



## **ELEKTA AB (publ)**

### **Report on operations for the fiscal year ended April 30, 2003**

- Operating profit improved sharply by SEK 116 M, corresponding to 56 percent, amounting to SEK 323 M (207). The operating margin improved to 12 percent (8).
- Cash flow after investments increased by SEK 175 M and amounted to SEK 288 M (113).
- Order bookings rose 9 percent to SEK 3,186 M (2,927) and 20 percent calculated on fixed exchange rates.
- Order backlog amounted to SEK 2,411 M at April 30, 2003 (2,317), all time high.
- Net sales were up 2 percent to SEK 2,781 M (2,738) and 12 percent calculated on fixed exchange rates.
- Earnings per share after dilution improved by 57 percent to SEK 7.14 (4.56).
- The Board has decided this year to propose to the Annual General Meeting that a redemption of shares be carried out valued at approximately SEK 320 M.
- The redemption proposal is made as a result of the Board's decision to establish a dividend policy, with the goal of distributing 20 percent or more of net profit in the form of dividends, share buybacks or comparable measures.

Despite the generally weak business climate, Elekta's operating profit improved sharply. The international healthcare market is developing positively and the demand for Elekta's products and treatment methods for cancer and neurological disorders remains strong.

Among other effects, an increasingly older population combined with better diagnostic methods has resulted in the number of cancer cases increasing. Every second cancer patient needs radiation treatment. Today, Elekta is the second largest supplier in the world of equipment for radiotherapy of cancer.

Effective treatment of tumors requires more and more high-precision radiation treatment. Elekta is a leading supplier of both radiosurgery with Leksell Gamma Knife<sup>®</sup> and solutions for high-precision radiation treatment, such as intensity modulated radiotherapy (IMRT). This treatment method enables the radiation dose to be more precisely adapted to the tumor's three-dimensional shape and specific radiation sensitivity, without healthy tissue being damaged.



The market has rapidly accepted IMRT as a clinically and economically efficient method for improved cancer care.

As a consequence of its ongoing product development, Elekta has a leading position within image guided radiotherapy (IGRT) and is the first and only supplier with systems in operation that integrated with linear accelerators deliver complete three-dimensional, high resolution X-ray images. These systems improve the possibilities to localize both tumors and critical organs with high reliability during radiotherapy.

The market opinion is that both IMRT and IGRT could dramatically improve treatment results as well as the patient's quality of life.

The need for non-invasive radiosurgery is growing. Today, some 240 people out of every million suffer from the type of brain diseases that are suitable for radiosurgery using Leksell Gamma Knife<sup>®</sup>. The areas of illness in which radiosurgery is rising sharply are certain metastases in the brain, and functional disorders. Radiation treatment using Leksell Gamma Knife<sup>®</sup> is characterized by the high quality of care provided and its cost-effectiveness, as well as being very gentle on the patient.

Elekta's most recently launched equipment for radiosurgery, Leksell Gamma Knife<sup>®</sup> C 1.2, has been well received on the market and customers will be able to upgrade to this latest model.

Through the acquisition of Neuromag Oy earlier this year, Elekta has complemented its product portfolio with equipment for registration of nerve cell activity with the help of magnetoencephalography (MEG). Among other applications, this technology is used to map the brain's functions and activity prior to neurosurgery and for localizing epileptic focus, the points from which epileptic attacks originate. The value of this form of examination is clinically established and the method has already been assigned its reimbursement level by authorities in the US.

### **Order bookings and order backlog**

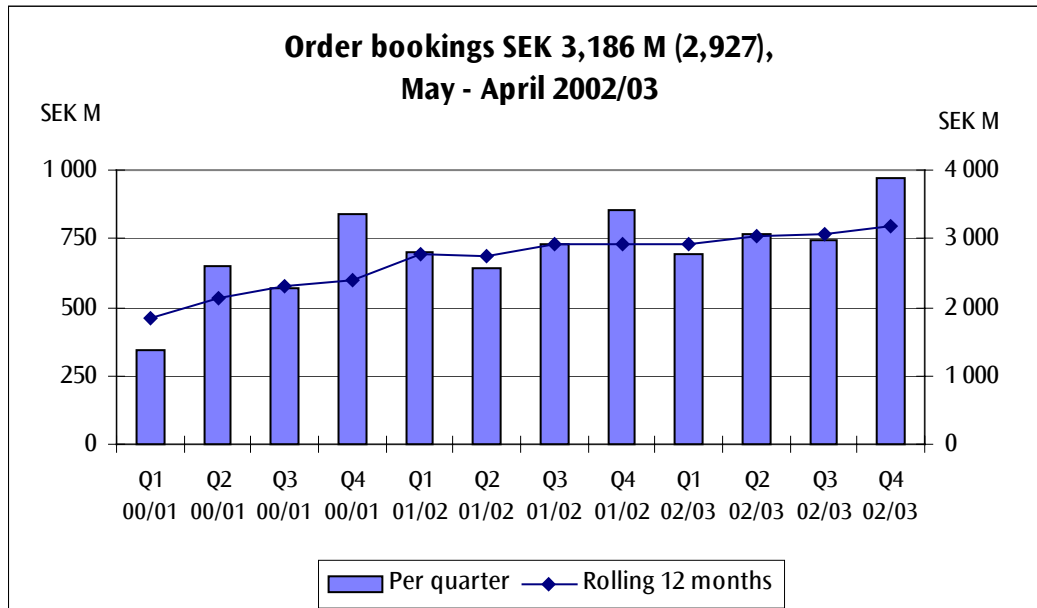
Order bookings rose 9 percent to SEK 3,186 M (2,927). At fixed exchange rates, the increase would have been 20 percent. Oncology products rose 13 percent to SEK 2,143 M (1,901) and neurosurgery products increased by 2 percent to SEK 1,043 M (1,026).

