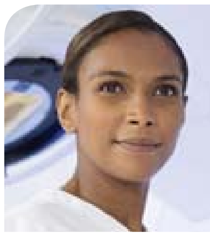
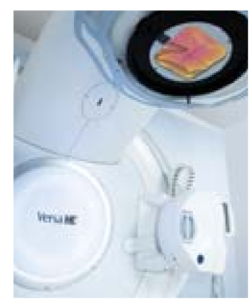
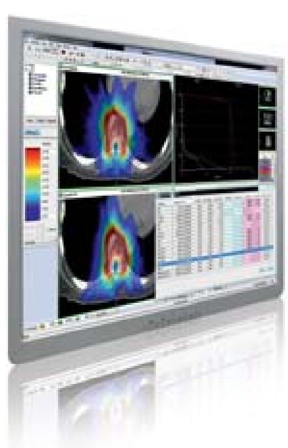
Elekta Annual Report 2012/13







Human Care Makes the Future Possible

ELEKTA

COMPANY PRESENTATION

FINANCIAL REPORTS

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.

Elekta *cares for life*

Elekta is a global human care company that develops and sells innovative clinical solutions for the treatment of cancer and brain disorders. Every year, about one million patients receive treatment aimed at improving, prolonging and saving lives with a solution employing one or more Elekta products.

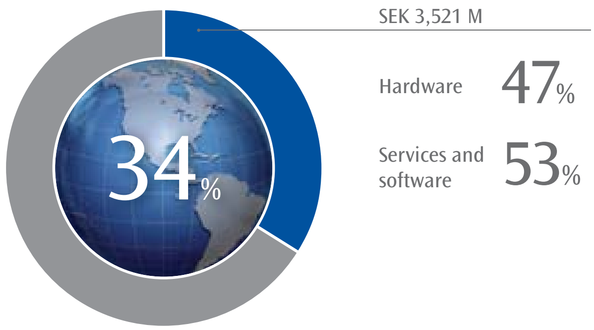
The Company offers and develops sophisticated systems for radiation therapy and radiosurgery, as well as software systems that enhance work-flow efficiency throughout the entire spectrum of cancer care.

Elekta's Series B-share is listed on NASDAQ OMX Stockholm.

NORTH AND SOUTH AMERICA

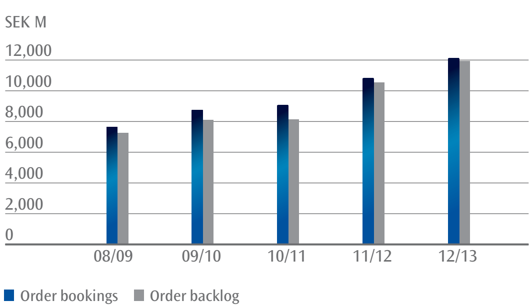
- The world's largest market for radiation therapy
- Elekta is the leader in software and brachytherapy and a rapidly growing number two in the market for linear accelerators
- Robust trend in North and South America during the year
- Order bookings rose by 9 percent

NET SALES

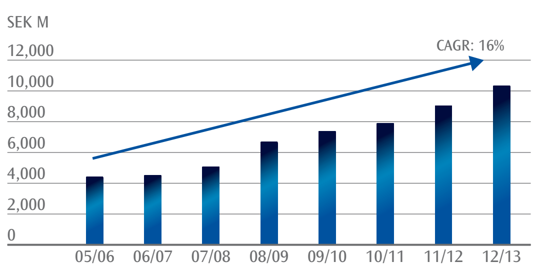


ELEKTA GROUP

Order bookings and order backlog



Net sales



PRODUCT AREAS

ELEKTA NEUROSCIENCE

Elekta Neuroscience develops solutions that are extremely accurate for the diagnosis and treatment of neurological diseases. Elekta's solutions within radiosurgery, stereotactic neurosurgery and magnetoencephalography are world leading and the Company has the world's largest installed base of stereotactic radiation treatment systems intended for neurological treatments.

ELEKTA ONCOLOGY

Elekta Oncology creates innovative clinical solutions for radiation therapy, such as linear accelerators, integrated imaging systems and clinical solutions for patient positioning and immobilization. Elekta is a leading supplier of image guided radiation therapy (IGRT) and the pioneer in volumetric modulated arc therapy (VMAT).

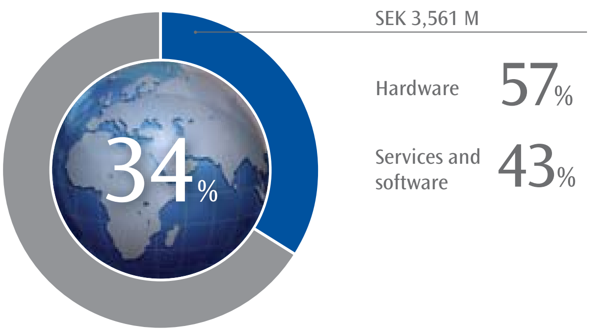
ELEKTA SERVICES

Elekta Services offers solutions that give Elekta's customers the greatest possible use of their cancer treatment solutions. The service offe

EUROPE, MIDDLE EAST AND AFRICA

- Elekta is the leader in all product areas
- The region continued to experience a good trend in both emerging and established markets
- Order bookings rose by 10 percent

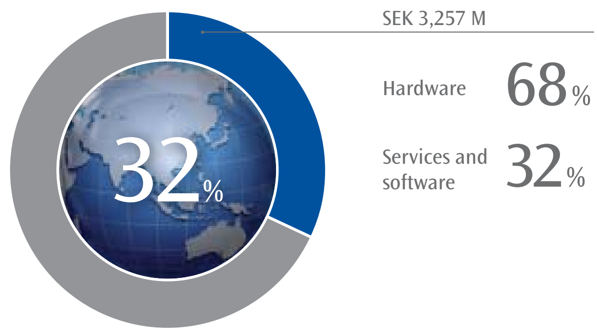
NET SALES



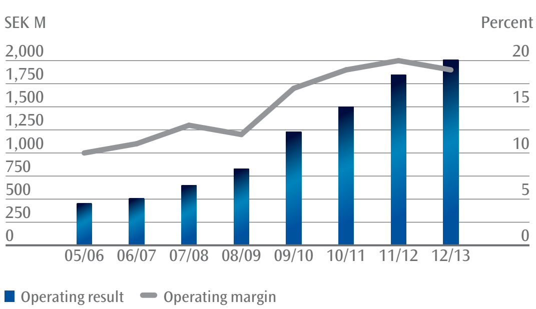
ASIA PACIFIC

- Cancer care in many countries is beginning to expand, which is why a large percentage of investments consists of new installations
- Elekta is the market leader in the region and China is now Elekta's second largest market
- Order bookings rose by 23 percent

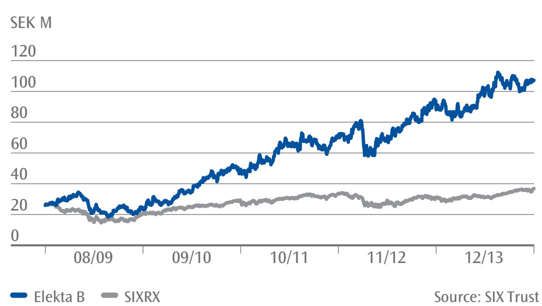
NET SALES



Operating result and operating margin



Total return



ELEKTA BRACHYTHERAPY

Elekta Brachytherapy is Elekta's newest product area and was created in 2011 through the acquisition of Nucletron. Elekta Brachytherapy is the world leader in cancer treatment based on internal radiation. Brachytherapy enables radiation treatment using effective high doses with an extremely high level of precision directly into or close to the tumor, which provides accuracy, short treatment times and spares surrounding tissue from unnecessary radiation.

ELEKTA SOFTWARE

Elekta Software creates an efficient clinical environment in which all activities related to patient care – from diagnosis and treatment to follow-up – are as streamlined as possible, giving clinicians more time to focus on patients. Elekta's open systems and vendor-neutral connectivity ensure cross-platform flexibility to integrate the most advanced and useful tools.

ring enables customer to shorten patient waiting times, change care routines, simplify workflows and increase efficiency at the entire clinic.

Highlights

Key figures

	2012/13	2011/12	Change
Order bookings, SEK M	12,117	10,815	11%
Net sales, SEK M	10,339	9,048	12%
Operating result, SEK M	2,012	1,849	8%
Operating margin, %	19%	20%	–5%
Profit for the year, SEK M	1,351	1,228	9%
Earnings per share before dilution, SEK	3.52	3.26	7%
Earnings per share after dilution, SEK	3.52	3.23	8%
Equity/Asset ratio, %	34%	33%	3%
Net debt/Equity ratio, multiple	0.36	0.53	–47%
Capital employed, SEK M	10,112	9,540	6%
Dividend, SEK	2.00[1)]	1.25	17%

1) Proposed dividend. Ordinary dividend SEK 1.50 and extraordinary dividend SEK 0.50.

October, 2012

Elekta – 40 years of innovation

Elekta celebrated 40 years as a pioneer and innovator in cancer care and the treatment of neurological diseases. With a global business, Professor Lars Leksell's objective of offering enhanced treatment methods that benefit more patients is more important than ever.

May, 2012

US Oncology Network adopts MOSAIQ as its standard

One of the largest networks of local oncologists in the US adopted Elekta's MOSAIQ® oncology information system as the standard for its clinics. MOSAIQ enables oncologists to share clinical work methods and introduce joint procedures.

Elekta's issue of convertible bonds is fully subscribed

The convertible bond issue with preferential rights for shareholders was fully subscribed and raised SEK 1.9 billion. The aim is to strengthen Elekta's financial and strategic maneuverability and to reduce its dependence on bank financing.

June, 2012

FDA approves Agility in the US

The Agility™ multileaf collimator received 510(k) clearance from the US Food and Drug Administration (FDA). Agility is an integrated part of the linear accelerator and enables high-precision formation even of high radiation doses.

Cont. June, 2012

Acquisition of Radon

Elekta acquired Radon Ltda, Brazil's leading linear accelerator servicing company. Elekta strengthened its market position substantially and became the leader in installation and aftermarket services in Brazil.

August, 2012

Record order in China

Elekta won an order from the People's Liberation Army in China. The order is valued at a total of USD 35 million and is Elekta's largest order ever in China. The order encompasses a host of clinical solutions, including Leksell Gamma Knife®, linear accelerators and associated software.

September, 2012

Share split

The Annual General Meeting resolved on a 4:1 split of the Company's shares, under which each existing share would be divided into four new shares.

October, 2012

Research consortium to develop MRI-guided radiation treatment system

Elekta and Philips Healthcare advanced on their joint program to integrate radiation treatment and magnetic resonance imaging (MRI) in a single treatment system. A global research consortium is being formed comprising leading cancer clinics and oncologists.

March, 2013

New level of cancer treatment with Versa HD

Elekta launches Versa HD™ – a new and advanced linear accelerator designed to offer patients better care and treatment for more types of cancer. Versa HD is an integrated treatment system that offers the versatility and flexibility required to meet the growing challenges posed by cancer care. In April, Versa HD received 510(k) clearance from the US Food and Drug Administration.

