impairment is made to the asset's recoverable value. Impairment is reported in the income statement.

Leasing

The leasing of fixed assets, for which the Group is essentially responsible for the same risks and benefits as it would be in the case of direct ownership, is classified as financial leasing. The leased asset is reported as a fixed asset and the corresponding obligation to pay a leasing fee is reported as an interest-bearing liability. The leasing payments are distributed between amortization of the liability and financial expense, so that each reporting period is charged with an interest amount corresponding to a fixed interest rate on the reported liability during each period. The leased asset is depreciated in accordance with the same principles that apply to other assets of the same type. If any uncertainty exists about whether the asset will be taken over at the end of the leasing period, the asset is depreciated during the leasing period, if this is shorter.

Note 1 Accounting principles cont.

Leasing of assets, for which the lessor, for all practical purposes, is considered the owner, is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period.

Inventories

Inventories are valued at the lower of acquisition value and fair value.

Financial instruments

Financial instruments, which are reported in the balance sheet, include cash and cash equivalents, securities, other financial receivables, accounts receivable, accounts payable, loan liabilities and derivatives.

A financial asset or a financial liability is reported in the balance sheet when the company becomes party to the contractual terms and conditions of the instrument. A financial asset is removed from the balance sheet when the contractual rights are realized, fall due or the company loses control of them. Spot acquisitions or sales of financial assets are reported on the settlement date, which is the date on which the asset is delivered. Accounts receivable are reported in the balance sheet when the invoice is dispatched.

The fair value of listed financial assets corresponds to the asset's listed bid price on the closing date. In the absence of such information, a valuation is carried out using generally accepted methods such as the discounting of future cash flows at the quoted market interest rate for the particular maturity.

For short-term loans and investments, the fair value is deemed to comply with the carrying amount in view of the fact that a change in market rate of interest does not have a material effect on the market value.

Financial assets and liabilities are netted and reported in a net amount in the balance sheet when there is a legal right to net and when the intention is to settle the items using a net amount or simultaneously realize the assets and settle the liability.

Loan receivables and accounts receivable

Receivables are valued at the accumulated acquisition value less any provision for a decline in value. Since the anticipated lifetime of accounts receivable is short, reporting is done in the amounts expected to be received, based on individual assessment of doubtful receivables without discounting in accordance with the method for accumulated acquisition value.

Liquid funds

Liquid funds equivalents comprise cash and bank balances with financial institutions and current investments and are reported at the nominal value.

Derivative instruments

All derivatives are reported at fair value in the balance sheet.

Changes in value relating to cash flow hedges are reported in shareholders' equity and are reversed to the income statement at the pace at which the hedged cash flow affects the income statement. Any ineffective portion of the change in value is reported directly in the income statement.

The result of a revaluation of derivatives used to hedge fair value is reported in the income statement along with changes in the fair value of the receivable or liability exposed to the hedged risk.

Loan liabilities

Loan liabilities are reported initially at fair value, net of transaction costs, and subsequently at amortized cost according to the effective interest method. Loan liabilities carrying a fixed rate of interest that are reported in hedge accounting in line with the method for fair value hedging are valued at market in respect of the interest component. Changes in market value are reported in net form with changes in value of the hedge instrument in net financial items.

Hedging of net investments abroad

Loans in foreign currency are reported at the fiscal year-end rate. Exchange rate differences for loans in connection with hedging of foreign operations are reported in shareholders' equity, with tax effects taken into account, and are thus offset against the translation differences that arise when translating the subsidiaries' balance sheets into SEK.

Accounts payable

The valuation principle for accounts payable is the accumulated acquisition value. The expected lifetime for accounts payable is short and thus the payables are reported at nominal value without discounting.

Provisions

Provisions are reported when the Group has, or is considered to have, an obligation resulting from an event that has occurred and for which payments are likely to be demanded to meet the obligation. A further condition is that it is possible to make a reliable estimate of the amount that will be paid.

Warranty reserves

Estimated costs for product guarantees are charged against operating costs in conjunction with the income recognition of the products. The estimated costs are established using historic statistics, with known changes taken into account in regard to product quality, repair costs and similar items.

Cash flow statement

The cash flow statement is prepared according to the indirect method.

Note 2 Risk management objectives and policy

Financial risks are handled within the framework of a finance policy established by the Board of Directors. The Group's financial risks are compiled and followed up continuously to ensure compliance with the finance policy.

Exchange rate risk

As a result of its international operations and structure, Elekta has considerable exposure to exchange rate fluctuations. This pertains to currency flows in different currencies, transaction exposure, and the translation of foreign subsidiaries' profits and net assets into SEK, translation exposure.

Transaction exposure

Transaction exposure is generated mainly through expenses in SEK and GBP and revenue in USD and EUR. The sales companies' revenues and expenses are mainly in local currencies. The proportion of invoiced sales in foreign currency exceeds 95 percent of the Group's total invoicing.

Elekta's policy is to hedge the exchange rate risk using forwards or options, the extent of which is determined by the Group's estimation of the exchange rate risk and in accordance with the Group's established policy. Hedging is conducted on the basis of expected net sales over a period up to 24 months. Hedging is carried out to reduce the effects of short-term fluctuations in currency markets. During 2007/08, exchange rate gains in the operating profit on forward contracts amounted to SEK 16 M (profit 63).

Translation exposure

The Group's consolidated earnings and shareholders' equity are affected by translation exposure. Consolidated earnings are normally not hedged. Shareholders' equity in foreign currency is hedged when deemed appropriate, following individual assessment. The long-term USD loan raised in 2002 is used to hedge net investments in US subsidiaries.

Exposure affecting Group profit

With its present income and expense structure, a general change of one percentage point in the SEK exchange rate against other currencies affects Group earnings by approximately SEK 14 M. Currency hedging limits the short-term effect of exchange rate movements.

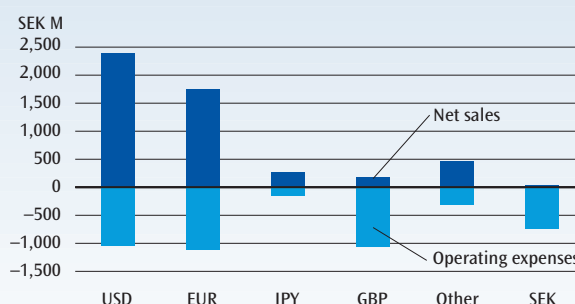
The Group's net sales and operating expenses in 2007/08 are shown in the diagram on this page.

Interest rate risk

Interest rate risk pertains to the risk that changes in interest rates will adversely affect Elekta's earnings.

At year-end, liquid funds accounted for 6 percent (9) of the Group's total assets. Liquid funds were invested so as to obtain a return equivalent to the short-term market rate for each currency.

Net sales and operating expenses per currency 2007/08



On April 30, 2008, interest-bearing liabilities totaled SEK 1,449 M (987), of which SEK 1 M (3) pertained to financial leasing. The average fixed interest term was 2.7 years (4.9) and the weighted average interest rate taking interest rate derivatives into account was 4.8 percent (4.9).

An overall change in interest rate on borrowings and investments by one percentage point would effect Elekta's earnings by some SEK 6 M.

Liquidity and financing risk

The liquidity and financing risk pertains to the risk that the Company will not be able to cover its payment obligations due to insufficient liquid funds or difficulties in obtaining external financing.

In an effort to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2008, available cash and cash equivalents amounted to SEK 400 M (475), or 8 percent (10) of net sales. In addition, Elekta had SEK 681 M (1,433) in unutilized credit facilities.

Credit risks

Financial credit risk

Exposure occurs when surplus liquidity is invested, and in the handling of the Group's financial risks. Elekta's finance policy includes special counterparty regulations in which the maximum credit exposure and the lowest credit rating for various counterparties are specified. An objective is that counterparties should have a minimum credit rating from Standard & Poor's/Moody's of A/A (long) and A-2/P-2 (short). Elekta invests its liquidity solely in liquid instruments with a low credit risk and with credit-worthy banks.

Credit risk in accounts receivable

Elekta's credit risks are limited since customer operations are, to a large extent, financed either directly or indirectly by public funds. No customer accounts for 10 percent or more of Elekta's net sales. Elekta's credit losses have historically been low.

Notes cont.

Note 2 Risk management objectives and policy cont.

Derivatives

The presentation below shows the overall schedule for the derivatives that have affected the Group's balance sheet and income statement as of April 30, 2008.

Credit risk analysis of accounts receivable

SEK M	April 30, 2008	April 30, 2007
Not due	957	951
Overdue < 30 days	180	95
Overdue 30-60 days	110	37
Overdue 60-90 days	69	20
Overdue > 90 days	174	158
Total accounts receivables, net	1,490	1,261

Bad debt reserve

Opening balance of bad debt reserve	-20	-22
Increase through business combination	-4	-4
Reserved during the year	-4	-6
Reversals during the year	2	9
Realized loss	1	3
Translation differences	1	0
Closing balance of bad debt reserve	-24	-20

Derivatives outstanding, April 30, 2008

SEK M	Nominal	Assets	Liabilities
Currency derivatives	1,927	26	15
Interest rate derivatives	240	16	0
Total	2,167	42	15

Outstanding derivatives with hedge accounting April 30, 2008

SEK M	Nominal	Assets	Liabilities	Hedging reserve after tax
Currency derivatives:				
Cash flow hedges	690	20	14	5
Interest rate derivatives:				
Hedging of fair value	240	16	0	—
Total	930	36	14	5

Fair value

Financial assets and liabilities are reported at fair value with one exception, the 10-year bond loan that is reported at its amortized cost, taking into account interest rate derivatives, of SEK 761 M while the nominal value is SEK 751 M.

Cash flow hedges outstanding, April 30, 2008

Currencies	Amount	Term	Rate
MUSD/SEK	34	1-12 mon.	6.47049
MUSD/GBP	40	1-15 mon.	1.97017
MEUR/SEK	6	6-12 mon.	9.43852
MEUR/GBP	14	6-12 mon.	0.73158
MJPY/SEK	500	3-12 mon.	6.15090
MJPY/GBP	400	3-12 mon.	219.07

Note 3 Key estimates and assessments

The preparation of the financial statements and application of various accounting standards are frequently based on management's assessments or assumptions and estimates that are viewed as reasonable under the prevailing circumstances. These assumptions and estimates are frequently based on experience as well as other factors, including expectations of future events. Using other assumptions and estimates, the result can be different and the actual outcome, by definition, seldom complies with the anticipated result.

Impairment testing of goodwill

In computing the cash generating units' recoverable value for the assessment of any impairment requirement of goodwill, a number of assumptions concerning future circumstances and estimates of parameters have been made, see note 11.

Note 4 Segment reporting

Elektas business operations are confined to a single operating segment, namely treatment methods for cancer and brain disorders. This operating segment is the primary segment.

The secondary segment is geographical areas. Sales figures are based on the country in which the customer is located. Assets and investments are reported where the assets are located.

Note 4 Segment reporting cont.

Secondary Segment

Group, SEK M	NET SALES		INVESTMENTS IN TANGIBLE AND INTANGIBLE FIXED ASSETS		ASSETS APRIL 30	
	2007/08	2006/07	2007/08	2006/07	2008	2007
Europe, Middle East, Africa	2,020	1,840	46	110	3,180	2,779
North and South America	2,098	1,933	52	39	2,531	2,088
Asia	963	752	10	4	611	489
Total	5,081	4,525	108	153	6,322	5,356

Note 5 Depreciation/amortization

SEK M	GROUP	
	2007/08	2006/07
Cost of products sold	–69	–65
Selling expenses	–20	–18
Administrative expenses	–47	–25
R&D expenses	–40	–28
Total depreciation/amortization	–176	–136

Note 6 Income from participations in Group companies

SEK M	PARENT COMPANY	
	2007/08	2006/07
Dividends from subsidiaries	676	61
Result from participations in Group companies	676	61

Note 7 Income from participations in associated companies

SEK M	GROUP	
	2007/08	2006/07
Income from participations in associated companies	12	19
Sale of shares in associated company	—	1
Internal profit eliminations for products sold	–2	–3
Result from participations in associated companies	10	17

Note 8 Interest income, interest expense and similar profit/loss items

SEK 43 M (54) of the Parent Company's interest income of SEK 55 M (85) was received from Group companies. Parent Company's interest expense and similar profit/loss items amounted to SEK 67 M (63), of which SEK 0 M (0) pertained to Group companies.