Order bookings during the fourth quarter amounted to SEK 974 M (851), an increase of 14 percent.

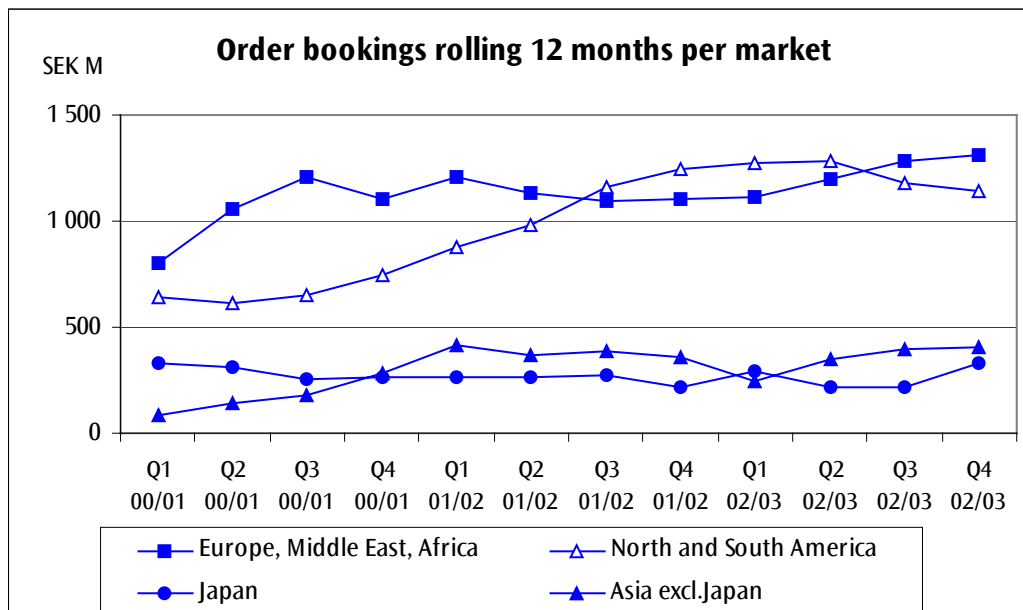
The value of Group order backlog rose despite the weakening of the US dollar. Order backlog amounted to SEK 2,411 M at April 30, 2003 (2,317).



**Order bookings SEK 3,186 M (2,927),  
May - April 2002/03**



| <b>Order bookings</b><br>SEK M | Quarter 4<br>2002/03 | Quarter 4<br>2001/02 | Change     | 12 months<br>2002/03 | 12 months<br>2001/02 | Change    |
|--------------------------------|----------------------|----------------------|------------|----------------------|----------------------|-----------|
| Europe, Middle East, Africa    | 302                  | 271                  | 11%        | 1310                 | 1107                 | 18%       |
| North and South America        | 381                  | 419                  | -9%        | 1141                 | 1247                 | -9%       |
| Japan                          | 187                  | 72                   | 160%       | 328                  | 217                  | 51%       |
| Asia excl. Japan               | 104                  | 89                   | 17%        | 407                  | 356                  | 14%       |
| <b>Group</b>                   | <b>974</b>           | <b>851</b>           | <b>14%</b> | <b>3186</b>          | <b>2927</b>          | <b>9%</b> |
| of which                       |                      |                      |            |                      |                      |           |
| Oncology                       | 560                  | 516                  | 9%         | 2143                 | 1901                 | 13%       |
| Neurosurgery                   | 414                  | 335                  | 24%        | 1043                 | 1026                 | 2%        |





## **Market comments**

### *Continued investment in cancer care in Europe*

Order bookings in the Europe region, including the Middle East and Africa, rose 18 percent to SEK 1,310 M (1,107). At fixed exchange rates, order bookings in Europe rose 22 percent. Order bookings for oncology products increased by 31 percent.