We represent the pioneering spirit *in modern cancer care*

When Lars Leksell developed stereotactic neurosurgery in 1949, his objective was to offer better treatment methods to more patients. Today, we continue to follow Professor Leksell's pioneering spirit and I can humbly say that we remain instilled with exactly the same fundamental approach.

A great deal of progress has been made during the year including some major technological advances. We brought MRI-guided radiation treatment from concept to prototype, and launched the Agility™ multileaf collimator and the Versa HD™ linear accelerator. These are not only the most advanced such products on the market, but also elevate radiation treatment to a new level with enhanced results and greater quality of life for patients, which is in line with Professor Leksell's objectives.

A substantial percentage of the world's population has either limited or no access to cancer diagnosis or care. Regardless of what we do, our focus is always on the patients, which is why we continue to expand our operations in countries in which people suffer unnecessarily. About one million patients were treated with Elekta's solutions this year – and the number will be twice that within a couple of years.

Challenge accepted

The growing number of cancer cases is a major problem for society. These cases largely stem from people living better lives. We live longer, and the older we become, the greater the risk is of being diagnosed with cancer. Continuous improvements in cancer treatment are allowing more people to live longer with their disease.

The challenges faced by global health care providers include the ability to continue to offer increasingly enhanced treatment to a greater number of patients and at a cost that is acceptable to society.

We have accepted this challenge. It is our mission and our distinct strategy to make cancer care available to more people. An increasing amount of clinical experience indicates that modern radiation therapy is both gentle on and valuable for patients, as well as being more cost effective. We are in fact paving the way for a greater potential for a cure.

Far from finished

Our successes are based on close cooperation with our users, who study the potential and advantages of Elekta's solutions for patients. Our research consortia have played a decisive role in all of the groundbreaking innovations that have become reality over time. The latest in the line of collaborative innovations is the development team that we established with Philips Healthcare to promote advancements in MRI-guided radiation treatment. During the year, a number of the world's leading cancer clinics and oncologists joined our partnership, which will now enter an even more intense phase. We will prevail in the battle against cancer. We will never be satisfied; we are in constant

We will prevail in the battle against cancer. We will never be satisfied; we are in constant motion and we will never rest.

motion and we will never rest. Accordingly, we are now increasing our investments in product development by more than 20 percent for next year to continue to offer patients the ultimate clinical solutions.

We are advancing the boundaries

We not only maintain close partnerships with our customers and users in the area of research and development, but also are increasingly involved in our customers' daily work. By observing their needs, we continue to integrate products and software to create a joint user interface.

Our efforts are reaping rewards, and not just for patients and society. The fiscal year 2012/13 was another record year. We strengthened our position in our established markets, and continued to advance our positions in emerging markets. We experienced strong growth in Asia, and China is now our second-largest market. Overall, we are growing faster than the market and Elekta has achieved a leading market position, favorable cash flow and a strong balance sheet.

Accordingly, our Board is proposing an increased dividend including an extraordinary dividend. The Board's intention is also to propose an extraordinary divident for the coming two years.

I have no doubt that Elekta will continue to lead the pioneering spirit in modern cancer care and in the treatment of neurological diseases. We are continuously advancing the boundaries of what is possible. This is our mission, and

together with our colleagues, users and shareholders, we will create the preconditions for enhanced care for more people. Everyone taking part in this journey has made an investment – each in their own way – in improving the lives of patients. We should all be incredibly proud of this – there is no doubt that Lars Leksell would have been.

Stockholm, August 1, 2013

Tomas Puusepp
President and CEO

Pioneer in *cancer care*

Elekta's commitment to innovation is constantly paving new paths and creating improvements in cancer care. A focus on patients and close collaboration with leading clinics and researchers generate groundbreaking advances in the form of more efficient, reliable and gentle cancer treatments, often at a reduced cost for health care systems.

We care for life

Mission

Our mission is to enhance patient and customer value by providing solutions that improve, prolong and save lives. Elekta is at the forefront of science and technology, delivering clinical advances and improved patient outcome. This applies to everything from the clinical solutions we deliver to an exact and adapted treatment, as well as systems that enable the gathering and efficient exchange of information.

Pioneer and partner in cancer care

Vision

Elekta's vision is to pioneer cutting-edge cancer care and become the number one partner for the entire spectrum of care in oncology and neurosurgery.

Products and solutions

Elekta's clinical solutions and information systems are developed in close cooperation with customers and partners who are active in research and advanced product development. Through these initiatives, Elekta contributes to more efficient and gentler treatment alternatives for the patient with less need for hospitalization, which in turn also reduces costs for health care systems.

Elekta has four product areas: *Elekta Neuroscience*, *Elekta Oncology*, *Elekta Brachytherapy* and *Elekta Software*. Each product area focuses on specific medical technology needs and clinical solutions with an essentially shared technology base and expertise structure.

Elekta's operations are divided into three geographic regions:

- North and South America
- Europe, Middle East and Africa
- Asia Pacific

Business model

Elekta sells equipment and software primarily to hospitals and academic institutions, as well as specialist and satellite clinics worldwide. Elekta has two sources of revenue: sales of hardware and sales of services and software. The latter comprises recurring revenue through, for example, aftermarket services, updated software and service components. In the 2012/13 fiscal year, hardware accounted for about 57 percent of overall sales, while services and software comprised approximately 43 percent. Elekta has a stable revenue base with about 6,000 customers. Sales are mainly conducted through the proprietary sales organization.

Our *values*

Elekta's decentralized organization and decision processes give each manager and employee considerable scope in making decisions regarding his or her work. While this implies a large degree of freedom, it also places substantial demands on Elekta's employees. The five Elekta Values function as support for decision-making and as general guidelines in our daily internal and external work.

Long-term relationships

Elekta is renowned for building truly collaborative and long-term relationships with its customers. We see our customers as much more than partners and these relationships have yielded the breakthroughs that have transformed and continue to transform treatment and practice. These relationships are very much part of how and why we are delivering solutions that redefine clinical care and improve the future of cancer care.

Trust and responsibility

Trust is something that is hard earned and yet so easily lost. Without responsibility there is no trust, and without trust we cannot build the long-term relationships that drive our collaborations and research. For Elekta, demonstrating our commitment to the very highest level of service and customer care is about a shared responsibility and a trust we will deliver – to our colleagues and our customers.

Resourcefulness

Elekta's pioneering spirit has enabled the Company to push the boundaries of what is possible. Making the most of our resources – whether time, money or simply human endeavor – is key to our competitiveness and the impact of our clinical advances.

Responsiveness

Whether it is the continous refinement of our solutions to benefit patients and providers, the service promise we make to all our customers, or the collaborations and partnerships we build internally and externally, speed and flexibility of response have been integral in building Elekta's reputation for excellence in the marketplace.

Creativity

Elekta's creative spirit lies at the core of our research and development strategy, the way we do business, and how we work with our customers to forge the relationships that yield the paradigm shifts in treatment and care.

Growth with a *focus on patients*

As a pioneer in cancer care and brain disorders, Elekta is continuously defining what is possible. By integrating our products and software, focusing on disease-specific solutions and keeping the patient at the forefront of everything we do, Elekta will continue to lead our industry.

Drivers for growth

Growth is a key element of Elekta's strategy. Several factors are driving a greater need for Elekta's solutions. Most countries are experiencing increased demand for quality cancer care. The reasons include a growing population and increased life expectancy, which lead to more individuals developing age-related diseases such as cancer. The enhanced ability to discover cancer at an earlier stage and more advanced treatment techniques have increased the survival rate. A result is that patients often live longer with cancer, which results in greater demand for remedial treatments.

Increased prosperity and better informed citizens also result in higher requirements for access to the best possible treatment methods and medication. For care providers, both private and public, this trend creates a need to reduce costs per treatment and to enhance efficiency.

1. Intense focus on research and development

Elekta's ambitious R&D organization aims to make improvements for patients and strengthen and develop the Company's position as a leading supplier in its market and product areas. The impact that research has on improving cancer care is reflected in growing R&D investment, which amounted to SEK 894 M, or 9 percent of net sales in the past fiscal year. Product development is largely performed in collaboration with users at leading universities and hospitals.

2. Partnerships with leading institutions

Elekta is engaged in continuous dialogues with treatment personnel, research institutions and leading experts at cancer institutions worldwide to discuss new treatment methods and to determine what is required to improve quality and efficiency in the care sector. These types of partnerships have resulted in the development of many of Elekta's most important treatment solutions.

Within the framework of its partnerships with the research community, Elekta also enables oncologists, surgeons and physicists across the world to exchange information, experiences and research results through its participation in and financing of a number of associations and user groups. These partnerships set the standard for the rest of the market and provide an exceedingly strong and confidence-inspiring reference base.

3. Acquisitions and geographical expansion

Elekta endeavors to establish an early presence in emerging markets. Most countries in emerging markets are experiencing a trend similar to the one experienced by more advanced industrial nations. Economic growth combined with greater prosperity, a longer average life expectancy and improved diagnostic abilities of such diseases as cancer, are increasing the demand for advanced health care. As a result of early establishment and a strong position in these markets, Elekta expects to be able to secure a significant share of this rising demand.

DRIVERS

- Increase in cancer incidence
- Cancer becomes more of a chronic disease
- Increased use of radiotherapy
- Improved solutions through R&D
- Capacity shortage in many markets
- Strong demand growth in emerging markets

CORNERSTONES

1. Intense focus on research and development
2. Partnerships with leading institutions
3. Acquisitions and geographical expansion
4. Comprehensive portfolio of solutions
5. Open systems that provide customers a free choice

In the past few years, Elekta has grown substantially in the emerging markets. In 2004/05, emerging markets accounted for about 20 percent of the Group's net sales, and in 2012/13 they accounted for more than 31 percent of net sales. By 2015/16 emerging markets are expected to account for about 40 percent of net sales.

Historically, Elekta has aquired a number of companies and the Company continously evaluates opportunities to grow through acquisitions that possess an attractive strategic fit and financial profile.

4. Comprehensive portfolio of solutions

Since the early 1990s, Elekta has experienced strong growth, both organically and through acquisitions. This has successfully created a comprehensive portfolio of solutions and consolidated the Company's position as a leading supplier, not only within neurosurgery but throughout the cancer care sector. One success factor is that Elekta's product areas are becoming increasingly intertwined with solutions that are applicable both for linear accelerators, stereotactic radiation therapy and for brachytherapy, as well as with software that supports Elekta's product range and customer offering.

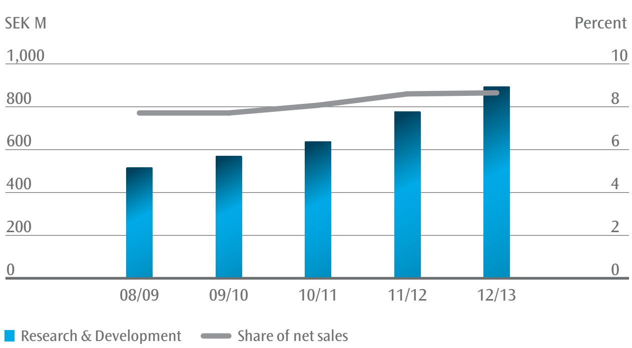
5. Open systems that provide customers a free choice

The hallmark of Elekta product development is the philosophy that both technology and software should be based on open interfaces and industry standards, since hospitals use different technological solutions. Accordingly, Elekta offers its treatment solutions and softwate systems with an open interface, which gives customers the ability to select a solution that can include components from more than one manufacturer.