Note 9 Appropriations and untaxed reserves

Parent Company, SEK M	APPROPRIATIONS		UNTAXED RESERVES	
	2007/08	2006/07	April 30, 2008	April 30, 2007
Tax allocation reserve	–6	–5	32	26
Total	–6	–5	32	26

Notes cont.

Note 10 Taxes

SEK M	GROUP		PARENT COMPANY	
	2007/08	2006/07	2007/08	2006/07
Current taxes	-208	-117	-5	-5
Deferred taxes	-10	-43	1	—
Participations in taxes of associated companies	0	-1	—	—
Total taxes	-218	-161	-4	-5
Tax expenses:	35%	32%		
Swedish tax	28%	28%		
Effect of other tax rates for foreign companies	7%	6%		
Changes in tax legislation	0%	0%		
Tax related to prior years	0%	-4%		
Other	0%	2%		

Current tax liability		GROUP		PARENT COMPANY	
SEK M	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007	
Opening balance	35	52	1	0	
Through business combination	3	—	—	—	
Adjustment for prior years	3	-11	—	—	
Current tax for the year	205	128	5	5	
Paid taxes	-128	-134	-10	-4	
Translation differences	-4	0	—	—	
Closing balance	114	35	-4	1	

Deferred tax assets and deferred tax liabilities

Deferred tax assets/liabilities in the balance sheet are attributable to the following:

Group, SEK M	April 30, 2008	Assets	Liabilities	Net
Loss carry-forwards		52	—	52
Untaxed reserves		—	-56	-56
Intangible assets		5	-247	-242
Tangible fixed assets		9	-3	6
Financial fixed assets		—	-5	-5
Other assets		85	-13	72
Operating liabilities/Provisions		52	—	52
Deferred tax assets/tax liabilities		203	-324	-121
Offsetting		-189	189	0
Net deferred tax assets/tax liabilities		14	-135	-121

Deferred tax assets (+)/liabilities (-) net

SEK M	Group net	Parent Company net
Opening balance May 1, 2007	-184	15
Acquisition through business combination	41	—
Changed tax law	-2	—
Adjustment for prior years	6	—
Deferred taxes for the year	-14	1
Deferred taxes charged against shareholders' equity	19	21
Translation differences	13	—
Closing balance April 30, 2008	-121	37

Note 11 Intangible assets

SEK M	Goodwill	Capitalized development	Customer relationships	Other intangible assets	Total
Acquisition value May 1, 2007	1,586	181	163	411	2,341
Acquisition through business combination	520	—	47	124	691
Purchases/capitalization	—	52	—	1	53
Sales/disposals	—	—	—	–30	–30
Translation differences	–133	–8	–19	–33	–193
Acquisition value April 30, 2008	1,973	225	191	473	2,862
Accumulated amortization May 1, 2007	—	–21	–17	–105	–143
Sales/disposals	—	—	—	30	30
Amortization for the year	—	–42	–8	–54	–104
Translation differences	—	3	2	9	14
Accumulated amortization April 30, 2008	—	–60	–23	–120	–203
Residual value according to plan April 30, 2008	1,973	165	168	353	2,659

Impairment testing

Goodwill is tested for impairment every year.

Goodwill is distributed among cash-generating units (product lines) as follows:

SEK M	April 30, 2008	April 30, 2007
Radiation Therapy	296	310
IMPAC	889	998
CMS	369	—
Medical Intelligence	176	158
BMEI	118	118
3D Line	123	—
Other	2	2
Total	1,973	1,586

The recoverable amount for the Group's cash-generating units with goodwill has been tested by computing the value in use for each unit.

The calculation of the value in use for each unit was conducted by estimating future cash flow based on assumptions of growth, margin development and investments in fixed assets and working capital. These estimates are based on financial budgets (the next fiscal year), expected growth in the short-term (2–5 years) and medium-term (6–10 years). For long-term periods (>10 year), the extrapolation of expected cash flow has been assumed to be a prudent 2 percent – considerably lower than the anticipated industry growth. The cash flow has been

discounted using a pre-tax interest rate in line with the Elekta Group's weighted capital cost (10 percent). Discounted cash flow is compared with capital employed for each cash-generating unit. Testing of the impairment requirement is done in April/May after the budget and business plans have been set by company management and the 2008 test indicated that there was no impairment requirement.

Sensitivity analyses have been carried out with regard to the discount rate (risk) and long-term growth. Even if the long-term (>10 years) growth rate declines by 1 percentage point and the weighted capital cost rises to 12 percent, there is no write-down requirement.

Notes cont.

Note 12 Tangible fixed assets

SEK M	Machinery etc. for production	Equipment, tools and installations	Finance lease equipment	Buildings	Total
Acquisition value May 1, 2007	85	534	49	26	694
Acquisition through business combination	—	15	—	—	15
Purchases	4	51	—	—	55
Sales/disposals	–1	–18	—	—	–19
Translation differences	–8	–41	–4	0	–53
Acquisition value April 30, 2008	80	541	45	26	692
Accumulated depreciation May 1, 2007	–53	–341	–47	–1	–442
Sales/disposals	1	9	—	—	10
Depreciation for the year	–8	–61	–2	–1	–72
Translation differences	6	28	4	0	38
Accumulated depreciation April 30, 2008	–54	–365	–45	–2	–466
Residual value according to plan April 30, 2008	26	176	0	24	226

Note 13 Financial fixed assets

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Participations in Group companies	—	—	1,392	1,272
Receivables from Group companies	—	—	642	851
Participations in associated companies	21	18	8	8
Participations in other companies	2	2	0	0
Other long-term receivables	14	12	—	—
Total financial fixed assets	37	32	2,042	2,131

Participations in Group and associated companies

SEK M	GROUP		PARENT COMPANY	
	Associated companies	Other companies	Associated companies	Group companies
Opening balance May 1, 2007	18	2	8	1,272
Investments	6	—	—	177
Sales/repayments	–10	—	—	–57
Participations in income of associated companies	10	—	—	—
Translation differences	–3	0	—	—
Closing balance April 30, 2008	21	2	8	1,392

Note 13 Financial fixed assets cont.

Participations in Group companies

Company	Corp. reg. No.	Domicile	No. of shares and participations	Proportion of capital and votes, %	Book value, SEK M
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50
Elekta Neuromag Oy	0756256-7	Helsinki, Finland	1,832	100.0	44
Elekta KK	65 820	Kobe, Japan	2,000	100.0	0
Elekta Holdings Limited	2699176	Crawley, UK	22,810,695	100.0	277
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	433
Elekta Canada Inc.	R889657862	Toronto, Canada	1	100.0	0
Elekta Asia Ltd	502 493	Hong Kong	81,022,160	100.0	13
Elekta Instrument (Shanghai) Ltd		Shanghai, China		100.0	2
Elekta BMEI (Beijing) Medical Equipment Co., Ltd.		Beijing, China		80.0	196
Elekta Pty Limited	ACN 109 006 966	Sydney, Australia	1	100.0	1
Elekta Medical System India Private Limited	U33112DL2005PTC139794	New Delhi, India	10,000	100.0	0
Elekta SA	B 414 404 913	Paris, France	2,500	100.0	4
Elekta Medical SA	A-818 867 31	Madrid, Spain	10,000	100.0	3
Elekta GmbH	HRB 63500	Hamburg, Germany		100.0	5
Medical Intelligence Medizintechnik GmbH	HRB 14835	Schwabmünchen, Germany		100.0	231
Elekta Kft.		Budapest, Hungary		75.0	0
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3
Elekta Hellas EPE	998 569 196	Athens, Greece		100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0
Elekta Holding BV	33 292 546	Best, The Netherlands	40	100.0	0
Elekta S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	34
3D Line Research and Development S.r.l.		Milano, Italy		100.0	95
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0
Total participations in Group companies					1,392

Participations in associated companies

Company	Corp. reg. No.	Domicile	No. of shares and participations	Proportion of capital and votes, %	Book value, SEK M
AB Motala Verkstad	556031-3503	Motala, Sweden	29,960	49.9	10
Miscellaneous participations					11
Total participations in associated companies					21

The book value of AB Motala Verkstad in the Parent Company is SEK 8 M.

Note 14 Inventories

SEK M	GROUP	
	April 30, 2008	April 30, 2007
Components	82	51
Work in progress	97	57
Finished goods	350	315
Total inventories	529	423

Notes cont.

Note 15 Receivables

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Accounts receivable	1,490	1,261	—	—
Receivables from Group companies	—	—	690	139
Derivative instruments (see note 2)	42	21	18	2
Other receivables	134	92	13	1
Prepaid expenses and accrued income	789	579	2	4
Total receivables	2,455	1,953	723	146

The Prepaid expenses and accrued income item in the consolidated balance sheet includes accrued income of SEK 635 M (437).

Note 16 Liquid funds

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Cash and bank	402	484	17	104
Total liquid funds	402	484	17	104

Note 17 Shareholders' equity

Number of shares in Elekta AB (publ)	Series A shares	Series B shares	Total
Number of shares May 1, 2006	3,562,500	90,769,355	94,331,855
Cancellation of repurchased shares		–801,700	–801,700
Exercise of warrants		264,621	264,621
Number of shares April 30, 2007	3,562,500	90,232,276	93,794,776
Cancellation of repurchased shares		–1,630,871	–1,630,871
Exercise of warrants		357,756	357,756
Number of shares April 30, 2008	3,562,500	88,959,161	92,521,661

One Series A share entitles the holder to 10 votes and one Series B share to one vote.

In accordance with section 12 of the Articles of Association, Series A shares are subject to right of first refusal. All Series A shares are currently owned by Laurent Leksell via company.

The Board's proposed dividend is SEK 1.75 per share equal to SEK 161 M.

1,630,871 Series B shares repurchased during March and July 2007 were cancelled following the approval of the Annual General Meeting. Elekta has during January-February 2008, repurchased 951,300 Series B shares, which Elekta's Board intends to propose to the AGM to be cancelled.

For additional information on Elekta shares, see pages 79-81.

Note 18 Other provisions

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Warranty provisions	58	62	—	—
Short-term provisions	58	62	—	—
Provision for pensions	35	22	7	2
Other provisions	23	41	5	4
Long-term provisions	58	63	12	6

Elektas has defined benefit pension plans for certain employees in a few countries. Most common is however defined contribution plans.

Pension costs, defined benefit pension plans

SEK M	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Current service cost	–5	–5	–1	–1
Interest expense	–4	–4	–1	–1
Return on plan assets	–5	2	0	1
Actuarial gains (+) and losses (–)	0	2	–3	1
Total pension costs defined benefit plans	–14	–5	–5	0

The pension plans are funded through insurances, the funds are therefore not reported in Elektas balance sheet.

Defined benefit pension plans

SEK M	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Defined benefit obligation, funded plans	94	87	33	28
Fair value of plan assets	–72	–76	–26	–26
Provisions for pension, funded plans	22	11	7	2
Defined benefit obligation, unfunded plans	13	11	—	—
Provisions for pension, unfunded plans	13	11	—	—
Pension liability for defined benefit plans, net	35	22	7	2

Provision for pensions, net

SEK M	2007/08	2006/07	2007/08	2006/07
Opening balance	22	20	2	3
Pension costs	14	5	5	0
Contributions	–5	–2	0	–1
Translation differences	4	–1	—	—
Provisions for pensions, net	35	22	7	2

Main actuarial assumptions

weighted average	April 30, 2008	April 30, 2007
Discount rate	4,5%	4,1%
Expected return on plan assets	4,8%	4,5%
Future salary increases	2,5%	2,3%

SEK M	GROUP		PARENT COMPANY
	Warranty provisions	Other provisions	Other provisions
Opening balance May 1, 2007	62	41	4
Through acquired operations	1	—	—
Provisions/reversals during the year	59	–8	1
Provisions released during the year	–53	–9	—
Translation differences	–11	–1	—
Closing balance April 30, 2008	58	23	5

Notes cont.