The European market for cancer radiotherapy equipment continued to develop positively. Several countries, including the Netherlands, the UK and France are continuing their investment programs for improved cancer care.

Within neurosurgery, the market in Europe continues to develop slowly, although advances are being made, including France, which has now ordered its second Leksell Gamma Knife<sup>®</sup> unit. It is being installed at a leading university hospital and is the first order since the French health authorities have now approved radiosurgery treatment with Leksell Gamma Knife<sup>®</sup>.

### *Stable demand in North America*

Order bookings in North and South America declined by 9 percent and amounted to SEK 1,141 M (1,247). At fixed exchange rates, order bookings for the region rose 6 percent. In US dollars order bookings for oncology rose 13 percent while neurosurgery decreased 2 percent.

The general economic situation in the US tends to prolong the decision processes, although the total market volume is not affected to any notable extent. The low interest rates facilitate investments in capital equipment.

The market for equipment for cancer radiotherapy is driven in the US largely by replacement sales and upgrading to linear accelerators equipped for IMRT. Competition is heavy and the market is driven by the desire to upgrade to the latest technology and the need for solutions for efficient care. Modern technology, IMRT and image-guided radiotherapy (IGRT), is attracting major market interest.

In the American market treatment methods with radiosurgery are well established. Elekta's products in radiosurgery as well as stereotaxy have a high reputation in the US and interest is great in the clinical application of Elekta's equipment for magneto encephalography (MEG). This method has already been assigned reimbursement levels.



### *Strong quarter in Japan*

Order bookings in Japan rose 51 percent compared with a year earlier to SEK 328 M (217). At fixed exchange rate, order bookings rose by 68 percent. Decisions on healthcare investments in Japan occur mainly in March/April every year.

The Japanese market continues to be characterized by the country's ever weak economic development. Financial problems in the healthcare sector is resulting in structural changes and revision of financing forms and reimbursement levels, although the market for treatment equipment is stronger than the diagnostic market.

Demand remains favorable within radiosurgery and Elekta's order bookings rose sharply with regard to new Leksell Gamma Knife<sup>®</sup> units as well as upgrades and reloads.

The market for equipment for radiation treatment of cancer is growing moderately despite the underlying need for additional linear accelerators being considerable in Japan.

The interest in equipment for magneto encephalography is high in Japan, with a number of leading research centers working on developing clinical methods and routines.

### *Continued strong demand in Asia*

Order bookings in Asia amounted to SEK 407 M (356), up 14 percent. At fixed exchange rates, order bookings rose by 31 percent.

The ongoing epidemic and the fear of SARS have had a strong impact on the entire economic climate in large parts of Asia. In infected areas, large healthcare resources are being allocated for the control and treatment of SARS. Planned treatments as well as procurement decisions tend to be delayed by one or a few quarters.

In the Asian market for equipment for radiotherapy of cancer, Elekta is noting successes. Demand for Elekta's equipment for neurosurgery is also strong. The need for additional equipment for treatment of tumors is very high and Elekta holds a strong position.

### **Net sales**

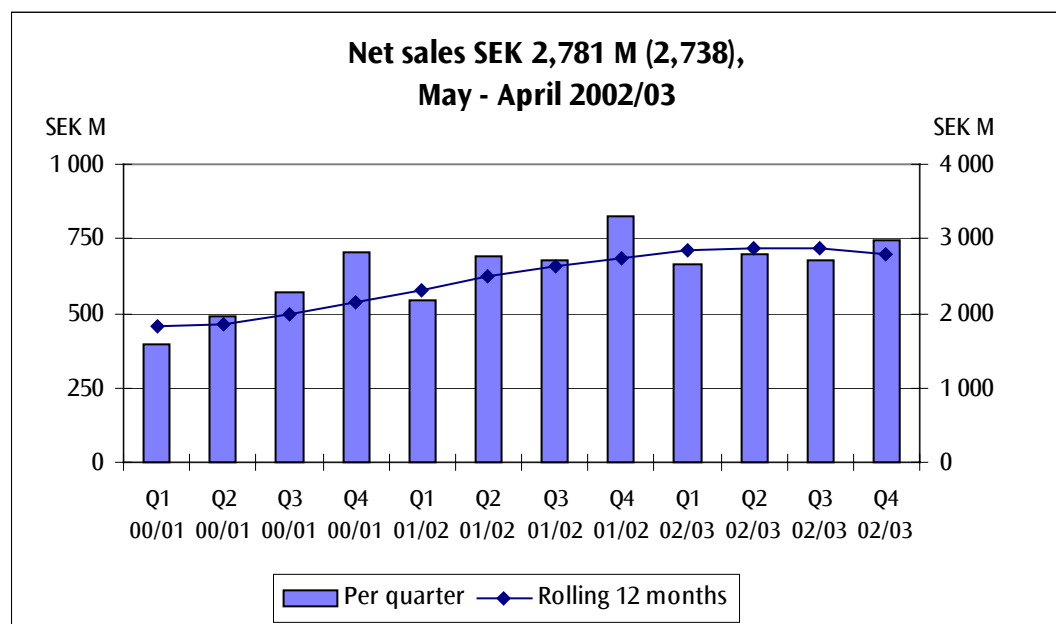
Group net sales rose 2 percent to SEK 2,781 M (2,738). Exchange-rate movements had a negative effect of about 9 percent. Net sales of oncology products