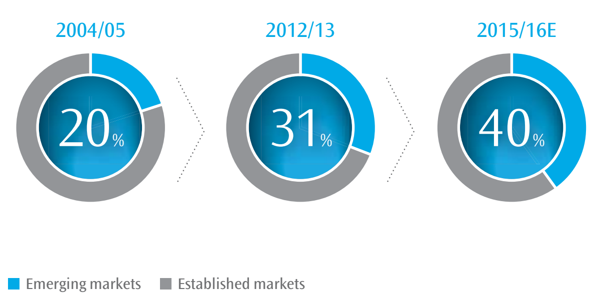
Major product launches in the last ten years

2003	Elekta Synergy®, Image Guided Radiation Therapy
2004	Leksell Gamma Knife® 4C
2006	Leksell Gamma Knife® Perfexion™, Elekta Axesse™
2007	Elekta Compact™
2008	Elekta Infinity™, VMAT
2012	Agility™
2013	Versa HD™

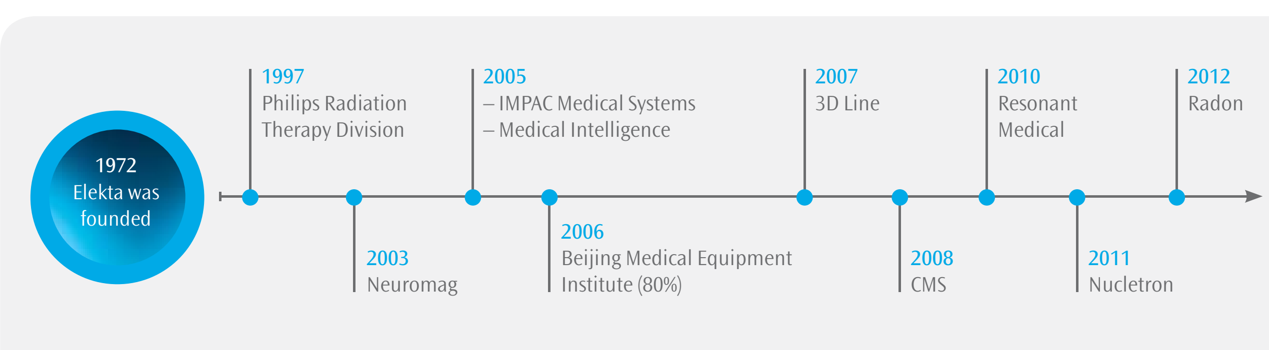
Research & Development



Emerging markets' share of net sales



STRATEGIC ACQUISITIONS



Elekta outlook

Emerging markets – a strategic focus

Elekta holds a leading position in the world's emerging markets, including Asia, Latin America and Eastern Europe/ Russia. A key element of Elekta's future growth strategy is to advance on this position and contribute to establishing or building first-rate and cost-efficient cancer care in these markets.

To date, Elekta has captured a significant share of new orders in the largest growth markets: Brazil, Russia, India and China. In many other new markets Elekta also has been able to build up a favorable market position through early entry and partnerships with leading hospitals and universities.

Elekta believes that the preconditions are in place to achieve sustained annual growth estimated at a double digit percentage in emerging markets. By 2015/16, their share of Elekta's overall sales is estimated to increase from the current 31 percent to about 40 percent.

Growth drivers

The economic trend is a strong driving force. Emerging markets currently account for about 25 percent of global GDP, but for about 50 percent of global GDP growth, according to the World Bank.

In addition to the economic trend, a number of other aspects are also driving market growth in these countries. The population is aging, which leads to an increasing number of cancer cases. Improved economic conditions, combined with an increasing number of cancer patients, results in the emergence of a critical need for cancer care in the coming years. Radiation therapy is a cost-effective method for cancer treatment, which also underpins the need for investments in these markets.

Publically financed cancer programs

In many major emerging markets, care capacity is expanding through publicly funded structural programs.

In Russia's national oncology program, 10 to 15 radiation therapy clinics are expected to be equipped annually. In addition, regional authorities are expected to finance the build-out of a number of radiation therapy centers.

In China, overall public investments in expanding hospital care are anticipated to increase by about 20 percent annually, which is also projected to contribute to greater investments in radiation therapy equipment.[1)]

In India, the increase in capacity is largely driven by private initiatives. In Brazil, a comprehensive procurement of radiation therapy equipment is ongoing.

Strategic building blocks

Elekta establishes itself in emerging markets through long-term commitments and by offering a growing number of hospitals advanced oncological and neurosurgical solutions, including education and training programs. These include:

- Early investments in countries with substantial potential to ensure a strong market position and by establishing relations with the leading hospitals
- Setting the standard for good and cost-effective care, including satisfying regional clinical demands, introducing oncological information systems for enhanced patient care and workflows, education and training programs, financing solutions and aftermarket services
- Providing knowledge and technology through instructional courses in collaboration with partner hospitals and universities, and through Elekta's user meetings
- Adaptation to local needs, such as multilingual software, a comprehensive range of hardware, and adaptation to local variations that exist in cancer diseases. ■

1) Source: Frost & Sullivan 2011

Sustainable *profitable growth*

Elekta's strategy – to provide integrated, innovative, patient-focused clinical solutions and services through collaboration and growth – enables ambitious financial objectives.

Long-term financial objectives

Elekta's aim is to achieve sustainable profitable growth. Elekta conducts its operations based on a long-term plan, regularly reviewed and evaluated by the Board of Directors and with a perspective of at least three years. These financial objectives form the base in the long term planning:

- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement rate to exceed sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio not to exceed 0.50

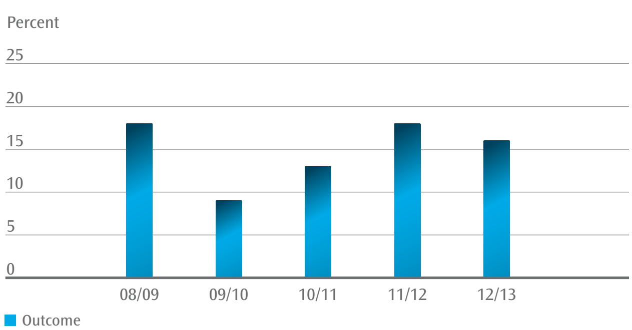
Dividend and proposal to repurchase shares

Elekta's goal is to provide shareholders with a favorable return and value growth. The policy is to distribute at least 30 percent of net profit in the form of dividends, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment requirements.

The Board proposes a dividend of SEK 2.00 (1.25) per share for 2012/13, of which SEK 1.50 is ordinary dividend in accordance with the Company's dividend policy and SEK 0.50 is extraordinary dividend. The total dividend amounts to approximately SEK 763 M and 57 percent of net profit for the year. The Board's intention is to propose a similar extraordinary dividend of SEK 0.50 for the coming two years.

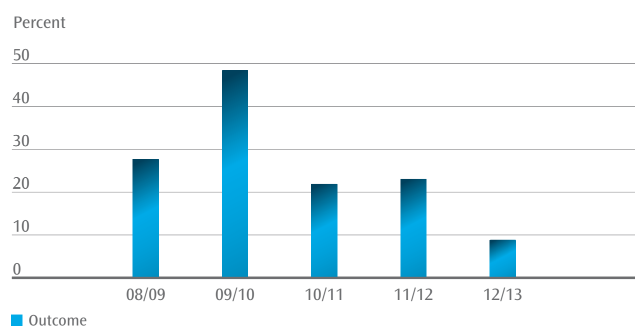
The Board also intends to propose to the Annual General Meeting 2013 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB.

Growth[1)]

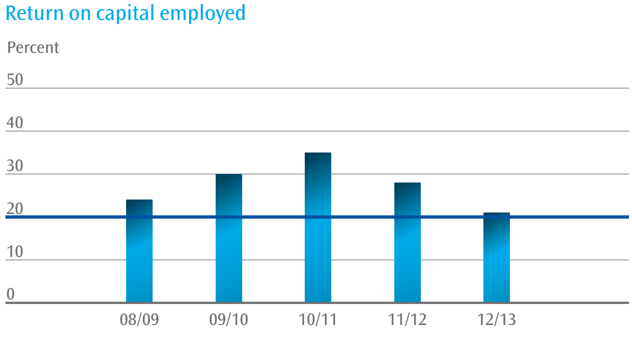


1) In local currency

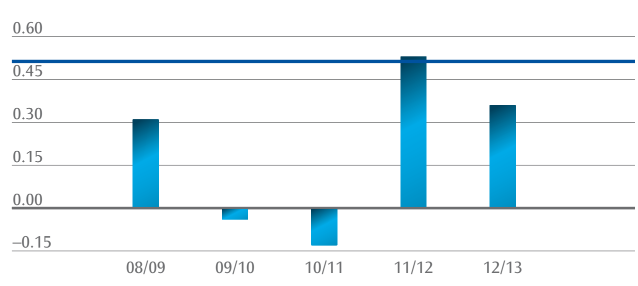
Increase in operating result



Return on capital employed



Net debt/Equity ratio



Growing role for radiation therapy *as cancer incidence increases*

Almost 13 million cancer cases occured worldwide in 2008, the most recent year for which global statistics are available. In 2030, this figure is expected to exceed 20 million. Cancer is also the leading cause of death after cardiovascular diseases. Survival rates have improved in many countries due to early detection and more effective treatment. But the differences are great, depending on the type of cancer and the form of care available. A large share of all countries worldwide have no national plans in place for the prevention, diagnosis and treatment of cancer.

More than 200 types of cancer

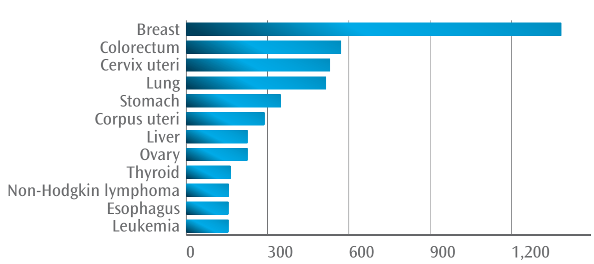
Cancer is a group of more than 200 different diseases that can affect any part of the body. The common denominator is that certain cells lose their ability to stop multiplying, which is a normal process in healthy cells. This may be due to mutations caused by viruses, environmental factors, hereditary genetic changes or mutations arising from other unknown factors.

Aside from the strong link between smoking and lung cancer, and the HPV virus and cervical cancer, it is difficult to pinpoint the exact cause of cancer. But the risk increases with age and about 60 percent of all new cancer cases worldwide are recorded in the over-60 age group. Another key factor is the interplay between an individual's genetic makeup and external factors such as chemicals, radiation and viruses. Lifestyle-related risk factors include smoking, excess weight, physical inactivity and overconsumption of alcohol.