Note 19 Interest-bearing liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Bond loan	762	838	762	838
Liabilities to credit institutions	686	146	654	109
Liabilities to Group companies	—	—	—	64
Finance lease liabilities	1	3	—	—
Other interest-bearing liabilities	—	—	—	—
Total interest-bearing liabilities	1,449	987	1,416	1,011
Maturity term structure				
SEK M	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Within 1 year	33	147	32	171
Within >1 year <5 years	652	0	620	—
After 5 years	764	840	764	840
Total	1,449	987	1,416	1,011
Specification per currency				
Currency	April 30, 2008 Amount	April 30, 2008 SEK M	April 30, 2007 Amount	April 30, 2007 SEK M
Swedish kronor, SEK M	590	590	—	—
Euro, EUR M	0	1	0	3
US dollars, USD M	136	826	141	947
Chinese yuan, CNY M	37	32	43	37
Total		1,449		987
Fixed interest term including effects of derivative transactions				
SEK M	April 30, 2008	April 30, 2007		
< 1 year	928	417		
>1 year < 2 years	—	2		
>2 years < 5 years	—	—		
> 5 years	521	568		
Total	1,449	987		

Note 20 Interest-free liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Advance payments by customers	686	614	—	—
Accounts payable	517	379	7	3
Liabilities to Group companies	—	—	268	555
Accrued expenses and prepaid income	1,417	1,051	71	19
Derivative instruments (see note 2)	15	23	0	22
Other interest-free liabilities	60	81	4	1
Total interest-free liabilities	2,695	2,148	350	600
Accrued expenses and prepaid income				
Prepaid service income	491	377	—	—
Reserve for additional project costs	179	176	—	—
Accrued commission costs	48	35	—	—
Accrued vacation pay liability	61	55	3	3
Accrued social costs	21	15	4	0
Accrued interest expenses	13	10	8	10
Other items	604	383	56	6
Total	1,417	1,051	71	19

Note 21 Assets pledged

SEK M	GROUP	
	April 30, 2008	April 30, 2007
<i>Collateral pledged for contingent liabilities:</i>		
Bank balances	2	9
Total assets pledged	2	9

Note 22 Contingent liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2008	April 30, 2007	April 30, 2008	April 30, 2007
Guarantees	64	89	17	38
Guarantees for subsidiaries	—	—	287	229
Total contingent liabilities	64	89	304	267

Note 23 Number of employees

		AVERAGE NUMBER OF EMPLOYEES		OF WHOM WOMEN	
		2007/08	2006/07	2007/08	2006/07
Parent Company		21	20	10	9
Subsidiaries:	Sweden	178	175	55	56
	Australia	12	10	4	1
	Austria	14	14	5	5
	Belgium	7	7	1	1
	Canada	20	9	4	1
	China	274	223	70	58
	England	470	471	80	80
	Finland	21	26	3	5
	France	46	44	8	5
	Germany	96	88	19	17
	Greece	9	5	2	1
	Hong Kong	14	15	5	5
	Hungary	3	3	—	—
	India	29	26	1	1
	Italy	56	36	11	5
	Japan	55	51	12	10
	South Africa	7	7	2	2
	Spain	26	25	5	5
	Switzerland	5	4	1	1
	The Netherlands	17	16	3	2
	USA	733	676	279	262
Total average number of employees		2,113	1,951	580	532

Specification men/women among Board of Directors and Executive Committee during 2007/08

The Board of Directors in Elektro AB was 86 (86) percent men. The Executive Committee was 83 (80) percent men.

Absence due to illness in the Swedish companies

The total absence due to illness amounts in the Swedish companies to 1.4 percent, of which men 1.1 percent and women 1.9 percent.

0 percent of the absences are long-term, more than 60 consecutive days.

Absence due to illness for the ages 29 years or younger, 30-49 years and 50 years or older are 0.7, 1.5 respective 1.1 percent.

Note 24 Wages, salaries, other remuneration and social security costs

SEK M		SALARIES AND REMUNERATION TO THE BOARD AND THE PRESIDENT		SALARIES AND REMUNERATION TO OTHER EMPLOYEES	
		2007/08	2006/07	2007/08	2006/07
Parent Company		6	6	21	18
Subsidiaries:	Sweden	—	—	95	91
	Australia	1	1	8	5
	Austria	2	2	6	6
	Belgium	1	1	3	3
	Canada	—	—	14	6
	China	1	0	33	28
	England	3	3	221	224
	Finland	2	2	9	10
	France	2	1	18	13
	Germany	3	3	51	45
	Greece	1	1	3	1
	Hong Kong	—	4	15	11
	Hungary	—	—	1	1
	India	1	1	2	2
	Italy	2	1	27	15
	Japan	2	2	30	32
	South Africa	1	0	3	5
	Spain	1	1	11	10
	Switzerland	—	—	3	3
	The Netherlands	1	1	10	9
	USA	11	7	461	464
Total wages, salaries and other remunerations		41	37	1,045	1,002
Pension costs, Parent Company		1	1	8	2
Pension costs, subsidiaries		2	2	89	61
Other social security costs, Parent Company		2	2	12	11
Other social security costs, subsidiaries		4	7	164	139
Total wages, salaries, other remuneration and social security costs		50	49	1,318	1,215

Bonus payments included in the above Wages, salaries and other remunerations paid to the Boards and the Presidents of subsidiaries amounted to SEK 8 M (7), and SEK 1 M (1) in the Parent Company.

Option program

The Annual General Meeting of shareholders of 2004 resolved to adopt the Elekta AB 2004 Share Unit Plan ("the Plan"). The resolution meant that the conditions and the guidelines stated in the Plan shall be the framework for yearly grants of employee options to key employees within the Elekta Group during the period 2004/05 – 2006/07. Board members who are not employed in the company are not encompassed by Elekta's option program. The main terms of the Plan are i) it is required that, for an employee to receive employee options and retain the possibility to acquire shares, the employee shall acquire a certain number of shares in the Company on the market and hold these shares until exercise of the option; (ii) the number of shares that will be possible to acquire based on the employee options is determined based on the fulfillment of a collectively established performance goal; (iii) it shall be possible to exercise one third of the options annually; (iv) the options are nontransferable; (v) the options are dependent upon continued employment; (vi)

the price that shall be paid to receive shares on exercise of the option shall amount to not less than 110 percent of the share's market value at the time of the option offer; (vii) the lifetime of

Share Unit Plan (employee options)	2004/2008	2006/2010	2007/2012
Number of shares after split after confirmed performance requirements	1,675,611	989,692	1,597,500
Expiration date for options	Jul.31, 2008	Jul.31, 2010	Jul.31, 2012
Exercise price per share	SEK 65.20	SEK 152.00	SEK 124.00
Number of shares as per out-standing options, April 30, 2007	1,036,918	989,692	—
Expired during the year	–4,848	–76,499	–15,000
Number of shares acquired during the year (option exercise)*	–357,756	—	—
Number of shares as per out-standing options, April 30, 2008**	674,314	913,193	1,582,500

* Weighted average share price on exercise was SEK 108.

** Number of redeemable options totaled 991,462.

Note 24 Wages, salaries, other remuneration and social security costs cont.

the option shall be a maximum of four years, and (viii) the financial gain that the employee could receive on the granted options is maximized to 400 percent of the price that shall be paid for the shares. If the option holder's employment in the Group ceases, the option expires immediately to the extent that the option cannot yet be used, otherwise the option expires normally after three months from the cessation of employment. Delivery of shares under the employee option program has been secured through Elekta AB (publ) issuing warrants for new subscription to Series B shares to a subsidiary. Thus, the employee options provide formal right to the acquisition of warrants transferred from the subsidiary. However, the option holder may not dispose of the acquired warrants in a manner other than through the immediate exercise to subscribe for shares.

The Annual General Meeting of shareholders of 2007 resolved to adopt the Elekta AB 2007 Share Unit Plan ("the Plan"). The resolution meant that the conditions and the guidelines stated in the Plan shall be the framework for yearly grants of employee options to key employees within the Elekta Group during the period 2007/08 – 2008/09. Board members who are not employed in the company are not encompassed by Elekta's option program. The main terms of the Plan are i) it is required that, for an employee to receive employee options and retain the possibility to acquire shares, the employee shall acquire a certain number of shares in the Company on the market and hold these shares until exercise of the option; (ii) the number of shares that will be possible to acquire based on the employee options is determined based on the fulfillment of a collectively established performance goal; (iii) it shall be possible to exercise one fourth of the options annually; (iv) the options are nontransferable; (v) the options are dependent upon continued employment; (vi) the

price that shall be paid to receive shares on exercise of the option shall amount to not less than 110 percent of the share's market value at the time of the option offer; (vii) the lifetime of the option shall be a maximum of five years, and (viii) the financial gain that the employee could receive on the granted options is maximized to 400 percent of the price that shall be paid for the shares. If the option holder's employment in the Group ceases, the option expires immediately to the extent that the option cannot yet be used, otherwise the option expires normally after three months from the cessation of employment. Delivery of shares under the employee option program has been secured through Elekta AB (publ) issuing warrants for new subscription to Series B shares to a subsidiary. Thus, the employee options provide formal right to the acquisition of warrants transferred from the subsidiary. However, the option holder may not dispose of the acquired warrants in a manner other than through the immediate exercise to subscribe for shares.

Employee options are reported in line with IFRS 2 Share-based payments. The calculated costs amounted to SEK 23 M (22). Outstanding employee options granted 2004 entitle the option holders to acquire 674,314 Series B shares. Employee options granted 2005 did not entitle the option holders to acquire any shares as the performance goals were not met. Employee options granted 2006 entitle the option holders to acquire 913,193 Series B shares. Employee options granted 2007 entitle the option holders to acquire 1,582,500 Series B shares.

The dilution effect and the impact on earnings per share as a result of outstanding warrants issued to secure the delivery of shares pursuant to the 2004, 2006 and 2007 employee option programs are shown in the table Data per share on page 81.

Remuneration to Executive Management

The Board

In accordance with the decision at the Annual General Meeting, Board fees totaling SEK 1,910,000 were paid, of which SEK 520,000 was paid to the Board Chairman, SEK 260,000 each to external Board members, SEK 60,000 to the Executive Compensation Committee Chairman, and SEK 30,000 to the other external Board member on the company's Executive Compensation Committee.

Principles

It is of fundamental importance to the Group and its shareholders that the principles for compensation and other employment conditions for the executives of the Group aims to, in the

short and long-term, attract, motivate and retain competent employees and managers. To obtain this goal, it is important to ensure fairness and internal equality, while maintaining market competitiveness of the structure, scope and level of executive compensation within Elekta. Employment conditions for the executive management should comprise a balanced mix of fixed salary, annual incentives, long-term incentives, pension and other benefits as well as notice and severance payments.

Total target cash compensation, i.e. fixed salary and variable incentives, should be competitive in the geographic market where the employee is resident. The level of total cash should be reviewed annually to ensure that it is in line with the median for similar positions in the relevant market. Compensation

Note 24 Wages, salaries, other remuneration and social security costs cont.

should be highly performance driven and therefore the target annual incentive should be a relatively high portion of the total target compensation.

Executive management comprised 12 persons in 2007/08, 7 of which are residents in Sweden, 5 in UK and USA. See page 74 in the 2006/07 annual report. Åsa Hedin and Ian Alexander were added to the new executive management presented on page 75 in this annual report while Sverker Glans, Volker Stieber, Karin Isberg and Peter Ejemyr have withdrawn.

<i>Remuneration and other benefits during the year</i>					
SEK 000s	Fixed salary	Incentives	Other benefits	Pension cost	Total
President	2,983	3,502	52	1,015	7,552
Other senior executives:					
– residents in Sweden (6 persons)	7,100	2,610	281	1,710	11,701
– residents in UK and USA (5 persons)	10,283	4,863	925	583	16,654
Total executive management	20,366	10,975	1,258	3,308	35,907
Previous President	2,604	1,064	92	5,373	9,133

Comments on the table above

Incentives pertains to the bonus attributable to the 2007/08 fiscal year, which partly was paid out quarterly during the fiscal year and partly will be paid during 2008/09 plus long-term bonuses attributable to a two year period and will be paid during 2008/09.

The Previous President has unchanged conditions.