increased 5 percent to SEK 1,937 M (1,848) and declined 5 percent for neurosurgery products to SEK 844 M (890).

Net sales of after-market products and services increased 2 percent to SEK 791 M (778), and represented 28 percent (28) of consolidated net sales.

Net sales in the fourth quarter amounted to SEK 744 M (825).

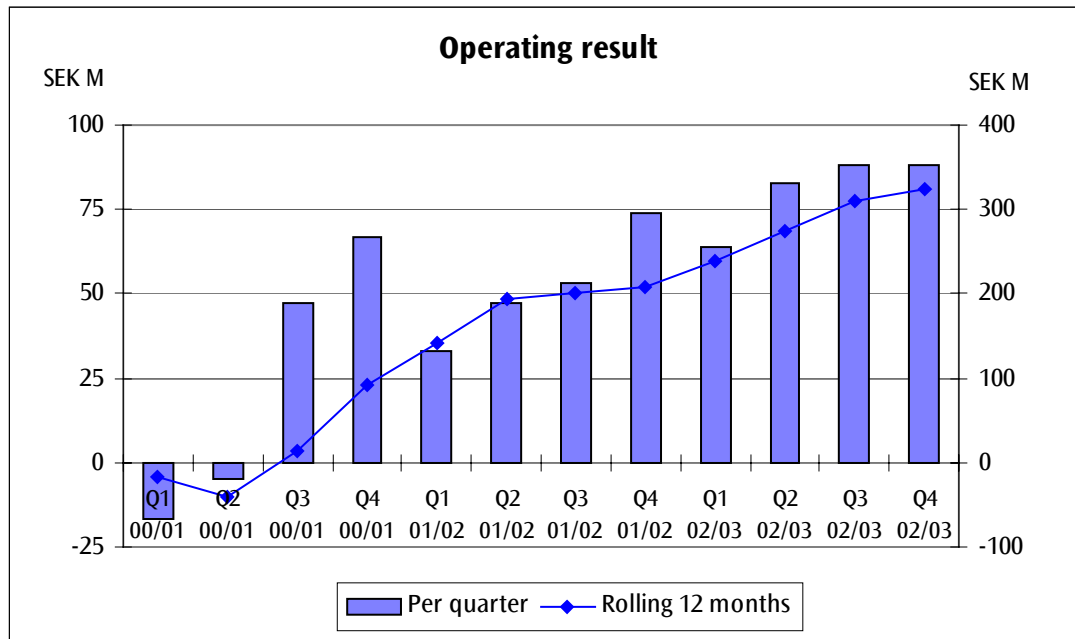


| <b>Net sales</b>            | Quarter 4  | Quarter 4  | Change      | 12 months   | 12 months   | Change    |
|-----------------------------|------------|------------|-------------|-------------|-------------|-----------|
| SEK M                       | 2002/03    | 2001/02    |             | 2002/03     | 2001/02     |           |
| Europe, Middle East, Africa | 239        | 360        | -34%        | 1019        | 1195        | -15%      |
| North and South America     | 313        | 306        | 2%          | 1160        | 877         | 32%       |
| Japan                       | 99         | 94         | 5%          | 224         | 303         | -26%      |
| Asia excl. Japan            | 93         | 65         | 43%         | 378         | 363         | 4%        |
| <b>Group</b>                | <b>744</b> | <b>825</b> | <b>-10%</b> | <b>2781</b> | <b>2738</b> | <b>2%</b> |
| of which                    |            |            |             |             |             |           |
| Oncology                    | 491        | 569        | -14%        | 1937        | 1848        | 5%        |
| Neurosurgery                | 253        | 256        | -1%         | 844         | 890         | -5%       |