At the same time, survival rates are increasing in many countries due to early detection and more effective treatment. In the industrialized world, breast cancer and prostate cancer account for the highest five-year survival rates. The lowest survival rates are found in low-income countries, where the resources available for prevention, diagnosis and treatment of cancer are limited or practically non-existent for large parts of the population.

Most common cancers, women (incidence 2008)

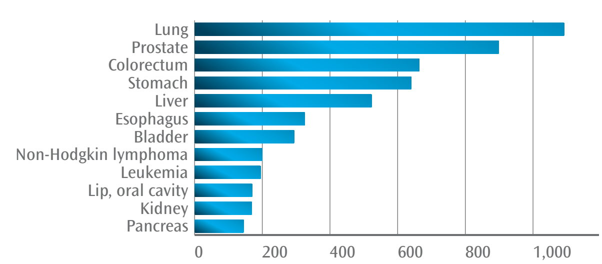
Thousands



Source: WHO GLOBOCAN 2008

Most common cancers, men (incidence 2008)

Thousands



Source: WHO GLOBOCAN 2008

Three main types of treatment

The most common types of treatment are radiation therapy, surgery and drugs (usually chemotherapy or hormone therapy). They are given separately or in combination in almost all types of cancer treatment.

External radiation therapy, brachytherapy (internal radiation therapy) and radiosurgery are now used to treat growing numbers of patients, for both palliative and curing purposes. As more exact and advanced methods are developed, the role of radiation therapy is expected to grow, since it implicates less stress for the patient, can deliver powerful high doses of radiation with high precision and is cost-efficient.

Lung cancer

Lung cancer is the most common type of cancer in the world and the leading cause of cancer death. There are two main types: small cell and non-small cell lung cancer. Non-small cell lung cancer is the most common type of lung cancer and the type of lung cancer that is increasing most. In 2008, 1.6 million people were diagnosed and 1.4 million died from the disease. It is the most common type of cancer among men, but incidences among women also are increasing. All established methods are used to treat lung cancer, including radiation therapy, brachytherapy, surgery and anti-cancer drugs (chemotherapy).

Movement poses the greatest challenge for radiation therapy of the lungs. The lungs are constantly moving as the patient breathes, but tumors inside the lungs also change position during the course of treatment, known as baseline shifts. These shifts complicate imaging and treatment planning and usually require substantial margins to compensate for lung-tumor movement. The solution is to deliver powerful doses with high precision using a very rapid beam, which enables more direct delivery to the tumor while protecting healthy tissue. Elekta's unique linear accelerator, Versa HD™, uses the Agility™ multileaf collimator to combine powerful radiation doses with exact beam delivery. The short treatment time helps the patient to lie still during treatment and reduces the risk of severe damage to healthy tissue.

Breast cancer

Breast cancer is the most common type of cancer among women and the second most common type of cancer worldwide. In 2008, the number of new incidences was 1.4 million and 450,000 people died from the disease. While mortality rates are falling in developed regions, breast cancer remains the leading cause of cancer death among women, followed closely by lung cancer.

Several treatment options are available, depending on the type of cancer and stage of the disease. The primary treatments are surgery, radiation therapy and anti-cancer drugs. Hormone therapy is used for hormone-receptor-positive tumors. Other drugs may also be effective for certain types of tumors.

It is also common to combine radiation therapy with surgery.

Prostate cancer

Prostate cancer is the second most common type of cancer among men with almost 900,000 new cases in 2008. The incidence can vary 25-fold throughout the world and almost 75 percent of these cases occur in developed countries. This may be linked to the widespread use of PSA screening, which was introduced in 1986 and enables early detection.

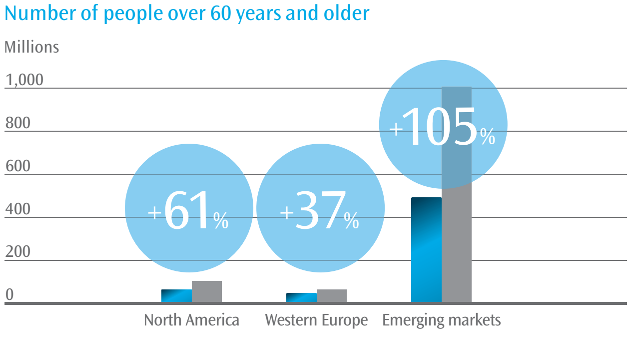
Prostate cancer usually grows slowly and most men who receive this diagnosis are over 65. By the age of 80, more than 50 percent of men have cancer cells in their prostate. Mortality rates are significantly lower than for other, more common types of cancer.

Common forms of treatment are external radiation therapy and brachytherapy, surgery and hormone therapy or a combination of these.

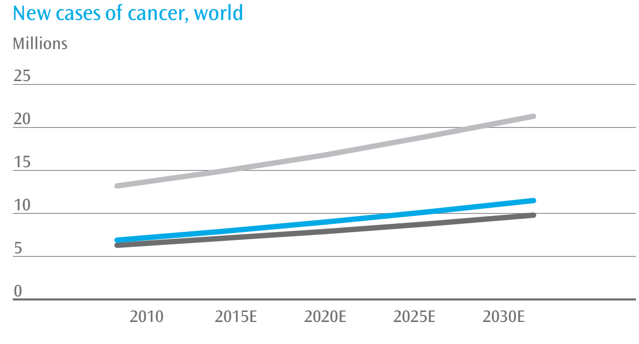
Colorectal cancer

Colorectal cancer (colon cancer) is the third most common cancer among men and the second most common cancer among women. In 2008, 1.2 million new cases were reported and 600,000 people died from the disease. Colorectal cancer is the fourth leading cause of cancer death worldwide, mainly because colon cancer can often progress to an advanced stage before being detected.

Number of people over 60 years and older



New cases of cancer, world



Surgery is the most common form of treatment for colorectal cancer. Survival rates after surgery often depend on whether the cancer has spread to other organs or not.

Radiation therapy is also a common form of treatment, although some patients may also require anti-cancer drugs. A research study is currently investigating the relevance of brachytherapy for treatment of colorectal cancer.

Gynecological cancer

Gynecological cancer is a group of cancers that affect the female reproductive and genital organs. The most common type is cervical cancer, which affects about 550,000 women each year, of whom 70 percent live in low-income countries. About 275,000 women die from the disease every year. Essentially all cases of cervical cancer are caused by HPV infections. The second most common type of gynecological cancer is uterine cancer, with about 140,000 new cases every year.

Both cervical cancer and uterine cancer are treated with surgery, radiation and anti-cancer drugs, usually given in combination. Brachytherapy is an established treatment method that has shown positive results.

Brain tumors

Brain tumors are usually divided into two categories: primary brain tumors, in which the tumor starts from brain cells, and secondary brain tumors, or brain metastases, in which tumor cells have spread to the brain from primary tumors in other parts of the body. Primary brain tumors include any type of tumor that starts in the brain, while brain metastases usually originate from cancers of the lung, skin, breast, kidney and bowel.

The most common form of treatment to date is whole brain radiation therapy (WBRT). This method is now subject to growing criticism in scientific journals due to a number of drawbacks. Another treatment currently gaining ground is stereotactic radiosurgery, which is proving more effective and results in fewer side-effects.

There is growing evidence that stereotactic radiosurgery can achieve equivalent or better results, given alone or in combination with other treatment. Due to its high precision and automation, Leksell Gamma Knife® Perfexion™ is particularly suitable for treatment of brain metastases, either single or multiple lesions.

Metastases increasingly common

Metastases, occur when cancer cells spread from the site of the primary tumor, to other organs in the body. Metastatic tumor cells have the same kind of abnormal cells as the primary tumor and it is important to identify the primary tumor site prior to treatment.

Nearly all types of cancer can metastasize. However, it is impossible to know whether a certain tumor will form metastases or not. Metastases usually occur in the lungs, brain, skeleton, liver or lymph nodes. Since more patients are living longer after their original cancer treatment, the increase in metastatic disease is expected to continue.

Elekta outlook

High-precision cancer treatment

Radiation therapy is an established method for treating a vast and increasing number of cancer diseases, either on its own or in combination with other treatments. The aim of radiation therapy is to eliminate the tumor cells with the highest degree of precision possible, while simultaneously protecting the healthy cells in the surrounding tissue. Several different treatment methods can be employed, depending on the type of cancer and the size and location of the tumor.

External beam radiation therapy is the most common form of radiation treatment and involves the application of radiation from an external source outside the patient's body. The therapy is delivered by a linear accelerator treatment head that rotates around the patient. By delivering the radiation from various angles, the radiation dose is distributed more evenly in the tumor, while also to a greater extent protecting the healthy surrounding tissue.

Intensity modulated radiation therapy (IMRT) is an advanced treatment form that replaces the single substantial and uniform beam with several very small beamlets that can vary in intensity. Accordingly, the radiation can be shaped around the tumor, allowing higher doses, while also minimizing the impact on healthy tissue.

Volumetric modulated arc therapy (VMAT) is a more advanced method of IMRT. VMAT enables the physician – in real time – to govern the formation of the beam, the speed of the treatment head's rotation around the patient and the dosage given to the patient, thus enabling faster and more precise treatment.

Image guided radiation therapy (IGRT) provides a high level of precision and accuracy by using high-resolution multi-dimensional X-ray images of the patient's soft tissues during treatment.

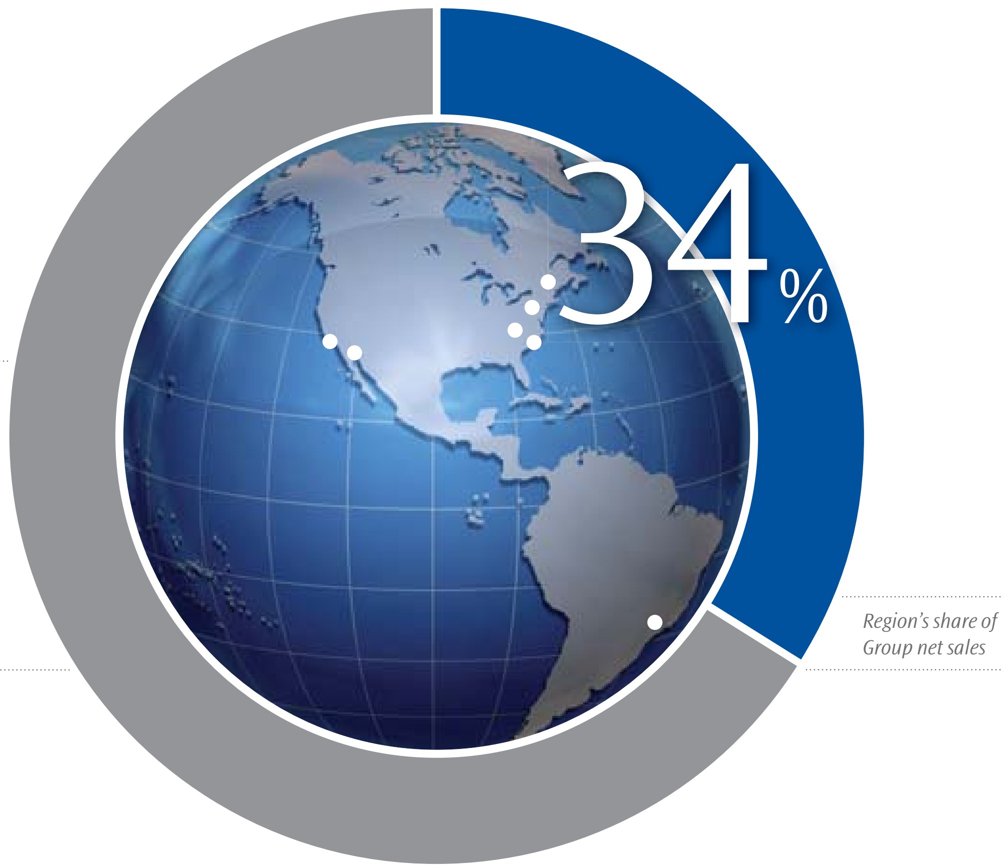
Stereotactic radiosurgery (SRS) is generally used to treat tumors and other diseases in the cranium and brain. Radiosurgery invlves the delivery of a single, precise and high dose to critically located targets in the brain. The method has a high level of precision and a strong treatment effect on the tumor, while also minimizing the impact on the surrounding brain tissue. Leksell Gamma Knife® Perfexion™ equipped with Extend™ adds the possibility of performing multisession treatments, in which radiation is delivered in smaller doses over the course of several days. This allows for the treatment of tumors that are too large or too critically located to be treated in a single session.