<i>Option program 2007/2012</i>	After measurement of performance goals		
	Max number of shares at issue	Number of shares	Theoretical value at time of issue, SEK 000s
President	60,000	60,000	1,468
Other senior executives	420,000	420,000	10,273
Total executive management	480,000	480,000	11,741
Previous President	45,000	45,000	1,101

Comments on the table above

The options have no market value since they are not transferable. However, a theoretical value for the options has been calculated based on the Black & Scholes option pricing model, assuming a share price of SEK 122.50 and an expected volatility of 27 percent. The value calculated in accordance with the Black & Scholes model has been reduced by 30 percent to account for the non-transferable nature of the options and the risk of the options partially or wholly lapsing before the original maturity date

due to employment requirements not being met. The theoretical value of the options at the time of issue has been calculated at SEK 24.46 per share that the options carries entitlement to.

Compensation components

The group compensation system comprises different forms of compensation in order to create a well balanced remuneration which strengthens and underpins long- and short-term objective setting and attainment.

Fixed salary

The fixed salary shall be individual and based on the content and responsibility of the role as well as the individual's competence and experience in relation to the role held.

Annual incentive

Executive management has an annual incentive with quarterly measurement and payment. The annual incentive is structured as a variable component of the total cash remuneration package and is primarily related to the achievement of common group financial performance goals. The goals for the annual incentive are established annually by the Board so as to sustain the business strategy and objectives. Other measures, i.e. Key Performance Indicators, may be used to create focus on non-financial objectives of particular interest. The size of the annual incentive is dependent on the role held and may amount to between 30 and 100 percent of the fixed salary at target performance. At over-performance of financial and other quantitative goals the level of pay out against the annual incentive is capped at a maximum of 160 percent of target. The plan shall also contain a minimum performance level under which no bonus will be paid out.

In order to ensure long-term engagement, continued employment as well as competitive pay from an international perspective, the annual incentive may be complemented by an additional annual incentive with a deferred payment by 12–24 months. Deferred bonus is used selectively and is based on targets relating to current fiscal year. This deferred bonus requires continued employment until an agreed future date for any payment to be made. The deferred bonus should never exceed 50 percent of the normal annual incentive and shall in other aspects follow the group bonus plan.

Long-term incentive and share related incentive

In order to strengthen long-term thinking in decision making and ensure achievement of long-term objectives, the Board may selectively decide on other type of non-share price related long-term

Note 24 Wages, salaries, other remuneration and social security costs cont.

cash incentive programs. Potential remuneration in form of a long-term incentive should be in line with practice in each market and requires continued employment in the Group.

The Board also uses long-term incentives to reinforce a customer and shareholder perspective among executive and other management. On a yearly basis, the Board evaluates whether a share based long-term incentive program, e.g. in the form of an option program, should be proposed to the AGM.

Pension

Senior executives that are entitled to pension benefits should have defined contribution schemes. The pensionable age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guide line is that the size of pension contributions is based only on the fixed salary. Certain individual adjustments may occur based on market practice.

The previous President and Executive Director is entitled to request retirement from the age of 60 with remuneration corresponding to 70 percent of the base salary on the retirement date. The pension benefit is secured by insurance.

Other benefits

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

Notice periods and severance agreements

Elektä has a notice period to the President of 24 months while the President has a notice period of 8 months. In the event of certain more comprehensive ownership changes the President

is entitled to give 6 months notice within 120 days and then receive severance pay equal to 18 months employment including all employment benefits except company car and bonus.

Other senior executives have notice periods between 6 and 12 months. Severance agreements will in principle not be signed. In a redundancy situation, the current practice in the geographic market where the executive is resident will apply.

The previous President is entitled to severance pay of 3 years' salary, including pension benefits, other remuneration during a 3-4 year period and four times his annual bonus, calculated as the average bonus paid during the most recent 3 year period. In addition, the previous President is entitled to severance pay in the event of own notice of termination of employment as the result of certain more comprehensive ownership changes. This severance agreement is irrevocable.

Committees and decision process

During the year, Elektä's Executive Compensation Committee (ECC) provided the Board with recommendations regarding principles for formulating the Group's compensation system and remuneration to senior executives and senior managers. The recommendations covered formulation of the bonus system, distribution between fixed and variable remuneration as well as the size of any salary increases. The ECC also proposed criteria for assessing the performance of senior executives and senior managers. The Board has discussed the proposals from the ECC and made the proposal to the AGM based on the recommendation submitted. Elektä's ECC comprises the Chairman of the Board, one independent Director and one Board member employed at Elektä. The President Tomas Puusepp is present at the committee meetings. The Group Vice President Human Resources acts as the ECC secretary.

Note 25 Operating leasing

The year's leasing costs amounted to SEK 88 M (89).

Contracted leasing payments total SEK 87 M for the 2008/09 fiscal year, SEK 217 M for 2009/10-2012/13, and SEK 139 M for subsequent years.

Note 26 Fees and remunerations to auditors

SEK M	GROUP		PARENT COMPANY	
	2007/08	2006/07	2007/08	2006/07
Audit fees Deloitte	9	8	2	2
Other remunerations to Deloitte	5	2	5	1
Total fees and remunerations to auditors	14	10	7	3

Other remunerations are predominantly in areas closely related to audit such as accounting and tax as well as review in connection with acquisition.

Note 27 Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in notes 6, 8, 15, 19 and 20. These transactions are eliminated in consolidation. Sales to associated companies amounted to SEK 34 M (80). Purchases from associated companies amounted to SEK 43 M (23). Receivables from associated companies amounted to SEK 26 M (–) and liabilities to associated companies amounted to SEK 6 M (–). None of the Board members

or any of the senior executives has, or has had, any direct or indirect involvement in any business transactions between themselves and Elekta, which is or was unusual in character with regard to the terms and conditions. In addition to this, no other transactions with closely related persons occurred. Remunerations and benefits to key personnel in management positions are presented in note 24.

Note 28 Companies acquired

Company	Acquisition-date	Acquisition SEK M*	Goodwill SEK M	Acquired share %
3D Line Research and Development Srl	May 3, 2007	155	123	100
CMSI Holdings Corp.	March 4, 2008	376	378	100

* Acquisition price pertains to purchase price including acquisition costs and calculated earn-out for 3D Line. Assumed net debt is not included.

The above acquisitions are reported in the Board of Directors' Report on page 39. Acquired net assets and the impact on the Group's cash flow may be seen in the specification under the cash flow statement on page 48.

Appropriation of profit

Distributable shareholders' equity at the Parent Company:

Premium reserve	37,467,093 SEK
Retained earnings	48,870,720 SEK
Profit for the year	585,004,965 SEK
Total	671,342,778 SEK

The Board of Directors and the President propose:

to be distributed to the shareholders, a dividend of SEK 1.75 per share*	161,217,985 SEK
and that the remaining amount be carried forward	510,124,793 SEK
Total	671,342,778 SEK

*The total amount distributed can change up until the record date depending on the number of warrants utilized.

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

In making this proposal for dividend, the Board has taken into account the Company's dividend policy, solidity as well as general financial position, whereby the Company's ability to timely fulfill existing and foreseeable payment obligations as well as potential acquisitions and other investments.

The Board of Directors and the President certify that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and give a true and fair view of the position and profit or loss of the Company and the Group, and that the management report gives a fair review of the development and performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

STOCKHOLM, AUGUST 14, 2008


AKBAR SEDDIGH
Chairman of the Board

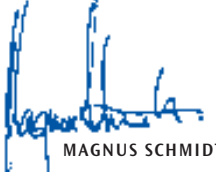

HANS BARELLA


TOMMY H KARLSSON


BIRGITTA STYMNE GÖRANSSON


LAURENT LEKSELL


CARL G. PALMSTIERNA


MAGNUS SCHMIDT


TOMAS PUUSEPP
President & CEO

Our audit report was submitted on August 14, 2008.

Deloitte AB

LARS SVANTEMARK
Authorized Public Accountant

Audit Report

To the Annual General Meeting of the shareholders of Elekta AB (publ),
corporate registration number 556170-4015.

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Elekta AB (publ) for the fiscal year from May 1, 2007 to April 30, 2008. The Company's annual accounts and the consolidated accounts are included in the printed version of this document on pages 36-69. The Board of Directors and the President are responsible for these accounts and the administration of the Company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the Company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

STOCKHOLM, AUGUST 14, 2008

Deloitte AB



LARS SVANTEMARK
Authorized Public Accountant

Corporate Governance 2007/08

Elekta AB is a publicly traded Swedish limited liability company that operates under Swedish law. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, the regulations for issuers of the Nordic Exchange in Stockholm and other relevant rules and guidelines. Elekta's internal code of conduct, as well as its mission, vision and values, form cornerstones for the internal corporate governance regulations.

The Swedish Code of Corporate Governance (the Code) is part of the rules of the Nordic Exchange to which Elekta has committed to adhere. As of July 1, 2008, a revised Code applies.

Elekta has implemented and follows the Code with the following comments/explanations:

- Elekta's Board of Directors has been informed that Elekta's Election Committee decided to appoint Laurent Leksell, who is a Board member, as Chairman of the Election Committee. This decision by the Election Committee was motivated by the fact that Laurent Leksell is a major shareholder and well suited to effectively lead the work of the Committee in order to achieve the best result for the company's shareholders.

- Laurent Leksell is a member of Elekta's Executive Compensation Committee and, due to his ownership and employment with Elekta, cannot be considered an independent Board member. The Board has motivated this deviation with that Laurent Leksell's long experience with remuneration and personnel issues from his time as President of the company motivates his continued participation in the Executive Compensation Committee.

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

Annual General Meeting

The shareholders' right of decision in Elekta AB's affairs is exercised at the Annual General Meeting (AGM). The AGM is held in Stockholm, Sweden in September. Notification of the AGM is published according to the rules of the Companies Act, not earlier than six and not later than four weeks in advance. All registered shareholders receive an invitation to the AGM together with a copy of the annual report.

To be able to participate in decisions, shareholders must be present at the AGM personally or via a representative. Shareholders may register to participate by mail, fax, telephone or e-mail. The language for the AGM is Swedish, and all documentation is available in Swedish and English. Matters considered at the AGM include dividend, adoption of the annual report, election of members of the Board of Directors as well as auditors if applicable, remuneration to the Board of Directors and auditors as well as other important issues resulting from laws or the articles of association.

Series A shares entitle the holder to ten votes, while Series B shares carry one vote. Decisions are normally taken by simple majority, with the exception of those instances when Swedish law requires a qualified majority. All relevant documentation for the AGM is made available at the Company's head office and on Elekta's website, www.elekta.com, in Swedish and English.

At the AGM on September 25, 2007, 253 voting entitled shareholders participated, representing 57.5 percent of the votes in the Company. For more information about 2007 Annual General Meeting please visit www.elekta.com.

Election Committee

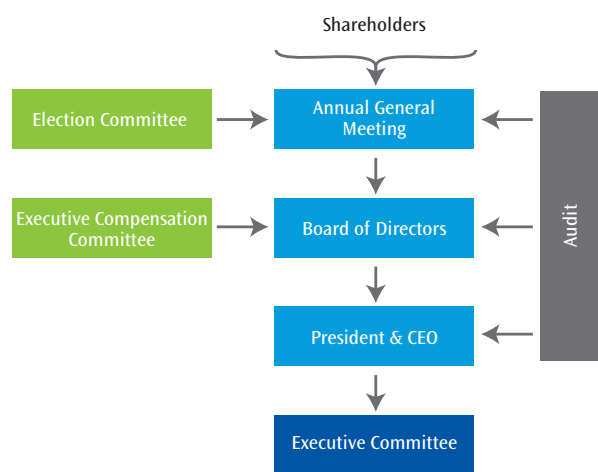
In accordance with a decision at the Annual General Meeting on September 25, 2007, Elekta's Chairman of the Board Akbar Seddigh in October contacted Elekta's largest shareholders for the purpose of forming an Election Committee. Shareholders that agreed to participate in the Election Committee work have, in turn, each nominated a representative.

The shareholders and representatives included on the Election Committee are:

- AFA Insurance – Anders Algotsson
- AMF Pension – Jan-Erik Erenius
- Orkla ASA – Ole E. Dahl
- Swedbank Robur Funds – Åsa Nisell
- Laurent Leksell

As of 30 June, 2008, these shareholders collectively represented more than 43 percent of the votes in Elekta AB.