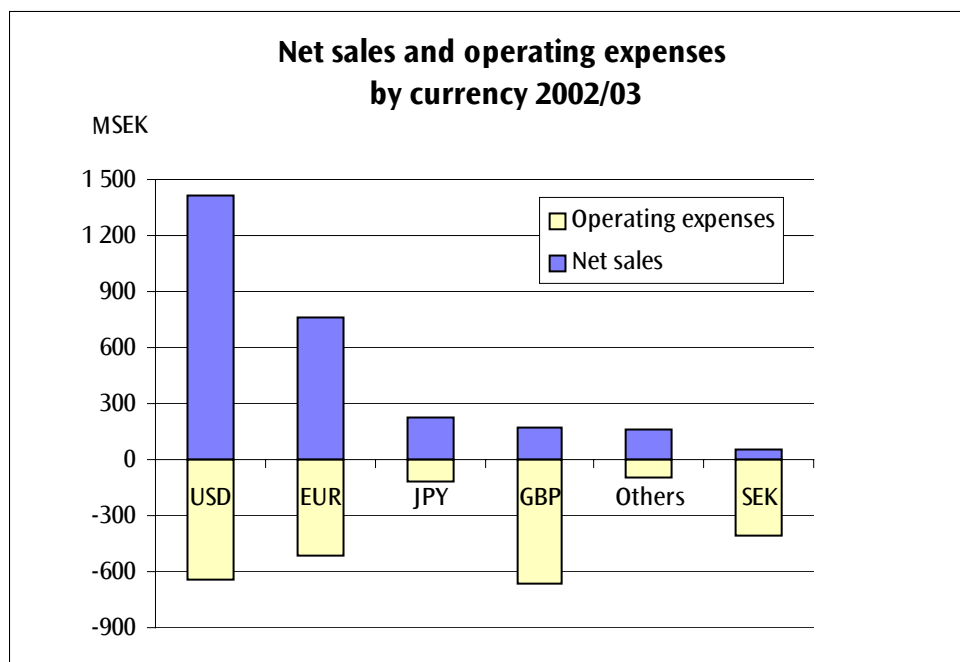


## Result

Operating profit improved 56 percent or SEK 116 M to SEK 323 M (207). The improvement was primarily attributable to increased volumes and improved productivity. The operating margin improved to 12 percent (8). Operating profit for the fourth quarter amounted to SEK 88 M (74).



The currency movements during the period impacted operating profit negatively in an amount of about SEK 9 M. Elekta hedges contracted net flows and part of expected net flow with forward contracts over a rolling 18-month period. At fixed exchange rates year-on-year, net sales would have increased by 12 percent and gross margin would have been unchanged at 38 percent.





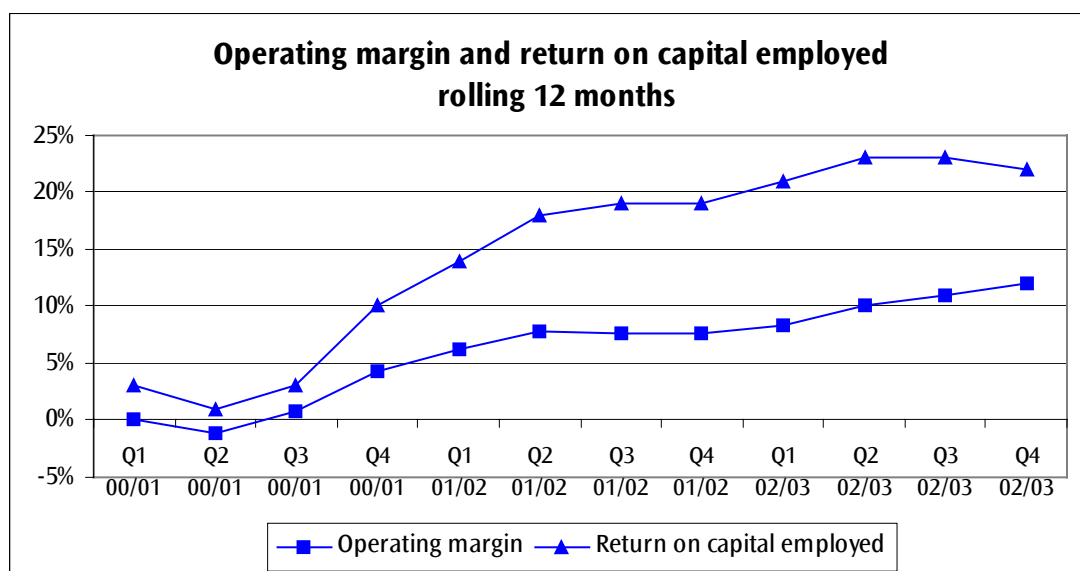
Investments in research and development increased 29 percent and amounted to SEK 185 M (144), corresponding to 7 percent (5) of net sales. In accordance with RR15, SEK 41 M (SEK 37 M after depreciation) was capitalized for specific projects, while the remainder was expensed. See accounting principles on page 11.

Net financial items amounted to an expense of SEK 6 M (income: 14). Net interest income was SEK 7 M (expense: 2). Earnings from participations in associated companies amounted to SEK 11 M (12), and foreign exchange differences totaled a loss of SEK 24 M (gain: 4), primarily from short-term inter-company loans.