Stereotactic body radiation therapy (SBRT) is a technique that enables a beam to precisely target a tumor in the body and minimizes radiation to normal surrounding tissue. The high level of precision allows small to mid-sized tumors to be treated with higher doses and a fewer number of fractions, which is known as hypofractionation.

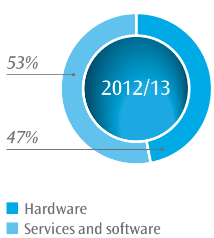
Proton therapy is another form of external radiation treatment. During the treatment, a particle accelerator is used to aim the proton beams at the tumor. Proton therapy is used only to a limited extent, partly due to the major investment costs required for the unit.

Brachytherapy is also called internal radiation treatment and involves placing a radiation source in or near the treatment area. It allows very high tumor doses to be achieved while limiting the impact on the surrounding organs. The method is common in the treatment of gynecological cancer and prostate cancer, but is also used for breast cancer and other forms of cancer. Brachytherapy is also used in combination with external radiation treatment. ■

North and South America



Share of net sales



Order bookings and net sales experienced a positive trend in both North and South America during 2012/13. In North America, Elekta is deemed to have grown at a faster rate than the market as a whole during the year.

3,521 SEK M
Net sales

35%
Contribution margin

9%
Increase in order bookings
Based on unchanged exchange rates compared to previous year

New innovations contributing to growth

Elekta continued to strengthen its position in the North American market during the year. Sales of comprehensive solutions to key accounts and the launch of the new linear accelerator, Versa HD™, contributed to this.

"We have continued to grow faster than the market in North America, in large part thanks to new pioneering products such as Versa HD™ and Agility™, as well as our strong position in software. We have also entered into a number of significant partnerships, which we look forward to develop in the years ahead."

James P Hoey
Executive Vice President,
Region North America

Market and driving forces

North America encompasses Canada, Mexico and the US. It is the world's largest market for radiation therapy equipment and has a significant portion of the installed capacity worldwide. It is also Elekta's largest single market. Elekta is the market leader in North America for oncology information technology and brachytherapy solutions, and is the second largest research, development and solution provider overall. Elekta has been growing faster than the overall market for several years.

The US market segment is relatively mature, with the ratio of linear accelerators per 1 million in population significantly higher than anywhere else in the world. While the US accounts for less than 7 percent of the global population, it accounts for approximately 33 percent of the world's radiation treatment delivery equipment. New investments are largely replacements of older systems, with replacement investments accounting for more than 80 percent annually. The US continues to be an important market despite modest growth, due to its large size and rapid uptake of new technology.

The ability to offer state-of-the art technology plays a particularly critical role in the US market dynamic where cancer centers compete for patient referrals and private insurance contracts. Main technology drivers include SRS, SRT, and VMAT, which can provide faster, more exacting treatments, and informatics solutions that address 'Meaningful Use', personalized medicine, and evidence-based medicine initiatives.

A growing trend among both hospitals and clinics in the US is the demand for comprehensive, flexible solutions that are adaptable to a changing health care environment. Elekta's information and planning systems, delivery products, and education and support services comprise an attractive solution for oncology programs as they maneuver to partner with other health care providers to form new organizational structures in response to the US patient care and affordable care act.

Canada's health care system is mature and well-organized. One aspect of the country's overall cancer prevention and treatment strategy is to better utilize radiation oncology as a cost effective, clinically effective option for many types of cancer. Radiation therapy capacity is being increased to meet provincial and national goals.

Mexico is marked by a significant under capacity in radiation therapy treatment resources. Access to capital – both human and financial – are key obstacles that need to be overcome to make radiation therapy more accessible to a greater portion of the population. Steady but slow progress is being made with both government and private initiatives are driving the expansion of radiation theraphy throughout the country.

In Latin America, growth in both the public and the private sector is being driven by a shortage of capacity for cancer care. This has resulted in governments, authorities and other institutions increasing their focus on improving access to modern cancer care. In Brazil, for example, the need for about 200 new linear accelerators has been identified and government-funded programs, among others, are helping to cover the capacity shortage. Other countries in the region are also experiencing a considerable shortage of capacity as demand in the market has risen by double-digit figures in recent years. Together with other growth regions, Elekta's presence in selected Latin American countries is contributing to a greater proportion of our global order bookings.

Summary of 2012/13

For Region North and South America in its entirety, order bookings rose 9 percent, based on unchanged exchange rates compared with the preceding year. Net sales increased 13 percent to SEK 3,521 M (3,122).

In the US market, demand during the year was effected by the federal budget negotiations and the greater uncertainty concerning reimbursement levels for radiation therapy. At the same time, a shift toward more cost-effective treatments, such as radiation therapy, is noticeable. As a result of Elekta's strong position in stereotactic radiosurgery, stereotactic neurosurgery and software, together with the introduction of new innovative solutions such as Agility™ and Versa HD™, Elekta is growing somewhat faster than the market.

Although the largest market in Latin America, Brazil, developed relatively well, general activity in the country was impacted negatively in the anticipation of a comprehensive public procurement process for radiation treatment equipment.

The market reception for Elekta's new, pioneering linear accelerator, Versa HD, as well as the beam-shaping system, Agility, was highly favorable in connection with the respective launches. Notable orders during the year included one from the University of Texas MD Anderson Cancer Center in Houston, which acquired two Elekta Versa HD systems equipped with Agility. MD Anderson in Houston is ranked as one of the foremost cancer centers in the US.

One of the largest public hospitals in Brazil, the teaching hospital Barretos Cancer Hospital, acquired a number of sophisticated cancer treatment solutions from Elekta, including Synergy® platform and treatment planning systems Monaco® and XiO®, as well as the soft tissue visualiization system, Clarity® with 3D.

During the year, Elekta acquired Radon Ltda, the leading service company for linear accelerators in the Brazilian market. As a result of the acquisition, Elekta's customer base in Brazil rose 25 percent.

In the 2013 Best in KLAS Awards, announced in June 2013 after the end of the 2012/13 fiscal year, for Medical Equipment and Infrastructure annual ratings of equipment and services in the US, Leksell Gamma Knife® Perfexion™ was voted number one in the category of radiation oncology for the third year in a row. Elekta Infinity™ ended up in second position in the same category for the second consecutive year. In december 2012 MOSAIQ® was ranked number one by the 2012 Best in KLAS Awards for Software and Services in the oncology segment for the third year in a row. The surveys conducted by the independent market research company KLAS are based on data collected from more than 20,000 users at hospitals and clinics in the US.

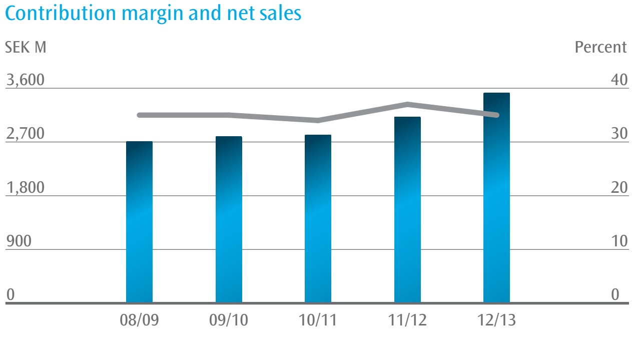
A survey conducted of the hospitals in the US showed that all of the 50 highest ranked cancer hospitals have one or more installed solutions from Elekta, including Leksell Gamma Knife®, Leksell Gamma Knife® Perfexion™, Elekta Infinity™, MOSAIQ®, Clarity®, METRIQ® and Oncentra® Brachy.[1)]

Priorities for 2013/14

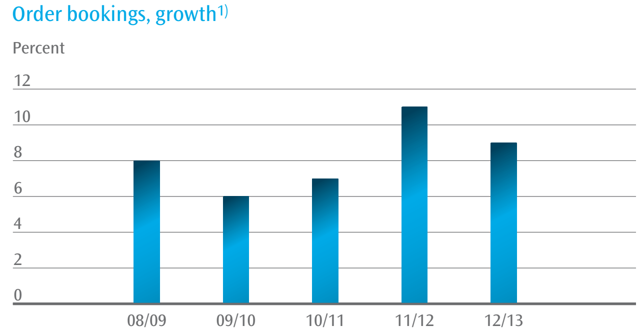
To continue to outperform the market in terms of growth, Elekta aims to leverage the strong interest in its new solutions, such as Versa HD and Agility. The substantial installed base of MOSAIQ brings us closer to our customers, who will benefit from the continued development of the next generation of the MOSAIQ RTP planning tool. Customer training is a strategic success factor for Elekta and a new Learning and Innovation Center, which will be Elekta's largest, is currently under implementation at the new North America head office in Atlanta.

1) US News & World Report, July 2012

Contribution margin and net sales



Order bookings, growth[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

Elekta outlook

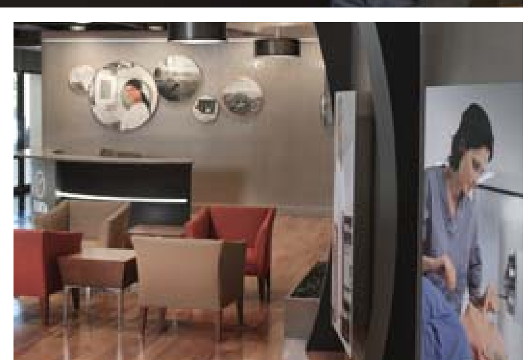
Elekta builds competence in the classroom

Having the best equipment and software available means little without the knowledge and skills to use them. To provide users and employees with the necessary tools needed to succeed, Elekta is pleased to have opened a Learning and Innovation Center in Atlanta, Georgia.