Corporate Governance at Elekta



Corporate Governance 2007/08 cont.

The Election Committee appointed Laurent Leksell as Committee Chairman and has held six recorded meetings. The Committee has performed the duties for the Election Committee as set out in the Code and has thus had the assignment to prepare a proposal of Board of Directors to be presented to the Annual General Meeting for decision and to prepare other issues before the Meeting. Prior to the election process, an evaluation was conducted under the Chairman's leadership of the performance of all members of the Board of Directors. In addition, all Board members have also filled out a special evaluation form regarding Board work during the year. The result of this evaluation was then shared with the Election Committee and has formed the basis for the Election Committee's discussions.

Prior to the 2008 AGM, the Election Committee will submit proposals for meeting chairman, number of Board members, Chairman of the Board and Board members as well as auditors. The Election Committee will also submit proposals for remuneration to the chairman and other members, any Board committees and auditors. At the AGM, the Election Committee will also present a summary of the work performed in preparation for the 2008 AGM. The Election Committee's assignment is valid until a new Election Committee has been named.

No remuneration was paid by Elekta to the members of the Election Committee. Elekta has funded the activities of the Election Committee in the search for new Board members as requested by the Election Committee.

Board of Directors

Elekta's Board of Directors is elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, ensures an effective evaluation of operations and controls the Company's development and financial position. During the 2007/08 fiscal year, the Board of Directors consisted of seven members, who are presented on page 73. Six of the seven Board members are independent according to the definition of the Nordic Exchange Regulations, see the table on page 73.

During the 2007/08 fiscal year the Board held ten recorded meetings, of which three were so-called per capsulam meetings.

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Sunnyvale, California, to meet with local Elekta management and external advisors. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel acting as secretary. Board member attendance is detailed in a table on page 73.

Representatives from executive management and other managerial representatives have, during the year, regularly participated in Board meetings to report on issues relating to their respective areas. The Board has also had reviews with the auditors without the presence of management.

Working instructions for the Board

Within the Board of Directors, there is no special distribution of responsibility among Board members. Apart from the responsibilities assigned by the Swedish Companies Act, Elekta's articles of association and the Code, the work of the Board of Directors is regulated by its working instructions, which stipulate that the Board should:

- Hold at least five ordinary meetings in addition to the statutory meeting (if any)
- Establish finance and currency policies
- Approve budgets and similar long-term plans including investment budgets
- Consider matters regarding investments and similar measures in amounts over SEK 4 M if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of fixed property, shares or the acquisition of operations in another company
- Decide on the establishment and capitalization of subsidiaries
- Establish the terms of employment for the CEO
- Approve the annual accounts, Board of Directors' report and interim reports

At each ordinary Board meeting, the following items should be considered:

- A report on the Group's operations including financial management
- A report on extraordinary measures or events that were implemented or occurred between Board meetings
- Development of major projects and anticipated business events
- A report on existing or potential legal disputes that may have a significant impact on the Group's business

Significant decisions during the year

In addition to decisions on plans and strategies, continuous follow-up of business operations and approval of interim and year-end reports, the Board of Directors during the 2007/08 fiscal year decided on matters including:

- The acquisition of CMS
- Capital structure and share repurchase
- Issues relating to organization and planning for management succession
- Major R&D and product development programs

Board of Directors



AKBAR SEDDIGH

Chairman, born: 1943

Member of the Board since 1998

Holdings: 3,300 B shares

Graduate Chemist, Marketing Specialist

Other Board memberships:

Chairman of the Board: Hedson Technologies International AB, Pricer AB, Innovationsbron AB and Blekinge Tekniska Högskola

Member of the Board: Affärsstrategerna AB and Biolight International AB



HANS BARELLA

born: 1943

Member of the Board since 2003

Holdings: —

Former President and CEO of Philips Medical Systems

Other Board memberships:

Member of the Board: Senator Group Consultancy and Investment B.V.



TOMMY H KARLSSON

born: 1946

Member of the Board since 2001

Holdings: 1,650 B shares

International Management Consultant, MSc and B.A.

Other Board memberships:

Chairman of the Board: Amtico International Inc and U-POL Inc

Member of the Board: Aldata Solution Oyj



LAURENT LEKSELL

born: 1952

Member of the Board since 1972

Holdings: 3,562,500 A shares, 2,283,002 B shares (incl. via companies) and 98,239 employee options

Former President and CEO of Elekta AB, 1972-2005

Executive Director since 2005

MBA, PhD Economics

Other Board memberships:

Chairman of the Board: Stockholm's City Mission

Member of the Board: Ortivus AB, Karo Bio AB and Royal Institute of Fine Arts



CARL G. PALMSTIERNA

born: 1953

Member of the Board since 1993

Holdings: 140,031 B shares

Managing Partner ABG Sundal & Collier AB, MBA

Other Board memberships:

Chairman of the Board: Momail AB, Natural Fragrances of Sweden AB, Qbrick AB, Accumulate AB, Panopticon AB and MyFc AB

Member of the Board: Alltföräldrar AB, Bluefish Pharmaceutical AB, Squace AB, Chinsay AB, WeMind AB



MAGNUS SCHMIDT

born: 1940

Member of the Board since 1998

Holdings: 10,000 B shares

International Consultant, MBA

Other Board memberships:

Chairman of the Board: Upplands Motor AB, Einar Mattsson AB and Fastighets AB Stadshus

Member of the Board: Pricer AB



BIRGITTA STYMNE GÖRANSSON

born: 1957

Member of the Board since 2005

Holdings: 900 B shares

VD Semantix AB

MSc and MBA

Other Board memberships:

Chairman of the Board: Fryshuset Foundation and Kontakt East Holding AB

Member of the Board: Arcus AS, Lernia AB and Wavin

Attendance and remuneration for the Board of Directors in Elekta AB 2007/08

SEK 000s	Name	Independent ¹	Regular remuneration	Committee remuneration ²	Attendance
<i>Chairman:</i>	Akbar Seddigh	yes	520	60	10/10
<i>Members:</i>	Hans Barella	yes	260	—	10/10
	Tommy H Karlsson	yes	260	—	9/10
	Laurent Leksell	no	— ³	— ³	10/10
	Carl G. Palmstierna	yes	260	—	10/10
	Magnus Schmidt	yes	260	30	8/10
	Birgitta Stymne Göransson	yes	260	—	10/10
Total			1,820	90	

1. Independent in relation to company and management as well as to major shareholders

2. Remuneration to Chairman and member in Elekta's Executive Compensation Committee

3. No remuneration is paid to members of the Board who are employed by the Company

Corporate Governance 2007/08 cont.

Board of Directors remuneration

Remuneration to the Board of Directors is determined by the AGM and is paid to those Board members who are not Elekta employees. Elekta has implemented no share, or share price related, incentive program for Board members who do not hold employment with the company. Remuneration to the respective members is detailed in a table on page 73.

Executive Compensation Committee

Elekta's Executive Compensation Committee (ECC) is appointed by Elekta AB's Board of Directors and serves as a subcommittee to the Board. The purpose of the Committee is to provide clarity in the decision process for issues related to compensation of executive staff within Elekta as well as other incentive plans throughout the Elekta organization. The objective of the Committee is to achieve maximum shareholder and customer value through ensuring fairness and internal equality of the structure, scope and level of executive compensation in Elekta while maintaining market competitiveness.

The ECC during the year consisted of Chairman of the Board, Akbar Seddigh, who also was Chairman of the ECC, Board members Magnus Schmidt and Laurent Leksell. President and CEO Tomas Puusepp is present at the committee meetings and Group VP Human Resources serves as secretary.

The ECC provides the Board with recommendations regarding principles for formulating the Group's compensation system and remuneration to senior executives and senior managers. The recommendations cover formulation of the bonus system, distribution between fixed and variable remuneration as well as the level of salary increases for top management. The ECC also proposes criteria for assessing performance of senior executives and senior managers, which are discussed and decided by the Board. The entire Board decides on remuneration to the President.

Note 24, "Wages, salaries, other remuneration and social security costs," describes Elekta's outstanding share and share-related incentive programs in greater detail.

Auditing issues

In Elekta, all Board members have the commitment and competence to address auditing issues and the full Board deals with accounting and auditing issues at its regular meetings. Accordingly, Elekta's Board of Directors has not appointed a separate Audit Committee. At least at two meetings per year, the company's external auditors present their observations from the audit, report their views on management and control systems and discuss and report on the Group's accounting principles. In conjunction with these meetings, the Board also has time with the auditors without the presence of management. The Board also

evaluates auditing efforts and supports the Election Committee in its effort to produce suggestions regarding the election of external auditors and compensation for those external auditors.

Auditors

At the Annual General Meeting on September 21, 2004, Deloitte AB was elected as the auditor of Elekta until the 2008 AGM with Lars Svantemark as senior auditor. Normally, audi-



Auditor

LARS SVANTEMARK
born 1949
Authorized Public
Accountant,
Deloitte AB
Senior auditor since 2000

tors are elected every fourth year and the Election Committee will present a proposal for a new election of auditors and senior auditor at the AGM in September 2008. The previous election of auditor

was proposed by the Election Committee and preceded by a tender process. Deloitte AB has been the auditor of Elekta AB since the 2002 AGM.

Lars Svantemark, born 1949 and an authorized public accountant, has been senior auditor in Elekta AB since 2000. In addition to Elekta, Lars Svantemark's auditing assignments include Mekonomen, Oxford Flight Academy, Uniflex, Securitas Direct and CVC Capital Partners and he also has experience as auditor of Sandvik and Poolia. He has no auditing assignments in companies related to Elekta's major owners or its President. The auditors' fees during the fiscal year are reported in note 26.

President and CEO

The President/CEO is appointed by the Board of directors and shall oversee the operational management of Elekta in accordance with the guidelines and directions stated in law, the articles of association and the internal operating instructions. Operational management includes all measures that are not – considering the scope and nature of the company's operations – of an unusual nature or of major significance, or are expressly defined as being the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since 1 May, 2005. Born 1955, he has a total of 24 years of experience in the international medical technology market. Following studies in engineering and physics and management training at IMD in Lausanne, Switzerland, Tomas Puusepp held various positions at the Research Institute for Atomic Physics, Scanditronix and Ericsson before being employed by Elekta in 1988. Since then, he has held various management positions within the company, including head of Elekta's

President & CEO



TOMAS PUUSEPP

born: 1955

President & CEO

Employed since 1988

Holdings: 179,000 B shares,
98,250 employee options

Executive Committee



**JOSEPH
K. JACHINOWSKI**

born: 1955

Region North America

Employed since 2005
(founded IMPAC in 1990)
Holdings: 3,000 B shares
98,250 employee options



OLOF SANDÉN

born: 1962

Region Europe

Employed 1993-1995
and since 2002
Holdings: 8,953 B shares,
73,687 employee options



**GERRY
VAN OORTMARSEN**

born: 1943

Region Asia

Employed since 1997
Holdings: 222,713 B shares,
73,687 employee options



ÅSA HEDIN

born: 1962

**Neuro & Stereotactic
Systems**

Employed 1994-2000
and since 2007
Holdings: 177 B shares,
30,000 employee options



JOHAN SEDIHN

born: 1965

Oncology Systems

Employed since 1993
Holdings: 39,753 B shares,
73,687 employee options



JAMES P. HOEY

born: 1958

Software Systems

Employed since 2005
(founded IMPAC in 1990)
Holdings: 1,500 B shares,
73,687 employee options



IAN ALEXANDER

born: 1958

**Global Marketing
& Business Development**

Employed since 2008
Holdings: –



HÅKAN BERGSTRÖM

born: 1956

Finance & Control

Employed since 2001
Holdings: 35,013 B shares,
73,687 employee options



ÅSA THUNMAN

born: 1969

Corporate Office

Employed since 1999
Holdings: 11,253 B shares,
49,125 employee options

Corporate Governance 2007/08 cont.

neurosurgery operations, President of Elekta's subsidiary in North America and global head of Elekta's sales, marketing and service operations. Tomas Puusepp is member of the Board of Bactiguard AB, but has no further significant assignments outside Elekta. He has no shareholdings or ownership interests in companies with significant business relations with Elekta.

