



E L E K T A

ELEKTA AB (publ)

Interim report, May 1, - October 31,1999/2000

- An operating loss of SEK 37 M (loss: 43) was reported. Before items affecting comparability the operating loss was SEK 37 M (loss: 97).
- An operating profit of SEK 20 M was posted for the second quarter.
- Cash flow was positive for the fourth consecutive quarter.
- The sale of IGS and the related winding up measures is estimated to have a favorable impact in the order of SEK 20 M on profit during the third quarter.
- A new share issue with preferential rights for existing shareholders will be implemented during December 1999.
- An incentive program for senior executives is to be introduced in March 2000.

Elekta is a world-leading supplier of systems and clinical solutions for precise radiation of cancer and minimally invasive neurosurgical treatment of brain and spinal disorders. Elekta's treatment methods contribute to gentle and effective care, which improves clinical results, reduces complications and shortens the period of hospitalization.

Order bookings and order backlog

Order bookings for Gamma Knives remains strong in the US and Japan. A total of 6 (8) Gamma Knife orders were signed during the first half of the year. On a rolling 12-month basis, orders for 17 (16) Gamma Knives have been received. The order backlog at October 31, 1999 contained 21 Gamma Knife orders compared with SEK 23 orders on April 30, 1999.

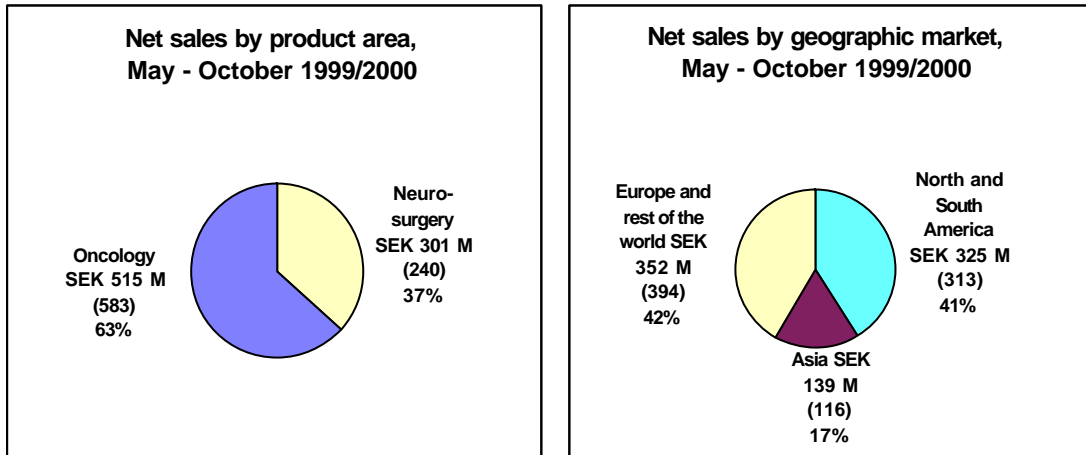
Order bookings for linear accelerators declined slightly, compared with the year-earlier period. The decline was the result of such factors as temporarily delayed purchases in the UK, while awaiting political decisions regarding new government subsidies within cancer care. Elekta strengthened its shares of the European market and the Group is the leading supplier in this market.

The Group's order backlog at October 31, 1999 was SEK 1,455 M, compared with SEK 1,539 M on April 30, 1999.

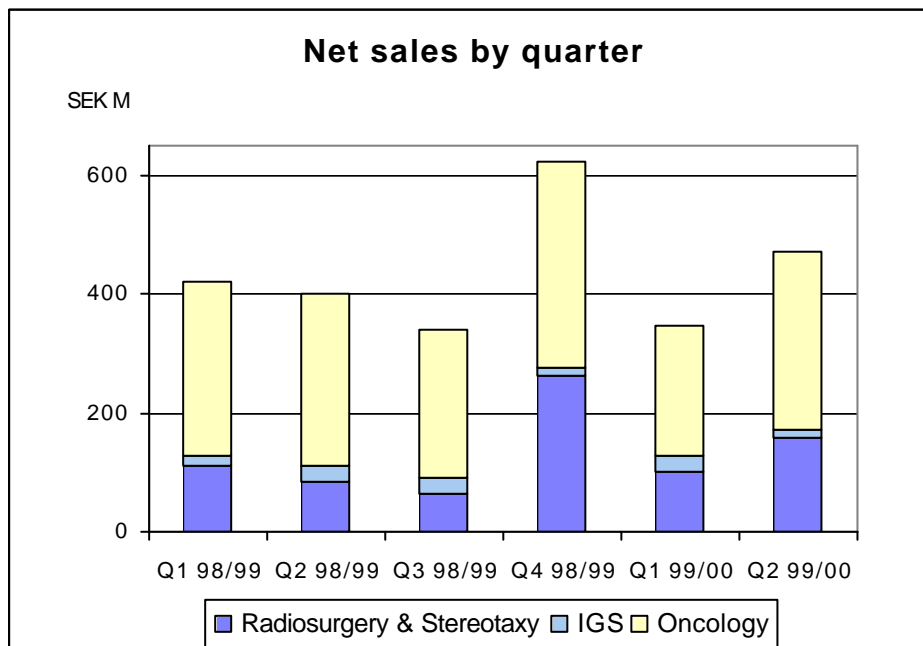
Net sales



The Group's net sales amounted to SEK 816 M (823). 8 (5) Gamma Knives were delivered during the first half of the year, while deliveries of linear accelerators was below the year-earlier level.