Profit after net financial items improved 43 percent to SEK 317 M (221). Tax expenses have been calculated at SEK 88 M, corresponding to a rate of 28 percent and were affected positively through changes in tax legislation by about 6 percentage points. Profit after taxes improved to SEK 234 M (145).

Earnings per share improved by 56 percent and amounted to SEK 7.29 (4.66) before dilution and SEK 7.14 (4.56) after dilution.

Return on equity amounted to 17 percent (13) and return on capital employed was 22 percent (19).



## Investments and depreciation





Investments in intangible and tangible fixed assets amounted to SEK 78 M (32). Amortization/depreciation of intangible and tangible fixed assets totaled SEK 68 M (62).

### **Liquidity and financial position**

Cash flow before investments was strong and amounted to SEK 361 M (137). Cash flow after investments and divestments was SEK 288 M (113).

Liquid assets amounted to SEK 1,087 M (536). Of the bank balances held, SEK 78 M was pledged, primarily in the form of guarantees for customer advances received.

Interest-bearing liabilities amounted to SEK 252 M (35). In December, Elekta raised a long-term loan from NIB Nordic Investment Bank of USD 27 M to increase its freedom of action and to hedge net investments in the US.

The equity/assets ratio was 49 percent.

During the year, 491,175 new Series B shares were subscribed through exercising allotted warrants within the framework of the established warrants program. Total number of shares at May 22 amounts to 32,287,742.

### **Patent dispute**

In the ongoing patent dispute in the US, Elekta has appealed the ruling in the lower court and posted a surety bond of USD 25 million, corresponding to the damages awarded in the first instance. The parties' presentations in the higher court are now complete and the parties are awaiting the higher court ruling. No time limit has been given, but it could be up to a year or more before the final ruling is disclosed. Elekta's opinion of the possibilities of a ruling in Elekta's favor in the higher court remains unchanged.

In fiscal year 2001/02, Elekta reserved SEK 20 M for the estimated costs for the patent dispute during fiscal year 2002/03. SEK 2 M of this reserve remained at April 30, 2003. An additional provision of SEK 3 M has been made to cover costs in fiscal year 2003/04.

### **Acquisition of company**

In March, Elekta acquired the Finnish company Neuromag Oy, which develops and produces equipment for registration of nerve cell activity and analysis of the functions of the brain with the help of magneto encephalography (MEG). The purchase price was about EUR 5 M. The acquisition of Neuromag is expected to contribute positively to Elekta's earnings per share in fiscal year 2003/04.



## **Employees**

The average number of employees in the Group amounted to 1,011 (922). The number of employees at fiscal year-end was 1,073 (989).

## **Parent Company**

Parent Company operations comprise Group management, joint Group functions and financial management. The Parent Company's profit after net financial items amounted to SEK 11 M (53). Dividends from subsidiaries are included in the amount of SEK 53 M (80). The average number of employees was 15 (13).

After receiving approval by the district court to carry out a decision made at the Annual General Meeting of September 30, 2002, the share premium reserve was reduced by SEK 900 M through transfer to unrestricted reserves.

## **Future prospects**

Demand remains favorable for Elekta's products and services. Order backlog is high. The growth in Elekta's earnings will be affected adversely, mainly as a result of the weakening of the US dollar compared to the Swedish krona. Elekta's financial objectives for fiscal 2000/01 to 2003/04 remain unchanged. The objectives are for revenue growth 10-15 percent in local currencies and for operating margin 8-10 percent on a rolling 12-month basis. The operating margin for individual quarters can deviate from this objective. Return on capital employed should exceed 15 percent and equity/assets ratio should be over 40 percent.

Delivery volumes in the first half of 2003/04 and subsequently net sales will be lower than in the second half of 2003/04.

## **Dividend policy and proposal for share redemption**

The Board of Directors has decided to establish a dividend policy for Elekta.

Elekta's goal is to provide a favorable return and value growth to shareholders. The goal is to distribute 20 percent or more of net profit in the form of dividend, share buyback or comparable measures. The dividend policy is based on Elekta's financial position, expected profitability trend and growth potential as well as investment needs.

As a result of the dividend policy as well as the company's strong financial position and current capital structure, the Board has decided to propose to the Annual General Meeting no dividend for fiscal 2002/03 but a redemption of shares to be carried out at a value of approximately SEK 320 M.



## Annual General Meeting

The Annual General Meeting will be held on September 22, 2003 at 3:00 p.m. at the Finlandshuset Conference Center, Snickarbacken 4, Stockholm, Sweden.

## Financial information

The Annual Report 2002/03 will be available at Elekta, Birger Jarlsgatan 53, Stockholm, two weeks prior to the Annual General Meeting.

The three-month interim report will be issued on September 22, 2003.