Executive Committee

During the fiscal year 2007/08, Elekta organized its operations with a strong functional focus with global areas of responsibility. On May 14, 2008, the organization was amended to its current form. Elekta's Executive Committee consists of the President/CEO and the managers of three business areas, three regions and corporate functions – a total of 10 members. The President oversees the work of the Executive Committee and makes decisions after consulting with those members. Executive Committee meetings are held one or two days each month. The meetings are often held in conjunction with visits to the Group's various units.

Details regarding remuneration for the President and Executive Committee are provided in note 24.

Financial reporting and information

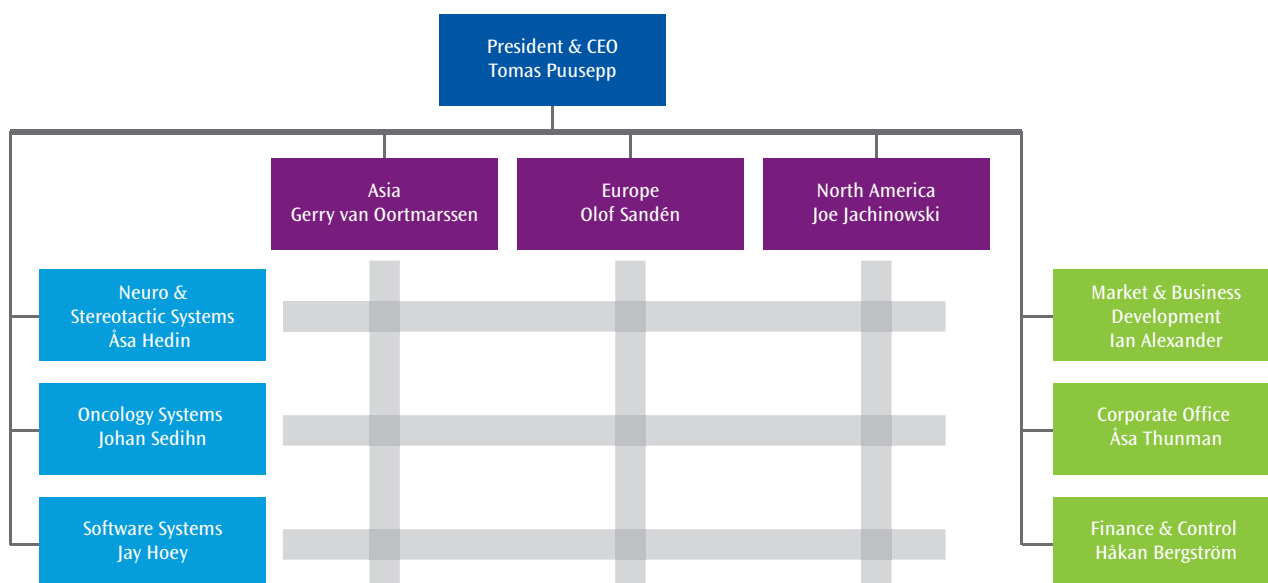
Elekta provides the market with continuous information regarding the company's development and financial position in accordance with the guidelines specified in the Board's financial information policy.

Financial information is published regularly in the form of:

- Interim reports
- Elekta's annual report
- Press releases on news and events that may significantly affect the company's valuation and future prospects. Elekta's policy is to disclose orders that are of strategic importance and/or have a value exceeding USD 10 M
- Presentations and telephone conferences for financial analysts, investors and media
- Capital markets days arranged by the company at one of its major units or in conjunction with major scientific conferences where Elekta is exhibiting
- Elekta's website - www.elekta.com - where the above information is made available

According to policy, Elekta has a "quiet period" of at least 30 days prior to each quarterly report, during which the company does not present at investor seminars or conduct one-on-one meetings, in person or over telephone.

Elekta's organization



The Board's description of the internal control system

In accordance with the revised code which applies from July 1, 2008, the Board of Directors is to submit an annual description on the company's system for internal control and risk management dealing with financial reporting. The following description has not been reviewed by Elekta's auditors.

Control environment

The control environment is the foundation for internal control. It establishes the culture in which Elekta operates and sets standards for corporate behavior. The control environment consists of documented guidelines, directives, manuals, and instructions that are communicated throughout the organization.

The Elekta Code of Conduct serves as an overall directive to ensure all employees understand the corporate responsibility regarding, for example, business ethics and fraud. The Code of Conduct is complemented with a series of documented directives including the Financial Guide, with Accounting and Financial Policy, and an Information policy.

Elekta maintains a Quality Management System which includes procedures, instructions, and templates for relevant processes. In order to comply with requirements that supervisory authorities have established for medical technology companies, Elekta works continuously with improving processes and quality.

The organizational structure is transparent with defined roles and responsibilities communicated throughout the organization with documented working instructions for the Board of Directors, Board Committees, CEO, and Elekta Subsidiary Presidents. Evaluation of performance on functional and departmental level is conducted to ensure relevant competency regarding financial reporting within the organization.

Information and communication

Key steering documents related to financial reporting are updated regularly and communicated to relevant personnel via the company's intranet, information letters, regular meetings etc. Elekta has established structures and channels to promote sound communication within the organization. For suspected violations of the Code of Conduct an anonymous communication line exists directly to the Corporate Social Responsibility Officer. Elekta has an information policy regarding communication with external parties and the financial market.

Risk assessment

The risk assessment process has the purpose to identify high risk areas within the business and controls needed to manage such risks. The risk assessment is performed by assessing the

risk level, from both a quantitative and qualitative perspective, on account level and corresponding processes where the risk for fraud is also considered. Further, risk assessments are performed during the strategic and tactical planning process where risk areas are addressed and relevant actions are designed to ensure that the identified risks are properly managed. Specific guidelines exist to support the risk assessment process related to IT projects and the IT environment.

Control activities

The control structures have been designed to manage risk that the Board and management consider to be significant for the business operations, legal and regulatory compliance and financial reporting. Defined decision-making procedures, incl. authorization instructions, have been established related to for example investments and agreements. In addition, analytical controls such as performance follow-up and trend analysis, reconciliations and, where appropriate, automated controls specifically related to financial reporting, have been established. Several control activities are integrated in key processes within the business, such as order booking and revenue recognition, investments, supplier contracts, and purchasing.

The IT structure is designed to mitigate potential IT related risks with controls in IT systems related to financial reporting.

Follow-up and monitoring

Each local President/CEO has the responsibility to ensure an adequate internal control structure within the respective legal entity and the local controllers are responsible for adhering to global policies and directives related to financial reporting and applying them to the local entity.

The function Quality and Regulatory Affairs has a key role in the monitoring process and systematically performs internal audits related to the Quality Management System. In addition to this, the internal control structure is monitored by separate functions within the organization in a decentralized manner, for example, the order committee conducts continuous follow-up on the order booking procedure.

The Board considers the current Quality & Regulatory Affairs function, together with the separate functions' follow-up activities, to cover Elekta's significant risk areas, which does not currently motivate the establishment of a separate internal audit function. However, the need for enhancing monitoring over the internal control related to financial reporting will be further evaluated during 2008/09.

Responsible business and operations

For a global company active in the healthcare sector, it is important that all operations are conducted in a manner that is socially, environmentally and financially responsible. Managers and employees in Elekta, as well as the company's external partners (suppliers, consultants, agents and distributors) are expected to adhere to strict ethical requirements, both professionally and personally in their work for and with Elekta.

The "Elekta Code of Conduct" describes the important fundamental principles that Elekta expects all employees and partners to follow and maintain in their work. The code is based on Elekta's vision, mission and values and constitutes an essential foundation in the work to create a strong and well-respected brand that supports a long-term and sustainable market presence and growth. The "Elekta Code of Conduct" is available on www.elekta.com.

The Elekta Code of Conduct in practice

Elekta works actively to ensure that the Elekta Code of Conduct is not merely a static document, but comprises a natural part of the daily work for all those working at or coming into contact with Elekta. During the fiscal year, Elekta has continued to arrange training sessions on the code as well as code related subjects of local interest at regular intervals in different parts of the organization.

Elekta will continue to train different parts of the organization at regular intervals, making sure that management is carrying and reinforcing the issues with all their staff regularly.

The work on including the Elekta Code of Conduct in existing partnership agreements has continued as old agreements are renewed or replaced. It is now part of all Group standard agreements for supplier as well as distributor relationships.

Follow-up and application within the Group

Bi-annually, Elekta conducts a survey to follow up how well the code is implemented in the daily work throughout the organization. The latest survey was conducted in 2005/06 and the next was scheduled to take place in the spring of 2008. In view of the recent acquisition of CMS and the ongoing work of implementing the code in that organization as well as the reorganization in May 2008, Elekta has decided to postpone the follow up survey to the fall of 2008.

Environmental responsibility

Elekta strives to be an environmentally responsible organization which complies with all environmental legislation relevant to its manufacturing facilities, products and its global market place. The company aims to continually reduce the environmental impact of the business; this is part of Elekta's commitment to contribute to a sustainable society and an essential part of maintaining business competitiveness.

Elekta continues to develop technical solutions under an environmentally conscious design process which assures compliance with regulatory requirements and leads to a reduction in the environmental impact of the product during manufacture, distribution, installation, use, maintenance and at end of life. For example, the linear accelerator range consumes less electrical power than similar equipment on the market contributing to lower cost of ownership. Additionally, Elekta has voluntarily replaced some manufacturing materials by others which are considered to be more environmentally friendly in an ongoing process. Elekta has made available to recyclers information to assist them protect the environment and achieve high levels of recycling efficiency.

New methodologies have been introduced to bring a finer focus on customer value and to identify and eliminate waste wherever it occurs. Successes include a reduction in the consumption of natural resources and energy, together with an increased efficiency in manufacture, distribution and installation. Practical examples include the elimination of some product packaging and a reduction in the component count.

It is reasonable to regard Elekta as a company with a minor environmental impact in relation to its size; nevertheless Elekta continues to strive to reduce the environmental impact of its business and products guided by an environmental management system.

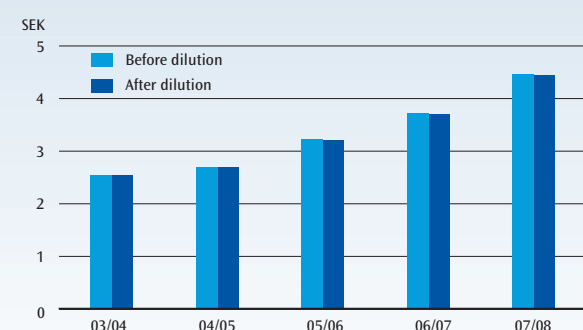
The Elekta share

As of June 30, 2008, Elekta's share capital amounts to SEK 187,675,926 distributed among 3,562,500 Series A shares and 89,275,463 Series B shares. One Series A share entitles the holder to ten votes and Series B shares to one vote each. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, Series A shares are subject to right of first refusal. All Series A shares are owned by Laurent Leksell. At a General Meeting, each shareholder is entitled to exercise unlimited voting rights on the full number of shares that he/she owns or represents.

Stock market trading

Elekta's Series B shares have been listed on the Nordic Exchange in Stockholm since 1994. Total trading in Elekta shares on the Nordic Exchange during the period May 1, 2007 – April 30, 2008 amounted to 178.0 million shares (122.6), corresponding to 198 percent (131) of the total number of shares.

Earnings per share*



* Statistics for 03/04 are not comparable.

The average number of shares traded each day during the period amounted to 709,212 (492,393). Market capitalization at April 30, 2008 amounted to SEK 9,546 M (11,071).