Net sales during the second quarter totaled SEK 471 M.



Result

An operating loss of SEK 37 M (loss: 43) was reported for the period. Excluding items affecting comparability, the operating loss was SEK 37 M (loss: 97), an improvement of SEK 60 M. The main reasons for the improvement were better gross margins and lower overhead costs.



The loss during the first half of the year was due mainly to IGS operations, for which SEK 25 M (57) was charged against profit.

An operating profit of SEK 20 M was reported for the second quarter. The improved result were mainly attributable to a high rate of delivery for both Gamma Knives and linear accelerators.

Strategically important investments in research and development during the first half of the year amounted to SEK 72 M (68). These investments are expensed on a current basis and corresponded to 9 percent (8) of net sales.

Net financial items amounted to an expense of SEK 21 M (expense: 23). Net interest items amounted to an expense of SEK 28 M (expense: 28), of which SEK 24 M resulted from the convertible debenture loan. Participations in associated companies resulted in profit of SEK 2 M (loss: 2) and financial exchange differences in a gain of SEK 5 M (loss: 7).

The loss before taxes was SEK 58 M (loss: 66) and the loss after taxes was SEK 61 M (loss: 73).

Net income per share amounted to a loss of SEK 5.82 (loss: 6.94) for the first half of the year.

Divestment and winding up of IGS

On November 17, 1999, Elekta signed an agreement regarding the sale of IGS operations. The purchaser was the US company Medtronic, Inc., a leading American medical technology company. The sales price was USD 11.75 M. The sale of IGS is estimated to generate a capital gain in the order of SEK 20 M taking into account the costs incurred for severance of personnel not transferred in the takeover and other expenses. IGS operations will result in operating losses in the order of SEK 10 M during the third quarter up to mid-December, when the transaction will be concluded.

Fixed assets and investments

Investments in intangible and tangible fixed assets amounted to SEK 0 M (1) and SEK 15 M (14), respectively.

Amortization/depreciation of intangible and tangible fixed assets amounted to SEK 16 M (24) and SEK 19 M (25), respectively.

Liquidity and financial position

Liquid assets at October 31, 1999 amounted to SEK 162 M compared with SEK 159 M on April 30, 1999.



During the second quarter, cash flow after investments was positive, mainly as a result of improved operating profit. This was the fourth consecutive quarter in which Elekta has shown a positive cash flow. In the prior quarters, the improvements had mainly been derived from a reduction in working capital.

Cash flow before investments and divestments amounted to SEK 44 M (neg: 206). Cash flow after investments and divestments amounted to SEK 30 M (170).

Net debt – interest-bearing liabilities less liquid assets – amounted to SEK 432 M at October 31, 1999, compared with SEK 442 M on April 30, 1999. The amount of SEK 432 M includes a convertible debenture loan in an amount of SEK 422 M. Liquid assets plus lines of credit granted but not utilized amounted to SEK 167 M at October 31, 1999, compared with SEK 160 M on April 30, 1999. A total of SEK 92 M (Apr. 30, 1999: 5) of the bank balances has been pledged to cover guarantees for customer advances received.

The Group's net debt/equity ratio was a multiple of 1.79 on October 31, 1999, compared with 1.41 on April 30, 1999.

New issue and offset issue

In order to strengthen Elekta's financial position, the Board of Directors proposed a new rights issue, which was approved by an Extraordinary General Meeting on November 17, 1999. At full subscription, the issue will contribute capital in an amount of approximately SEK 130 M for Elekta, after issue expenses.

On December 17, 1999, the Board of Directors intends to convene an Extraordinary General Meeting to be held on January 21, 2000, at which a proposed offset issue, for the offsetting of debt under Elekta's debenture loan 1998-2001 will be addressed. Holders of convertible debentures in Elekta will be offered the opportunity to offset a maximum of 50% of the outstanding debenture loan for newly issued Series B Elekta shares.

Employees

The average number of employees was 808 (862). The number of employees at the end of the period was 804, compared with 862 on April 30, 1999.

The Extraordinary General Meeting on November 17, 1999 also approved a resolution from the Board of Directors regarding an incentive program for senior executives. The aim is to promote the executives' involvement in the Elekta Group and heighten the incentive for favorable efforts for the Group. The program will be introduced in March 2000.

Parent Company



E L E K T A

The Parent Company's operations comprise Group management, shared Group functions and financial management. The Parent Company's loss after net financial items was SEK 57 M (loss: 16). The change between the periods was due to sales of shares in subsidiaries during the preceding year. The average number of employees was 14 (18).

Future prospects

The effects of restructuring measures have become noticeable in the form of lower operating expenses, increased productivity and a positive cash flow. This trend of improvement is expected to continue and result in improved earnings during the 1999/2000 fiscal year as a whole. The restructuring of operations continues and is expected to result in satisfactory profitability within two years.