Stockholm June 18, 2003

ELEKTA AB (publ)

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President

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Further information on Elekta is available at: [www.elekta.com](http://www.elekta.com)

### Accounting principles

Application of RR15, the Swedish Financial Accounting Standards Council's new recommendation regarding intangible assets resulted in a change of accounting principles for Elekta, which has previously expensed all research and development expenditures. Elekta's application of the new rules mean that very high demands are placed before any expenditure for development shall be reported as an asset. For example, the technical functionality of a new product must be proven before expenditures for this development are reported as an asset. The transition rules for this recommendation mean that no retroactive adjustment is made.

Otherwise, the accounting principles applied are the same as those used in Elekta's most recent year-end report. This interim report was prepared in accordance with Recommendation RR20 on Interim Reports, issued by the Swedish Financial Accounting Standards Council.

| Exchange rates |          | Average rate       |                    |        | Closing rate     |                  |        |
|----------------|----------|--------------------|--------------------|--------|------------------|------------------|--------|
| Country        | Currency | May-Apr<br>2002/03 | May-Apr<br>2001/02 | Change | April 30<br>2003 | April 30<br>2002 | Change |
| Euro           | 1 EUR    | 9,169              | 9,294              | -1%    | 9,115            | 9,228            | -1%    |
| Great Britain  | 1 GBP    | 14,145             | 15,062             | -6%    | 13,05            | 14,893           | -12%   |
| Japan          | 100 JPY  | 7,517              | 8,387              | -10%   | 6,86             | 7,985            | -14%   |
| United States  | 1 USD    | 9,096              | 10,516             | -14%   | 8,195            | 10,22            | -20%   |



## INCOME STATEMENT

| SEK M   | 3 months<br>Feb. - Apr.<br>2002/03 | 3 months<br>Feb. - Apr.<br>2001/02 | 12 months<br>May -Apr.<br>2002/03 | 12 months<br>May -Apr.<br>2001/02 |
|---|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Net sales   | 744                                | 825                                | 2,781                             | 2,738                             |
| Cost of products sold                                 | -461                               | -514                               | -1,758                            | -1,698                            |
| Gross income  | 283                                | 311                                | 1,023                             | 1,040                             |
| Selling expenses                                      | -98                                | -98                                | -356                              | -367                              |
| Administrative expenses                               | -80                                | -99                                | -285                              | -315                              |
| R&D expenses  | -49                                | -49                                | -148                              | -144                              |
| Exchange differences in operation                     | 32                                 | 9                                  | 89                                | -7                                |
| <b>Operating result</b>                               | <b>88</b>                          | <b>74</b>                          | <b>323</b>                        | <b>207</b>                        |
| Result from participations<br>in associated companies | 3                                  | 2                                  | 11                                | 12                                |
| Interest income                                       | 9                                  | 6                                  | 22                                | 17                                |
| Interest expenses                                     | -7                                 | -7                                 | -15                               | -19                               |
| Financial exchange differences                        | -12                                | 1                                  | -24                               | 4                                 |
| <b>Income after financial items</b>                   | <b>81</b>                          | <b>76</b>                          | <b>317</b>                        | <b>221</b>                        |
| Taxes   | -5                                 | -27                                | -88                               | -78                               |
| Minority  | 1                                  | 2                                  | 5                                 | 2                                 |
| <b>Net income</b>                                     | <b>77</b>                          | <b>51</b>                          | <b>234</b>                        | <b>145</b>                        |
| Earnings per share before dilution                    | 2.36                               | 1.62                               | 7.29                              | 4.66                              |
| Earnings per share after dilution                     | 2.32                               | 1.56                               | 7.14                              | 4.56                              |
| <b>CASH FLOW</b>                                      |                                    |                                    |                                   |                                   |
| Operating cash flow                                   | 79                                 | 81                                 | 315                               | 265                               |
| Change in working capital                             | 82                                 | 107                                | 46                                | -128                              |
| <b>Cash flow before investments</b>                   | <b>161</b>                         | <b>188</b>                         | <b>361</b>                        | <b>137</b>                        |
| Investments and disposals                             | -53                                | -14                                | -73                               | -24                               |
| <b>Cash flow after investments<br/>and disposals</b>  | <b>108</b>                         | <b>174</b>                         | <b>288</b>                        | <b>113</b>                        |
| External financing                                    | -10                                | -1                                 | 231                               | -10                               |
| Change in liquid assets                               | 150                                | 166                                | 551                               | 102                               |



## BALANCE SHEET

| SEK M   | April 30,<br>2003 | April 30,<br>2002 |
|---|-------------------|-------------------|
| Intangible fixed assets   | 408               | 388               |
| Tangible fixed assets   | 83                | 87                |
| Financial fixed assets  | 16                | 22                |
| Inventories   | 258               | 269               |
| Receivables   | 1,110             | 1,234             |
| Liquid assets   | 1,087             | 536               |
| <b>Total assets</b>   | <b>2,962</b>      | <b>2,536</b>      |
| Shareholders' equity  | 1,445             | 1,272             |
| Minority  | 0                 | 6                 |
| Provisions  | 110               | 90                |
| Other interest-bearing liabilities                                | 252               | 35                |
| Interest-free liabilities   | 1,155             | 1,133             |
| <b>Total shareholders' equity, provisions<br/>and liabilities</b> | <b>2,962</b>      | <b>2,536</b>      |