Changes in share capital until June 30, 2008

Year	Transaction	Total number of shares	Total share capital, SEK 000s
1994	New issue	7,397,180	36,986
1994	Exercise of warrants	7,897,180	39,486
1997	New issue	9,871,475	49,357
1997	New issue	10,497,451	52,487
1999	New issue	20,994,902	104,975
2000	Offset issue	27,853,617	139,268
2001	Conversion of debentures	31,661,867	158,309
2001	Exercise of warrants	31,678,867	158,394
2002	Exercise of warrants	32,175,142	160,876
2003	Exercise of warrants	32,953,967	164,770
2004	Redemption of shares	31,066,254	155,331
2004	Exercise of warrants	31,567,454	157,837
2005	Exercise of warrants	31,596,236	157,981
2005	Bonus issue	31,596,236	189,577
2005	Split 3:1	94,788,708	189,577
2005	Cancellation of repurchased shares	94,114,008	188,228
2005	Exercise of warrants	94,194,372	188,389
2006	Exercise of warrants	94,543,298	189,087
2007	Exercise of warrants	94,596,476	189,193
2007	Cancellation of repurchased shares	93,794,776	187,590
2008	Exercise of warrants	94,468,834	188,938
2008	Cancellation of repurchased shares	92,837,963	185,676

Major shareholders June 30, 2008

Owner	Number of shares	Percentage of votes	Percentage of capital
Laurent Leksell w/ companies	6,155,501	30.6	6.6
Swedbank Robur funds	7,678,499	6.1	8.3
Fidelity funds	4,550,795	3.7	4.9
Investor	4,425,000	3.6	4.8
Orkla ASA	3,416,600	2.7	3.7
Second AP Fund	3,081,540	2.5	3.3
AMF Pension funds	2,852,098	2.3	3.1
First AP Fund	2,527,050	2.0	2.7
SEB funds	2,434,804	1.9	2.6
AFA Insurance	1,870,761	1.5	2.0
Other	53,845,315	43.1	58.0
Total	92,837,963	100.0	100.0

The table above lists the 10 largest known shareholders in Elekta AB as of June 30, 2008. The proportion of foreign ownership was approximately 41 percent. Of these shares, 57 percent of holdings were held by trustees. As a result, it is possible that there are other large shareholders with undisclosed holdings, even if no foreign shareholders have "flagged" for holdings above 5 percent. The proportion of Swedish institutional ownership was approximately 23 percent.

Source: VPC AB

The Elekta share cont.

Dividend policy

Elekta's goal is to provide shareholders with a favorable return and value growth. The goal is to distribute 20 percent or more of net profit in the form of dividends, repurchase of shares or comparable measures. The dividend decisions are based on Elekta's financial position, earnings trend, growth potential and investment requirements.

For fiscal years 2005/06 and 2006/07 respectively, dividend together with share repurchases in the following years, has corresponded to 97 percent and 84 percent of net profit, in line with the company's ambition to create shareholder value.

In accordance with the company's dividend policy, the Board proposes a dividend of SEK 1.75 per share, corresponding to approx. SEK 161 M and 39 percent of net profit.

Option program

The general meeting of shareholders of 2004 resolved to adopt the Elekta AB 2004 Share Unit Plan ("the Plan"). The resolution meant that the conditions and the guidelines stated in the Plan shall be the framework for yearly grants

of stock options to key employees within the Elekta group during the period 2004/05 – 2006/07. For description of the Plan see note 24.

Final day for subscription of shares in warrants program 2004/2008 was July 31, 2008. During July, 237,900 Series B shares were subscribed. Employee options granted 2005 did not give right to any shares since set performance goals were not fulfilled. Employee options granted 2006 entitle to acquisition of 900,443 Series B shares.

The general meeting of shareholders of 2007 resolved to adopt the Elekta AB 2007 Share Unit Plan ("the Plan"). The resolution meant that the conditions and the guidelines stated in the Plan shall be the framework for yearly grants of stock options to key employees within the Elekta group during the period 2007/08 – 2009/10. For description of the Plan see note 24. There are 256,000 more outstanding warrants than outstanding employee options.

Outstanding warrants for program 2007/2012 entitle to acquisition of 1,808,500 Series B shares.

Distribution of shares June 30, 2008

Class of share	No. of shares	No. of votes	Percentage of capital votes	
Series A	3,562,500	35,625,000	3.8	28.5
Series B *	89,275,463	89,275,463	96.2	71.5
Total	92,837,963	124,900,463	100.0	100.0

* whereof 951,300 repurchased by Elekta.

Distribution of shares after full exercise of warrants

Class of share	No. of shares	No. of votes	Percentage of capital votes	
Series A	3,562,500	35,625,000	3.7	27.8
Series B	92,342,416	92,342,416	96.3	72.2
Total	95,904,916	127,967,416	100.0	100.0

Ownership structure June 30, 2008

Shareholding No. of shares	No. of share-holders	Percentage of share-holders	No. of shares	Percentage of share capital	Average number per shareholder
1 – 500	6,392	60.9	1,065,978	1.2	167
501 – 1,000	1,871	17.8	1,469,265	1.6	785
1,001 – 10,000	1,784	17.0	5,047,798	5.4	2,829
10,001 – 100,000	303	2.9	10,613,805	11.4	35,029
100,001 –	142	1.4	74,641,117	80.4	525,642
Total	10,492	100.0	92,837,963	100.0	8,848

Source VPC AB

Warrants program 2004/2008

Warrants	1,675,611
Outstanding warrants June 30, 2007	358,010
Subscription period	August 1, 2005 – July 31, 2008
Warrant price	SEK 3.00
Subscription price	SEK 62.20

Warrants program 2006/2010

Warrants	989,692
Outstanding warrants June 30, 2007	900,443
Subscription period	August 1, 2007 – July 31, 2010
Warrant price	SEK 7.00
Subscription price	SEK 145.00

Warrants program 2007/2012

Warrants	1,853,500
Outstanding warrants June 30, 2007	1,808,500
Subscription period	November 1, 2007 – July 31, 2012
Warrant price	SEK 5.90
Subscription price	SEK 118.10

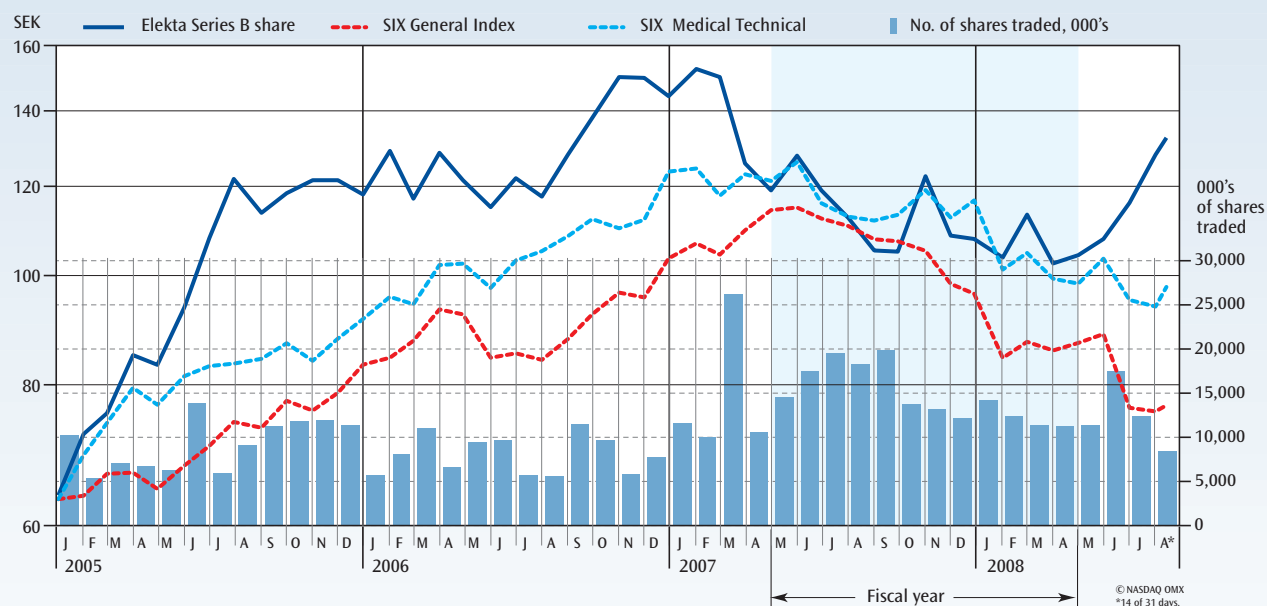
Data per share

	2003/04	2004/05	2004/05*	2005/06	2006/07	2007/08
Earnings per share						
before dilution, SEK	2.54	2.56	2.69	3.23	3.72	4.46
after dilution, SEK	2.54	2.56	2.69	3.21	3.70	4.44
Cash flow per share						
before dilution, SEK**	3.71	-11.09	-11.09	1.68	-1.14	-3.04
after dilution, SEK**	3.71	-11.06	-11.06	1.67	-1.14	-3.03
Shareholders' equity per share						
before dilution, SEK	15.16	17.80	18.02	19.80	19.96	19.70
after dilution, SEK	15.44	18.63	18.84	20.45	20.46	20.03
Dividend, SEK	—	2.20	2.20	1.00	1.00	1.75
Share price, Elekta Series B, April 30, SEK	45.50	83.33	83.33	121.50	119.00	104.25
Market capitalization, April 30, SEK M	4,241	7,836	7,836	11,461	11,071	9,546
Lowest share price, SEK	28.67	45.33	45.33	83.33	103.00	91.50
Highest share price, SEK	52.67	93.33	93.33	139.00	160.50	130.00
Average number of shares						
before dilution, 000's	97,756	93,991	93,991	94,136	93,698	92,199
after dilution, 000's	97,756	94,182	94,182	94,779	94,249	92,479
Number of shares, April 30						
before dilution, 000's	93,199	94,028	94,028	94,332	93,036	91,570
after dilution, 000's	93,199	95,703	95,703	95,689	94,072	92,245

* Restated according to IFRS.

**Excluding the acquisitions of IMPAC 2004/05 SEK 3.64 before dilution and SEK 3.63 after dilution, Medical Intelligence 2005/06 SEK 3.75 before dilution and SEK 3.72 after dilution, BMEI 2006/07 SEK 0.39 before and after dilution and 3D Line and CMS 2007/08 SEK 2.96 before dilution and SEK 2.95 after dilution. Dilution 2004/05, 2005/06, 2006/07 and 2007/08 refers to warrants program 2004/2008. All historical data restated for split 3:1 October 2005.

Share price trend

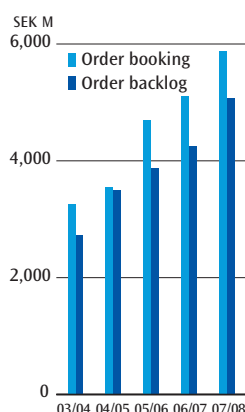


Five year review, key figures and definitions

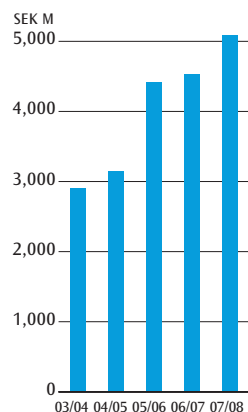
<i>Income statement</i> SEK M	2003/04	2004/05	2004/05*	2005/06	2006/07	2007/08
Net sales	2,900	3,152	3,152	4,421	4,525	5,081
Operating expenses	-2,594	-2,803	-2,788	-3,968	-4,016	-4,431
Operating result	306	349	364	453	509	650
Financial net	19	14	14	-9	-2	-26
Profit/loss after financial net	325	363	378	444	507	624
Taxes	-77	-122	-125	-140	-161	-218
Profit for the year	248	241	253	304	346	406
Attributable to Parent Company shareholders	248	241	253	304	348	411
Minority interest	—	—	—	—	-2	-5
<i>Cash flow</i> SEK M	2003/04	2004/05	2004/05*	2005/06	2006/07	2007/08
Operating flow	372	420	420	457	485	635
Changes in working capital	76	-12	-12	41	-335	-316
Cash flow from operating activities	448	408	408	498	150	319
Investments and divestments	-85	-1,450	-1,450	-340	-257	-599
Cash flow after investments	363	-1,042	-1,042	158	-107	-280
<i>Balance sheet</i> SEK M	Apr. 30, 2004	Apr. 30, 2005	Apr. 30, 2005*	Apr. 30, 2006	Apr. 30, 2007	Apr. 30, 2008
Intangible assets	372	1,887	1,912	2,182	2,198	2,659
Tangible fixed assets	134	189	189	230	252	226
Shares and long-term receivables	16	22	22	26	32	37
Deferred tax assets	84	36	36	38	14	14
Inventories	311	362	362	364	423	529
Receivables	1,008	1,234	1,234	1,463	1,953	2,455
Liquid funds	1,151	744	744	981	484	402
Total assets	3,076	4,474	4,499	5,284	5,356	6,322
Shareholders' equity	1,413	1,674	1,694	1,868	1,863	1,813
Interest-bearing liabilities	231	833	833	1,091	987	1,449
Interest-free liabilities	1,432	1,967	1,972	2,325	2,506	3,060
Total shareholders' equity and liabilities	3,076	4,474	4,499	5,284	5,356	6,322

*Restated according to IFRS.