Financial information

The nine-month interim report will be published on March 15, 2000.

Stockholm, December 14, 1999

ELEKTA AB (publ)

Laurent Leksell
President

For further information, please contact:

Lars Jonsteg, VP Corporate Relations, Elekta AB (publ). +46 8 587 254 82

More information about Elekta is available at www.elekta.com

Change in accounting principles

The production and sale of a new generation of the Gamma Knife has commenced. The new product generation, the C model, incorporates a higher degree of standardization, makes the sales process more uniform and reduces project lead-times. This means that the sale of the Gamma Knife to a less degree has the character of a unique project. As percentage-of-completion no longer is considered to reflect the income of recognition in a correct way, Elekta is now, in order to provide a more accurate recognition, switching over to income recognition on delivery. As a result, shareholders' equity at May 1, 1999 was reduced by SEK 224 M, which corresponds to the Gamma Knife projects that were recognized as income but which had not been delivered on April 30, 1999. To keep comparability all figures for the preceding year have been recalculated in accordance with the new principle.



ELEKTA

INCOME STATEMENT

SEK M	May - Oct 1999	May - Oct 1998	Nov - Oct 1998/99	May - April 1998/99
Net revenues	816	823	1,780	1,787
Operating expenses	- 781	- 852	-1,786	-1,857
R&D expenses	- 72	- 68	-156	-152
Items affecting comparability		54	-40	14
Operating loss	- 37	- 43	-202	-208
Financial net	- 21	- 23	-40	-42
Income before taxes	- 58	- 66	-242	-250
Taxes	- 3	- 7	-2	-6
Net income	- 61	- 73	-244	-256

CASH FLOW

Operating cash flow	-16	- 67	- 107	-157
Change in working capital	60	- 139	242	34
Cash flow before investments	44	-206	135	-123
Investments and disposals	-14	376	- 30	360
Cash flow after investments and disposals	30	170	105	237

BALANCE SHEET

SEK M	31 Oct 1999	31 Oct 1998	30 April 1999
Intangible fixed assets	448	519	465
Tangible fixed assets	82	89	88
Financial fixed assets	11	21	15
Inventories	292	302	265
Other current assets	724	960	879
Liquid assets	162	95	159
Total assets	1,719	1,986	1,871
Shareholders' equity	241	492	313
Provisions	77	161	100
Convertible debenture loan	422	403	412
Other interest-bearing liabilities	172	195	189
Interest-free liabilities	807	735	857
Total shareholders' equity, provisions and liabilities	1,719	1,986	1,871

Due to changed accounting principles in the Gamma Knife operations historical data have been recalculated to get comparability.



E L E K T A

KEY FIGURES

	6 months May - Oct 1998/99	9 months May - Jan 1998/99	12 months May - Apr 1998/99	3 months May - Jul 1999/2000	6 months May - Oct 1999/2000
Net revenues, SEK M	823	1,163	1,787	345	816
Items affecting comparability, SEK M	54	54	14		
Operating loss, SEK M	-43	-134	-208	-57	-37
Operating margin	-5%	-12%	-12%	-17%	-5%
Profit margin	-8%	-14%	-14%	-20%	-7%
Shareholders' equity, SEK M	492	370	313	232	241
Capital employed, SEK M	1,090	1,015	914	805	835
Net debt, SEK M	503	458	442	426	432
Equity/assets ratio	25%	19%	17%	13%	14%
Net debt/equity ratio	1.02	1.24	1.41	1.84	1.79
Return on shareholders' equity 1)			-56%	-74%	-74%
Return on capital employed 1)			-17%	-22%	-19%

PER SHARE DATA

	Q 2 1998/99	Q 3 1998/99	Q 4 1998/99	Q 1 1999/2000	Q 2 1999/2000
Net income					
before conversion, SEK	-3.49	-9.51	-7.90	-6.58	0.76
after full conversion, SEK	-1.51	-5.58	-4.62	-3.64	1.27
Shareholders' equity, SEK					
before conversion, SEK	46.91	35.21	29.86	22.10	22.93
after full conversion, SEK	57.09	49.56	46.29	41.40	42.26
Average number of shares					
before conversion (000s)	10,497	10,497	10,497	10,497	10,497
after full conversion (000s)	15,681	15,681	15,681	15,681	15,681
Number of shares at closing					
before conversion (000s)	10,497	10,497	10,497	10,497	10,497
after full conversion (000s)	15,681	15,681	15,681	15,681	15,681

1) Based on rolling 12 months.

Due to changed accounting principles in the Gamma Knife operations historical data have been recalculated to get comparability.

REVIEW REPORT

We have carried out a review of this interim report, in accordance with the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is significantly limited in comparison with an audit. Nothing has come to our attention which would indicate that the interim report does not meet with the requirements of the Swedish Securities Exchange and Clearing Operations and the Annual Accounts Acts.

Stockholm December 14, 1999
PricewaterhouseCoopers AB

Lennart Danielsson
Authorized Public Accountant

Ingvar Pramhäll
Authorized Public Accountant