The center for Learning and Innovation fosters an ideal environment for learning, blending adult learning techniques with hands-on training. Visitors from around the world will learn from certified professionals in a state-of-the-art facility, which mirrors that of a cancer center.

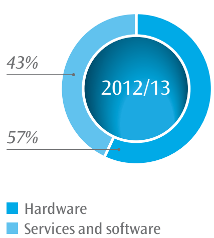
"The Learning and Innovation Center reaffirms Elekta's commitment to education for both our users and our employees," says Evelyn Collazo, Senior Director, Education and Learning. "Learning is ongoing and we will continue to further develop our offerings, partnering with industry experts to create top-notch curricula."

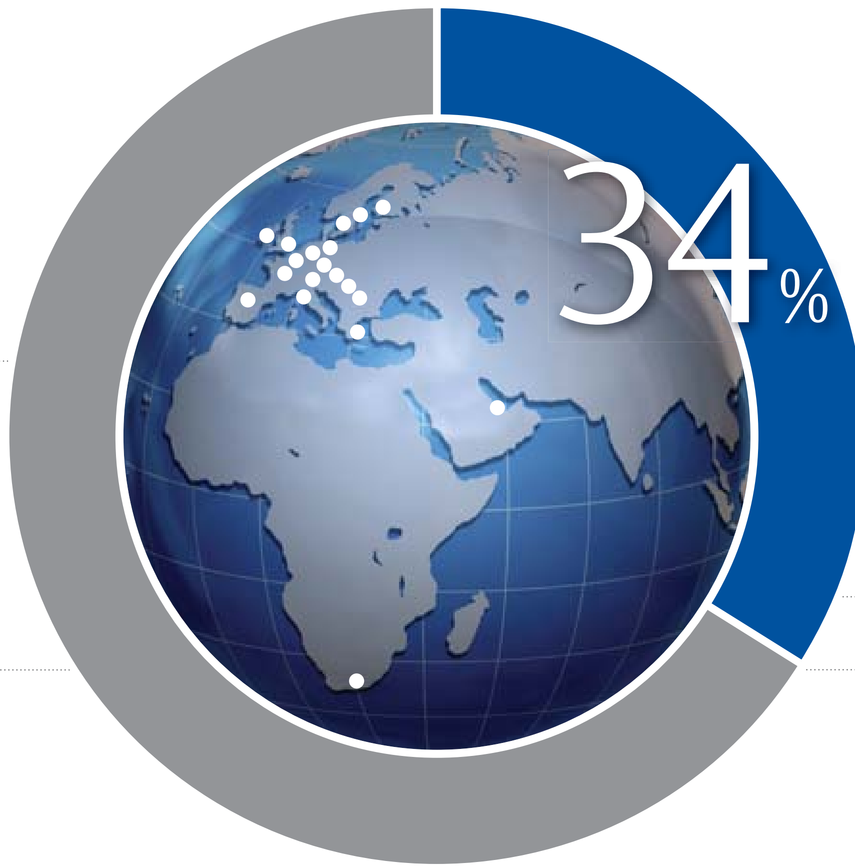
Located at the North American headquarters, the Learning and Innovation Center provides educational programs across the entire Elekta portfolio of solutions. Beyond the classroom, visitors can experience Elekta and learn more about its dedication to cancer care in an engaging way. ■



Europe, Middle East and Africa

Share of net sales





Region Europe, Middle East and Africa continued to experience a good trend in 2012/13. Order bookings were good, both in emerging and in established markets across the region.

3,561 SEK M

Net sales

36%

Contribution margin

10%

Increase in order bookings

Based on unchanged exchange rates compared to previous year

Healthy demand, strong development in Russia

During the year, demand was favorable in all major established markets in Europe as well as in all the emerging markets including Russia that also continued to develop robustly.

"In most of the markets, development was favorable during the year. Through the launches of Agility™ and Versa HD™, we have created an industry-leading product portfolio that is attracting considerable interest. Together with our existing products, this means that we now have a comprehensive offering that provides us with a strong platform for the year ahead."

Ian Alexander
Executive Vice President, Region Europe, Africa, Latin America and the Middle East

Markets and driving forces

In Western Europe, where Elekta is the market leader, cancer care is generally well developed and replacement investments mainly account for demand. However, the rising average life expectancy is increasing cancer incidence. As a result of improved diagnostics and more effective treatments, larger numbers of people are also living longer with cancer. At the same time, there is rising insight into the fact that radiation therapy is not only an effective and patient-friendly treatment, but is also cost effective. In Europe as a whole, the proportion of cancer patients who receive radiation therapy is still much lower than in the US, for example.

This means that there is a need to increase capacity for radiation therapy. Western European care providers are also receptive to cutting-edge innovations, as exemplified by the favorable reception enjoyed by the new linear accelerator, Versa HD™, and the multileaf collimator, Agility™, during the year.

In Western Europe, most systems are acquired via public procurement, although the share accounted for by private care providers is expected to increase. Private cancer care providers using radiation therapy satisfy the demand for more effective solutions and thus respond to the growing care requirement. In the future, private players will probably play a greater role in funding capital equipment.

In emerging markets in the region, such as Russia, Turkey and countries in Eastern Europe, the Middle East and Africa, there is considerable need for cancer care and the treatment of brain diseases, which cannot be provided satisfactorily today. There is also a shortage of capacity to provide early diagnosis, so that many patients do not receive treatment until a late stage of their disease. Several of these countries have national cancer programs, which represent major initiatives for the build-out and modernization of cancer care.

In Russia, in just a few years, the national program has significantly increased the country's capacity in oncology and radiation therapy. Treatment centers have been equipped at a rate of 10 to 15 per year. In addition, regional authorities are funding a number of new radiation therapy centers annually. Elekta has been highly successful in the completed procurement processes and has secured a large number of contracts with major Russian cancer clinics. It is estimated that there is still a need for approximately 200 additional radiation therapy systems.

Turkey also has a national cancer strategy, adopted in 2008, that is designed to address the shortage of capacity for cancer care. A national cancer institute has been formed and the intention is to establish a large number of new cancer clinics up to 2015.

Summary of 2012/13

During 2012/13, order bookings for Region Europe, Middle East and Africa increased 10 percent, based on unchanged exchange rates compared with the preceding year. Over the latest five-year period, the region has experienced average annual growth of 11 percent.

The trend in order bookings in all major established markets in the region was good during 2012/13. A majority of the markets developed well, primarily Germany, the UK, Italy, France and the Nordic markets. Spain, however, reported a slowdown.

Elekta's growth in Russia remained strong during the year and Elekta is the largest supplier of radiation therapy equipment in the country. To strengthen this position, Elekta and a leading distributor of medical technology products signed a cooperation agreement during the year with the intention of jointly establishing production facilities for radiation therapy equipment in Russia.

In the Middle East, the market in Iraq recovered toward year-end. Elekta's operations were also successful in Africa, especially South Africa. To address the growing need for radiation therapy services in South Africa, Elekta has entered into a long-term agreement with a local leading private health care provider to supply equipment and build an advanced facility for training cancer management professionals. The partnership addresses a global trend, in which developing countries – including South Africa and other African nations – are reporting significantly more new cancer cases worldwide than developed countries.

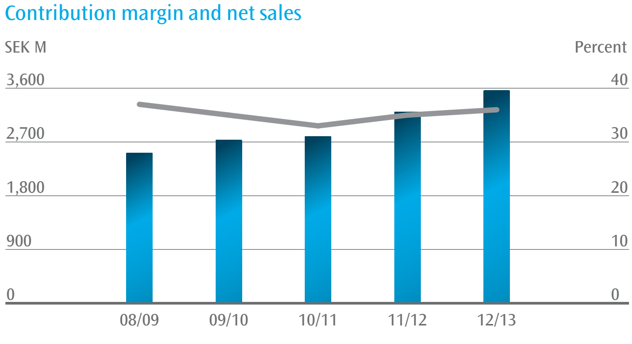
Elekta develops new, groundbreaking cancer treatments through active partnerships with well-reputed, leading research institutes in the field of cancer. These partnerships also constitute a stamp of quality for other participants. During the year, a new research consortium was established together with Philips Healthcare, which will include leading radiation oncology centers and physicians, such as the University Medical Center Utrecht in the Netherlands, MD Anderson Cancer Center in Houston, USA, and the Netherlands Cancer Institute – Antoni van Leeuwenhoek in Amsterdam, where Elekta has cooperated with researchers for many years. The purpose of the research collaboration is to develop a solution that combines radiation therapy and magnetic resonance imaging (MRI) in an integrated treatment system.

Priorities for 2013/14

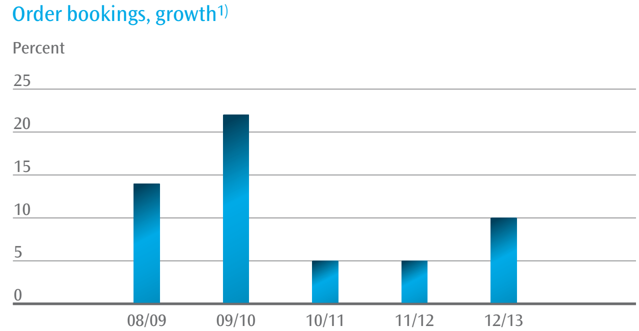
Elekta intends to continue to grow in its emerging markets and in mature markets with the help of new innovations, such as Versa HD™.

A strategic focus in the year ahead will be the education and training of service personnel, distributors and clients. This applies particularly to emerging markets where Elekta can set the standard for efficient, patient-friendly and cost-effective cancer care. Each project will be launched together with training of the personnel that will handle equipment and software. Another aim is to proactively monitor developments to ensure that the clients obtain the maximum value from their systems and are continuously offered the opportunity to upgrade their hardware and software.

Contribution margin and net sales



Order bookings, growth[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

Elekta outlook

Increasing access to radiation therapy across borders

By partnering with Equra Health, a provider of cancer care with 24 clinics in South Africa, Elekta will bring advanced care to hundreds of thousands of patients there and in nearby countries.

In some respects, South Africa mirrors the market to which it belongs: Europe, Middle East and Africa. Both the country and the region have modern clinics offering the latest treatment technologies as well as smaller hospitals with only basic service. To improve the level of care and make it more accessible to patients with serious diseases, Equra Health is investing in the best technology available.