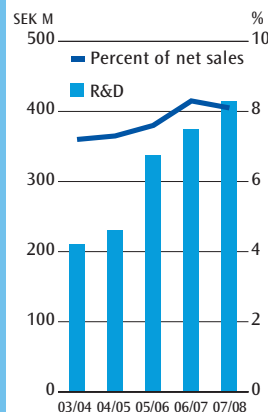
Order bookings and order backlog



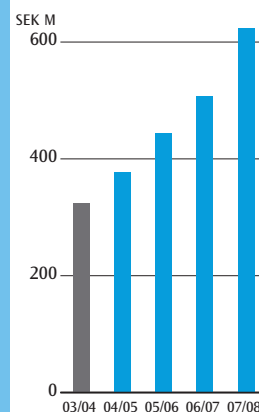
Net sales



Research and development



*Profit after financial items***



** Statistics for 03/04 are not comparable.

Key figures	2003/04	2004/05	2004/05*	2005/06	2006/07	2007/08
Order bookings, SEK M	3,262	3,558	3,558	4,705	5,102	5,882
Order backlog, SEK M	2,728	3,493	3,493	3,875	4,247	5,069
Operating margin, %	11	11	12	10	11	13
Profit margin, %	11	12	12	10	11	12
Shareholders' equity, SEK M	1,413	1,674	1,694	1,868	1,863	1,813
Capital employed, SEK M	1,644	2,507	2,527	2,959	2,850	3,262
Net debt, SEK M	-920	89	89	110	503	1,047
Equity/assets ratio, %	46	37	38	35	35	29
Net debt/equity ratio, multiple	-0.65	0.05	0.05	0.06	0.27	0.58
Interest cover ratio, multiple	21.6	24.8	25.7	8.4	8.2	9.2
Return on shareholders' equity, %	17	16	16	17	19	23
Return on capital employed, %	20	20	21	18	20	24
Capital turnover ratio, multiple	0.9	0.9	0.9	0.9	0.9	0.9
Investments in tangible and intangible fixed assets, SEK M	99	85	85	187	153	108
Depreciation, SEK M	-88	-106	-81	-171	-136	-176
Average number of employees	1,136	1,249	1,249	1,750	1,951	2,113

*Restated according to IFRS.

Definitions

Operating margin Operating profit in relation to net sales.

Profit margin Profit after financial items in relation to net sales.

Capital employed Total assets less interest-free liabilities.

Equity/assets ratio Shareholders' equity in relation to total assets.

Net debt Interest-bearing liabilities less liquid funds.

Net debt/equity ratio Net debt in relation to shareholders' equity.

Interest cover ratio Profit after financial items plus financial expenses in relation to financial expenses.

Return on shareholders' equity Net profit for the year attributable to Parent Company shareholders in relation to average shareholders' equity excluding minority interest.

Return on capital employed Profit after financial items plus financial expenses in relation to average capital employed.

Capital turnover ratio Net sales divided by average total assets.

Average number of employees Average number of employees based on normal working hours per year.

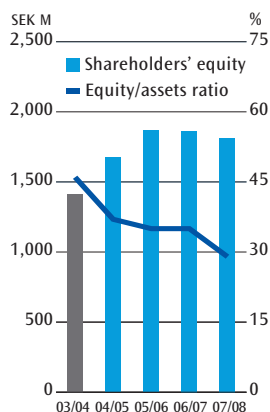
Value added per employee Operating profit plus salaries, wages, payroll expenses and IFRS 2 costs divided by average number of employees.

Earning per share Net profit for the year attributable to Parent Company shareholders in relation to the average number of shares.

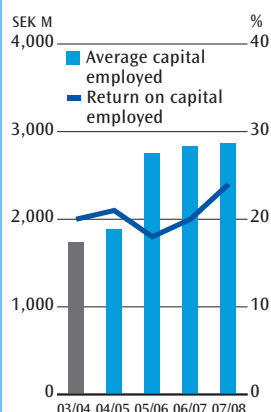
Cash flow per share Cash flows after investments in relation to the average number of shares.

Shareholders' equity per share Shareholders equity excluding minority interest in relation to the number of shares at year-end.

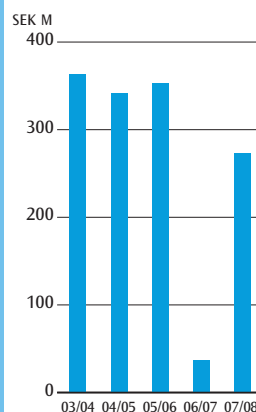
Shareholders' equity and equity/assets ratio**



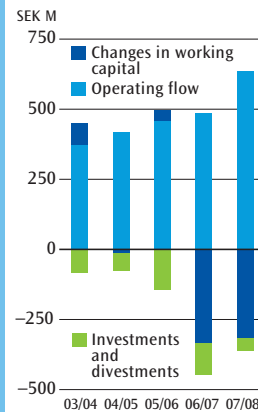
Capital employed and return on capital employed**



Cash flow after continuous investments



Cash flow after continuous investments



** Statistics for 03/04 are not comparable.

Elekta's history

1949	.....	Introduction of Leksell Stereotactic System® prototype.
1953	.....	First patient treated with a medical linear accelerator.
1968	.....	Introduction of first Leksell Gamma Knife® prototype for clinical research.
1972	.....	Elekta Instrument AB founded.
1983	.....	Elekta establishes first foreign subsidiary in the USA.
1986	.....	First commercial delivery of Leksell Gamma Knife®.
1990	.....	Delivery of first clinical multileaf collimator (MLC).
1994	.....	Elekta AB listed on the Stockholm Stock Exchange.
1997	.....	Elekta acquires Philips' radiation therapy division.
1998	.....	Introduction of Elekta Precise Solutions™ including a digital accelerator with integrated multileaf collimator.
1999	.....	Introduction of Leksell Gamma Knife® with Automatic Positioning System™.
2000	.....	Elekta starts production in China.
2002	.....	Elekta becomes the second largest supplier in the world of equipment for radiation treatment of cancer.
2003	.....	Introduction of Elekta Synergy®, the world's first solution for image guided radiation therapy (IGRT). Acquisition of Neuromag Oy.
2004	.....	Introduction of Leksell Gamma Knife® 4C and of new solutions for stereotactic radiation therapy.
2005	.....	Acquisition of IMPAC Medical Systems, Inc. Acquisition of Medical Intelligence Medizintechnik GmbH. Introduction of MOSAIQ® electronic medical record.
2006	.....	Acquisition (80 percent) of Beijing Medical Equipment Institute (BMEI). Introduction of Elekta Axesse™. Introduction of Leksell Gamma Knife® Perfexion™.
2007	.....	Acquisition of 3D Line Research and Development S.r.l.
2008	.....	Acquisition of CMSI Holdings Corp. Introduction of Elekta VMAT. Introduction of Elekta Compact™.

Information about Elekta's Annual General Meeting 2008

Shareholders in Elekta AB (publ) are invited to attend the Annual General Meeting to be held on Thursday, September 18, 2008, at 3:00 p.m. at Polstjärnan Konferens, Sveavägen 77, Stockholm.

Shareholders who wish to participate in the meeting must be listed in the register of shareholders maintained by VPC AB (the Swedish Securities Register Center) not later than Friday, September 12, 2008 and notify the company of their intent to participate in the meeting (including the number of any assistants) not later than Monday, September 15, 2008, at 4:00 p.m.

Notification of participation at the Annual General Meeting may be forwarded in writing to Elekta AB (publ), Attn: Investor Relations, Box 7593, SE-103 93 Stockholm, by telefax: +46 8 587 255 00, or by telephone +46 8 587 254 00. Notification can also be made by e-mail to ir@elekta.com. Notification forms are forwarded with the company's

Annual Report. In providing notification in any other manner, shareholders must state their name/company name, national registration/corporate registration number, address and the registered number of shares held. If participation will be based on power of attorney, the related documentation must be submitted at the same time as the notification. The form to be used for power of attorney documentation can be downloaded from the company's web site www.elekta.com.

Shareholders whose shares are registered in the names of nominees, through the trust department of a bank or other trustee, must temporarily re-register the shares in their own names in order to participate in the Annual General Meeting. Such re-registration must be completed not later than September 12, 2008, which means that shareholders in sufficient time prior to this date must instruct the nominee to carry out such action.

Glossary

Benign	The term benign is used when describing tumors or growths that do not threaten the health of an individual. Benign is the opposite of malignant.
Cancer	Uncontrolled, abnormal growth of cells.
Carcinoma	The most common type of cancer. Malignant cancer that arises from epithelial cells.
Chemotherapy	Treatment of cancer diseases with the aid of chemicals that eliminate diseased cells.
Computerized tomography (CT)	A radiological method of producing anatomical structures by means of layering, using computer technology.
Epilepsy	Disorder characterized by repeated, sudden disturbances of brain function.
Fraction	Part of the total radiation dose, delivered at a daily treatment.
Functional disorders	Diseases in the central nervous system.
Gamma Knife® surgery	Stereotactic radiosurgery with Leksell Gamma Knife®.
Gy (gray)	The unit for the energy absorbed from ionizing radiation, equal to one joule per kilogram.
IGRT	Image guided radiation therapy of cancer, where high precision and accuracy is achieved using high resolution three-dimensional X-ray images of the patient's soft tissues at the time of treatment.
IMRT	Intensity modulated radiation therapy of cancer, where instead of being treated with a single, large, uniform beam, the patient is treated with many very small beams; each of which can have a different intensity.
Invasive	A technique that penetrates the skin, skull, etc. The opposite of non-invasive (bloodless).
Linear accelerator	Equipment for generating and directing ionizing radiation for treatment of cancer.
Magnetoencephalograph (MEG)	Equipment for real time mapping of the function in different parts of the brain, by measuring the magnetic field generated by brain cells activity.
Metastases	Secondary malignant tumors originating from primary cancer tumors in other parts of the body.
Magnetic resonance imaging (MRI)	Measures the difference in liquid resonance content in various parts of the body with the aid of magnetic fields.
Malignant	A clinical term that is used to describe a clinical course that progresses rapidly to death. Can spread through metastases. Malignant is the opposite of benign.
Meningioma	Tumor of the central nervous system that develops from cells of the meninges, the membranes that cover and protect the brain and spinal cord.
Multileaf collimator	An accessory to the linear accelerator, working like an aperture. With a large number of individually adjustable metal leaves, the treatment beam can be shaped to the size and shape of the target volume.
Neurology	The study of the nervous system and its disorders.
Neurosurgery	Surgery of the brain or other parts of the central nervous system.
Oncology	The study of tumor diseases.
Pathology	The scientific study of the nature of disease and its causes, processes, development, and consequences.
Parkinson's disease	Paralysis, with trembling and shaking as well as muscular rigidity, with a change in movements and posture by the patient.
Radiation therapy	Fractionated ionizing radiation treatment of cancer.
Radiosurgery	Non-invasive surgery which a high, single dose of precise ionizing radiation replaces surgical instruments.
Stereotactic radiation therapy (SRT)	Radiation therapy of cancer, where high precision and accuracy is achieved by delivering the radiation based on an external fixed-coordinate system.
Stereotaxy	A technique in which a fixed-coordinate system can determine the location of a point by specifying the coordinates in terms of height, depth and laterally.
Trigeminal neuralgia	Chronic facial pain, emitting from the trigeminal facial nerve.
Volumetric intensity modulated arc therapy (VMAT)	Dynamic conformal delivery technique in which both collimator leaves and gantry move during radiotherapy.

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