## CHANGES IN SHAREHOLDERS' EQUITY

| SEK M                                  | April 30,<br>2003 | April 30,<br>2002 |
|--|-------------------|-------------------|
| Opening balance                        | 1,272             | 678               |
| Changed accounting principles          |                   | 209               |
| Conversion of debentures               |                   | 229               |
| Option premiums and warrants exercised | 22                | 6                 |
| Translation differences                | -83               | 5                 |
| Net income                             | 234               | 145               |
| Closing balance                        | 1,445             | 1,272             |



## KEY FIGURES

|                                      | 12 months<br>May - Apr<br>1999/2000 | 12 months<br>May - Apr<br>2000/01 | 12 months 1)<br>May - Apr<br>2000/01 | 12 months<br>May - Apr<br>2001/02 | 12 months<br>May - Apr.<br>2002/03 |
|--------------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|------------------------------------|
| Order bookings, SEK M                | 1,877                               | 2,402                             | 2,402                                | 2,927                             | 3,186                              |
| Net sales, SEK M                     | 1,789                               | 2,160                             | 2,160                                | 2,738                             | 2,781                              |
| Items affecting comparability, SEK M | 19                                  |                                   |                                      |                                   |                                    |
| Operating result, SEK M              | -37                                 | 92                                | 92                                   | 207                               | 323                                |
| Operating margin                     | -2%                                 | 4%                                | 4%                                   | 8%                                | 12%                                |
| Profit margin                        | -4%                                 | 3%                                | 3%                                   | 8%                                | 11%                                |
| Shareholders' equity, SEK M          | 576                                 | 678                               | 887                                  | 1,272                             | 1,445                              |
| Capital employed, SEK M              | 905                                 | 959                               | 1,178                                | 1,313                             | 1,696                              |
| Equity/assets ratio                  | 31%                                 | 33%                               | 39%                                  | 50%                               | 49%                                |
| Return on shareholders' equity 2)    | -22%                                | 10%                               | 5%                                   | 13%                               | 17%                                |
| Return on capital employed 2)        | -3%                                 | 12%                               | 10%                                  | 19%                               | 22%                                |

1) Restated for new accounting principles for taxes.

2) Based on rolling 12 months.

## PER SHARE DATA

|                                  | 12 months<br>May - Apr<br>1999/2000 | 12 months<br>May - Apr<br>2000/01 | 12 months 1)<br>May - Apr<br>2000/01 | 12 months<br>May - Apr<br>2001/02 | 12 months<br>May - Apr.<br>2002/03 |
|----------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|------------------------------------|
| Earnings per share               |                                     |                                   |                                      |                                   |                                    |
| before dilution, SEK             | -4.24                               | 2.21                              | 1.52                                 | 4.66                              | 7.29                               |
| after dilution, SEK              | -1.17                               | 2.70                              | 1.89                                 | 4.56                              | 7.14                               |
| Cash flow per share              |                                     |                                   |                                      |                                   |                                    |
| before dilution, SEK             | 2.30                                | 8.11                              | 8.11                                 | 3.64                              | 8.99                               |
| after dilution, SEK              | 3.13                                | 7.90                              | 7.90                                 | 3.63                              | 8.81                               |
| Shareholders' equity per share   |                                     |                                   |                                      |                                   |                                    |
| before dilution, SEK             | 20.68                               | 24.33                             | 31.84                                | 40.03                             | 44.79                              |
| after dilution, SEK              | 24.90                               | 28.43                             | 35.03                                | 39.89                             | 44.58                              |
| Interest on converted debentures |                                     |                                   |                                      |                                   |                                    |
| net after tax, SEK M             | 45                                  | 24                                | 17                                   | 3                                 |                                    |
| Average number of shares         |                                     |                                   |                                      |                                   |                                    |
| before dilution, 000s            | 18,263                              | 27,854                            | 27,854                               | 31,048                            | 32,019                             |
| after dilution, 000s             | 27,787                              | 31,662                            | 31,662                               | 32,504                            | 32,694                             |
| Number of shares at closing      |                                     |                                   |                                      |                                   |                                    |
| before dilution, 000s            | 27,854                              | 27,854                            | 27,854                               | 31,765                            | 32,256                             |
| after dilution, 000s             | 31,662                              | 31,662                            | 31,662                               | 33,084                            | 32,988                             |

1) Restated for new accounting principles for taxes.

*The Company's auditors have not reviewed this interim report.*