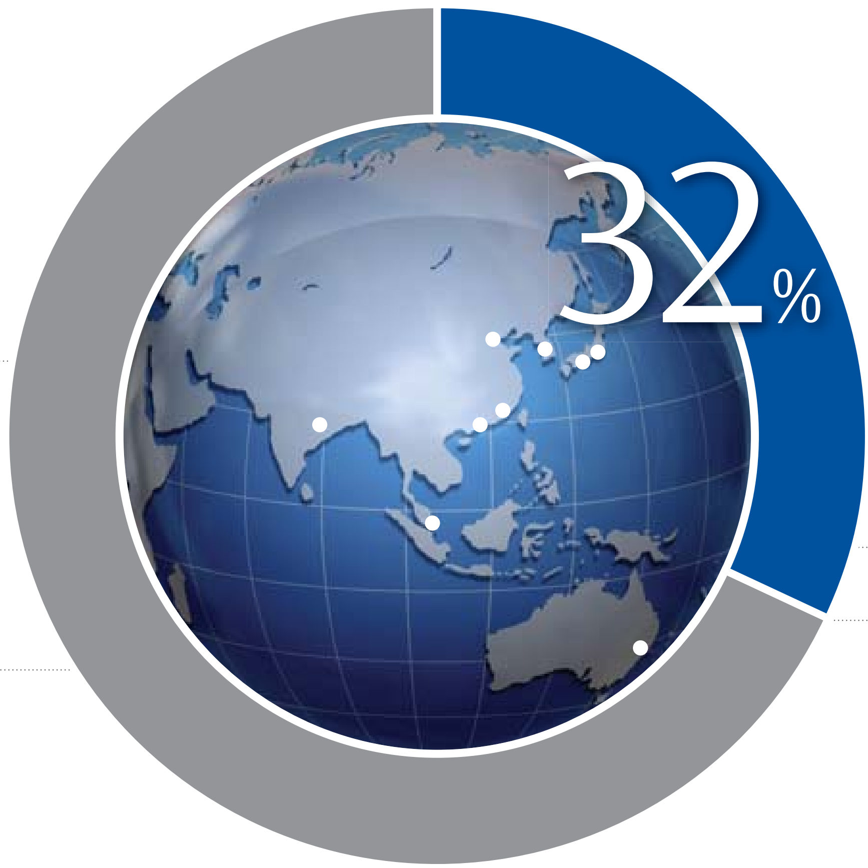
At the beginning of 2012, Equra had more than 25 linear accelerators (linacs) throughout its clinics. Erhardt Korf, Chief Operating Officer at Equra Health, estimates that the country needs about 150 more linacs. To address this shortage, the company has entered into an agreement to purchase at least 15 Elekta linacs over a ten year period – in part, to upgrade existing systems. The cancer care provider will also upgrade to Elekta's MOSAIQ® oncology information system.

The partnership will also address the potential lack of skills in the newer technology readily available today amongst doctors, physicists, therapy radiographers and service engineers through a joint training center in South Africa, which will be available to the entire continent.

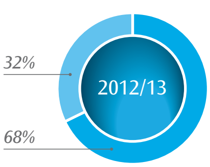
"Partnering with Elekta will ensure that people from many parts of Africa have access to world-class technology, accurate planning systems and the required education to utilize these systems to the full benefit of patients," Korf says.

As Equra Health's preferred provider of its radiation oncology equipment, oncology information systems, technical support and training needs, Elekta will raise the level of care in South Africa and within the region. ■

Asia Pacific



Share of net sales



Asia Pacific noted favorable development in 2012/13, with double-digit growth in both net sales and order bookings. Growth was particularly strong in China and India.

3,257 SEK M
Net sales

32 %
Contribution margin

23 %
Increase in order bookings
Based on unchanged exchange rates compared to previous year

Successful year with strengthened position

Demand in the Asian markets remained high during the year. Growth was particularly strong in China, where Elekta secured its largest order ever.

"We had a successful year in the region and strengthened our positions in all significant markets. With a stronger product offering, we are well positioned to contribute to increasingly improved and more cost-effective cancer treatment for more people in the region."

Gilbert Wai
Executive Vice President, Region Asia Pacific

Market and driving forces

Elekta is active in 15 major countries in the region, which is characterized by a serious shortage in care capacity for oncology and neurosurgery, but also by favorable economic growth. Such countries as Australia, Hong Kong, Japan, Singapore, South Korea and Taiwan have well-established health care and relatively good capacity for the treatment of cancer patients. However, the remainder of the region represents the part of the world where the shortage of radiation therapy systems and educated nursing staff is the largest in terms of need. Nearly 60 percent of the global population is located here, but less than 30 percent of all linear accelerators.

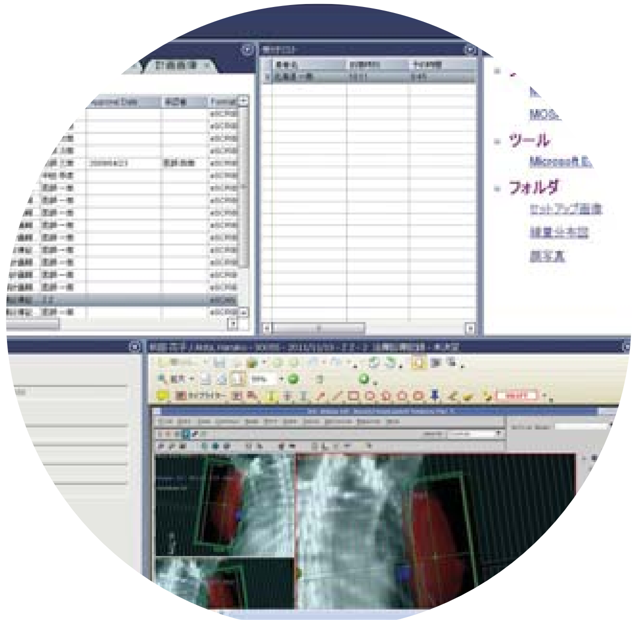
The key driving force for growth in health and medical care in the region is that people are living longer, in pace with increased prosperity. This has resulted in the establishment of large national health and medical care programs in several emerging countries, including China. In the area of cancer, these were designed based on awareness that cancer is a serious and growing health problem as the proportion of elderly people increases.

In China, that is the second largest market for Elekta, the healthcare reform to provide better treatment and encourage private participation in healthcare continues. With the newly established National health and family planning commission, the conditions for growth in the industry remain favorable. Elekta has the largest installed base in terms of radiation equipment and treatment planning system, with a market share of 48 percent. China also continues to grow in importance for Elekta. An already large installed base generates the continued need for upgrades of hardware, software and service. Today, nearly 95 percent of the population is covered by healthcare insurance. Elekta believes that the rapid expansion of radiation therapy will continue.

India has a serious shortage of available health care for most of its citizens, since only a small percentage of the population is covered by any form of health care insurance. Sophisticated health care is dominated by the private sector. This means that Elekta's customer base is relatively fragmented, compared with other major emerging markets, such as China. Today, clients largely comprise players in both public and private sectors. Elekta had a positive development, especially among both smaller and bigger private hospital networks, during the year. Public sector investments in radiation therapy are estimated to increase in the long term. In all, Elekta has a strong position and a growing market share in India. The acquisition of Nucletron entails an additionally strengthened presence, through a significantly higher, shared customer base.

To date, the Japanese market has been characterized by relatively limited, but growing, use of radiation therapy and thereby also a shortage of oncologist and medical physicists, with competency in radiation therapy. Elekta is the clear market leader with Leksell Gamma Knife® in the Japanese market. The market share for linear accelerators is growing. Elekta's cooperation with Toshiba Medical Systems is becoming increasingly important with respect to the ability to expand in the oncology market.

Australia and New Zealand are mature markets that also adopt new technologies at an early stage. In Australia, the health care market is both public and private, while the market in New Zealand has remained primarily public. In the Australian market, Elekta is developing a successful partnership with the leading cancer care provider in the oncology field.



Summary of 2012/13

Orders received in the region increased 23 percent during the fiscal year based on unchanged exchange rates. Net sales rose 20 percent to SEK 3,257 M (2,720). In 2012/13, Elekta's market share of new orders in the region is estimated at 50 percent. In China, the share was approximately 48 percent.

A milestone during the year was the procurement secured by Elekta from the People's Liberation Army in China. The order is valued at a total of USD 35 M and is Elekta's largest ever in China. The order includes a number of clinical solutions, Leksell Gamma Knife®, linear accelerators and associated software.

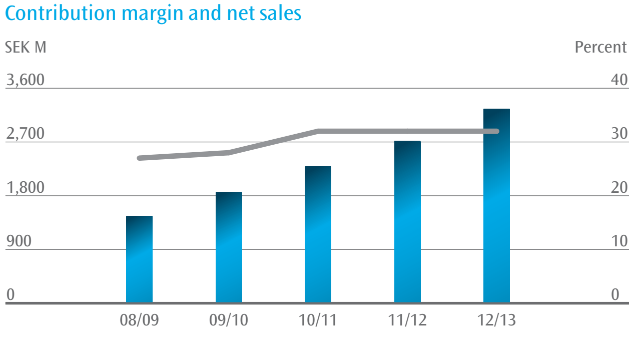
Elekta's pioneering beam-shaping equipment, Agility™, has been positively received in the region and the equipment has been acquired by clients in several countries including Australia, New Zealand and Singapore. Japanese authorities have also given clearance for Agility, which will also generate opportunities for clinical use there.

Priorities for 2013/14

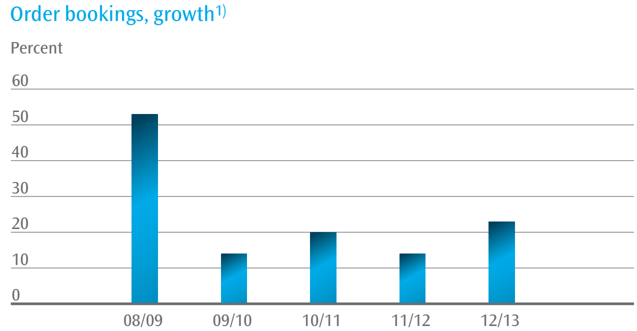
Elekta has a continued strong focus on education and training in the emerging markets, since a shortage of qualified personnel in radiation oncology is a restricting factor for growth. Education and training occur in collaboration with leading universities and clinics, and at user meetings organized by Elekta.

Another important factor required for increasing accessibility is to provide software in local languages. The objective is to continue to capitalize on the competitive edge represented by the Chinese version of the oncology information system MOSAIQ® and expand its use to more hospitals. MOSAIQ is also available in for example Japanese and further language versions are being explored.

Contribution margin and net sales



Order bookings, growth[1)]



1) Based on unchanged exchange rates. 2011/12 excluding Nucletron.

Elekta outlook

Training makes treatment possible

Without a skilled staff, clinics and hospitals cannot deliver necessary radiation therapy services to their patients. To ensure that Elekta customers receive training that prepares them to take full advantage of the advanced capabilities of its treatment systems and software, the Company has opened a therapy training center in Nasu, Japan.

The center is a joint initiative with Toshiba Medical Systems Corporation (TMSC), and offers customers from both companies access to an unprecedented training environment. What makes the center unique is that it has a radiation-emitting Elekta Synergy®, including supporting imaging and software systems.

Tim Rooney, President & Managing Director of Elekta Japan, says: "This is not just a simulation environment, but a fully functional treatment device that will enhance the training experience of our customers and help improve the learning experience of our users on this class of system."

The main objective of the Elekta and Toshiba collaboration is to ensure that both Elekta's and Toshiba's customers have access to the latest radiation treatment delivery technology and software that Elekta has to offer when it comes to replacing aging machines.

Elekta has had a strategic alliance with Toshiba Medical Systems Corporation since December 2010, which has helped increase Elekta's market position in Japan. ■

ELEKTA

Neuroscience

Extensive experience in patient-focused innovations

Effective and gentle treatment of brain diseases

Approximately share of total net sales

Elekta Neuroscience

Elekta Neuroscience develops innovative, world-leading solutions for the diagnosis and treatment of brain diseases. Leksell Gamma Knife®, Elekta's system for stereotactic radiosurgery in the brain, is still the market leader after 40 years. The effectiveness of the treatment is clinically documented. It is gentle for the patient, delivers radiation with unmatched precision and is cost efficient for the clinic. Elekta Neuroscience also plays a leading role in human brain mapping.

For decades, Elekta has set the standard for treating cancer and other serious brain disorders. To date, more than 700,000 patients worldwide have received radiosurgery using Leksell Gamma Knife. Today about 70,000 patients receive treatment annually.

Most treatment delivered with Leksell Gamma Knife, close to 80 percent, is for benign or malignant tumors. The remaining 20 percent is for vascular disorders, such as arteriovenous malformation, and functional disorders, such as trigeminal neuralgia. This large proportion of tumor treatment is due to the brain being one of the most common organs in which secondary brain tumors, metastases, occur. Of all cancer patients, an estimated 20–40 percent are expected to develop brain metastases.

The treatment options for brain metastases are surgery, whole brain radiation and, to an increasing degree, stereotactic radiosurgery using Leksell Gamma Knife, for example. Recent clinical evidence provides increasing support for stereotactic radiosurgery as an equivalent or preferred alternative to whole brain radiation. Gamma Knife® radiosurgery is more effective, faster and delivers radiation with high precision, which makes treatment more gentle and offers a better quality of life for the patient. There are almost 900 peer-reviewed clinical reports, each involving 30 or more patients, to document the successful treatment of many intracranial indications with Leksell Gamma Knife. Compared with other competitive radiosurgery systems, this constitutes an overwhelming base of knowledge and facts.

Growing need for radiosurgery

The need for additional radiosurgery capacity is increasing worldwide, due to the growing number of patients with brain metastases. Cancer patients live longer today, due to earlier diagnosis and more effective treatment for the primary tumors that can later give rise to metastases. At the same time, the paradigm shift toward increased radiosurgery using Leksell Gamma Knife has accelerated, as clinics realize the potential gains generated by efficiency, safe practices and patient benefit. The large unsatisfied need for radiosurgery, also in mature markets, provides great potential.

Radiosurgery market penetration remains low in emerging markets and growth is expected to continue in both the medium and long term.

Elekta Neuroscience also promotes growth through innovation and has research and

Patients received radiosurgery with Leksell Gamma Knife®

700,000

development partnerships with many of the world's most prestigious universities and hospitals. Elekta Neuroscience sees strong potential for radiosurgery and stereotactic functional neurosurgery for the treatment of neurological conditions, such as movement disorders and dementia. There are no approved indications in this area to date, but a great deal of research is underway.

Elekta Neuroscience's strategies for the future are aimed at securing continued leadership for the stereotactic treatment of neurological diseases. This entails retaining and advancing the Company's stereotactic radiosurgery position in the conventional neurosurgical area, while increasing the use of Leksell Gamma Knife for radiosurgery treatment in cancer clinics worldwide. The ultimate aim, in light of the extensive evidence available, is to enable more patients with brain diseases to be treated with Leksell Gamma Knife radiosurgery.

Record year for Leksell Gamma Knife

During the year, Leksell Gamma Knife experienced an unprecedented number of installations and upgrades, and Leksell Gamma Knife® Perfexion™ now accounts for a growing share of the Elekta radiosurgery systems that are currently in operation. Several highly rated hospitals and clinics around the world have ordered and installed Leksell Gamma Knife Perfexion, including Siloam International Hospitals Lippo Karawaci in Jakarta, Indonesia, the world-leading National Hospital for Neurology and Neurosurgery in London, UK, and Group Florence Nightingale's Comprehensive Cancer Center in Istanbul, Turkey. The world's 500th system since launch, a Leksell Gamma Knife Perfexion, was installed at the Instituto de Neurologia de Curitiba in Brazil.

With Leksell Gamma Knife Perfexion, Elekta also provides opportunities for fractional treatment, which means that the total dose of radiation is divided into smaller doses and delivered over a longer period. Elekta's Extend™ system makes this possible. Extend enables radiation oncologists and neurosurgeons to treat tumors that are too large or too critically located during multiple sessions, rather than one high dose during a single occasion. This enables more patients to benefit from the unique features of Leksell Gamma Knife Perfexion. In 2012, Extend was also approved by the Japanese Health Authority for use in Japan.

During the year, new solutions that enhance the efficiency of Leksell Gamma Knife Perfexion were launched. MOSAIQ® Connectivity, for example, enables a seamless integration between Leksell GammaPlan® planning system, Leksell Gamma Knife and MOSAIQ oncology information system. This optimizes and simplifies the clinical workflow and facilitates the management of treatment planning and patient records in units with other radiation oncology systems connected with MOSAIQ, as well as collaboration with other units and clinics based on MOSAIQ.

Leksell Gamma Knife Registry is another solution that was launched during the year. Leksell Gamma Knife Registry offers a platform for large volumes of aggregated and detailed clinical data that can be used both locally at the clinic and globally by sharing with other clinics around the world.

Stereotactic radiosurgery with Leksell Gamma Knife

Gamma Knife® radiosurgery is, with very few exceptions, administered in a single session and without general anesthesia. After Gamma Knife radiosurgery, the patient normally leaves the hospital the same day, making it a very cost-effective and gentle alternative to open surgery, and also to fractionated radiation treatments.

During the procedure, some 200 radiation beams from cobalt-60 sources converge on the target with very high accuracy. Each individual beam has a 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. Leksell Gamma Knife has extreme precision with a level of accuracy better than 0.5 millimeters, making it possible to administer a high radiation dose to the diseased area, with minimal risk of damaging adjacent healthy tissue.

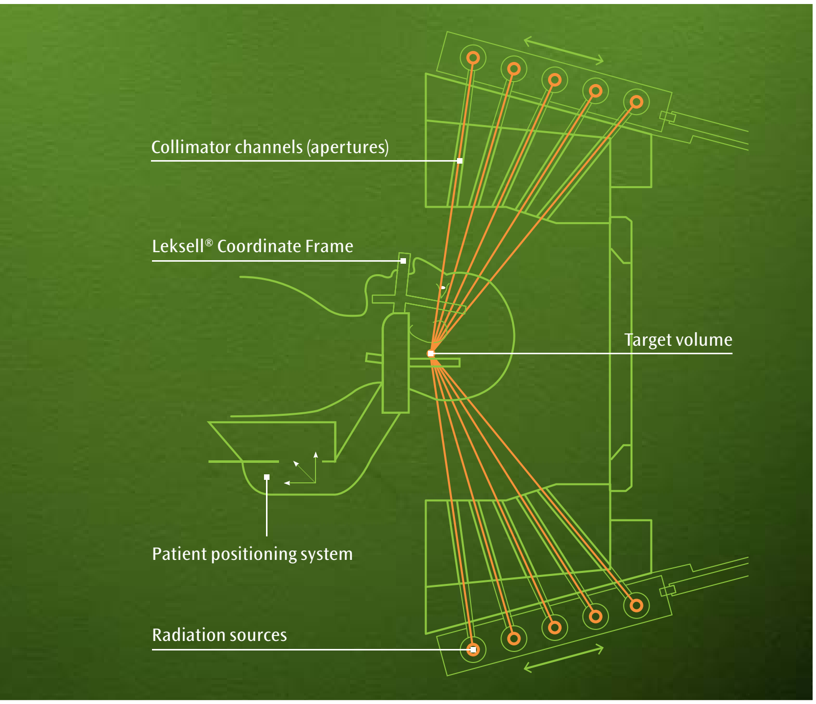
In June 2013, after the end of the 2012/13 fiscal year, the independent US health care market analyst KLAS for the third consequtive year awarded Leksell Gamma Knife Perfexion a top ranking in the 2013 Medical Equipment segment. The ranking is based on responses from more than 20,000 users at US health care providers.

Precise brain mapping

Elekta is a market leader in magnetoencephalography (MEG) and produces Elekta Neuromag®, which enables researchers and physicians to measure and localize brain activity with millisecond precision.

Several major research institutions use Elekta Neuromag for clinical research on neurological and psychiatric disorders, such as Alzheimer's disease and other dementias, epilepsy, autism, schizophrenia, depression and various learning disabilities, such as dyslexia. One application area with a potential for growth, is the identification and localization of mildly traumatic brain injuries, also known as concussion, which could gain significance in sports and military.

Drug development is another area of application for Elekta's MEG technology. This MEG application could cut costs and accelerate drug development by measuring their efficacy and the brain's functional state in real time, during critical phases in the drug's development.



Elekta Neuromag TRIUX

The next level of functional brain mapping

Magnetoencephalography (MEG) is a non-invasive technique for mapping brain activity by recording magnetic fields produced by electrical currents occurring naturally in the brain. It is a technology that provides physicians and researchers with sophisticated quantification of neurological activity, generates 3D and functional mapping and performs real-time measurements.

Elekta Neuromag® TRIUX™ is a state-of-the-art MEG platform that meets all the requirements that are critical for robust functional mapping studies. It is extensively used in pre-surgical localization of epilepsy and mapping of the eloquent cortex, including motor functions, hearing and vision.

Clinical research applications of MEG include neurological and psychiatric disorders such as autism, traumatic brain injury, memory and brain function, schizophrenia, depression, as well as various learning disorders, including dyslexia. MEG is also used to study normal cognitive functions that underlie memory and language.

"Thanks to our leading innovations and solutions, we can once again look back on a highly successful year. I look to the future with great anticipation. Our efforts to create new opportunities for research and better treatment solutions will continue. Our ultimate aim is to provide what each patient deserves, the right to receive the absolute best treatment."

Åsa Hedin
Executive Vice President,
Elekta Neuroscience

Leksell Gamma Knife Society

Leksell Gamma Knife Society was founded in 1989 and is a multidisciplinary clinical forum for information sharing and partnerships, with the aim of promoting Leksell Gamma Knife for improved clinical practices and patient outcomes. Since its inception, the Society has succeeded in advancing positions in radiosurgery by developing and communicating progress and best practices in the field. Leksell Gamma Knife Society meetings, which are held every second year, usually attract hundreds of neurosurgeons, radiation oncologists and other care providers.

At the most recent meeting, which was held in Australia in 2012, several studies on the long-term effects on large patient groups were presented, which supported the indispensable role of Gamma Knife in the treatment of benign tumors and vascular malformations of the brain. Data was also presented on the growing use of Leksell Gamma Knife in the treatment of multiple brain metastases, and the proven cost efficiency of Gamma Knife radiosurgery. Promising research into new indications, such as epilepsy and tremors in Parkinson's disease, in which clinical trials are ongoing, were also reported. The minutes of the meeting were published in the prestigious Journal of Neurosurgery in December 2012.

Leksell Gamma Knife Perfexion

The gold standard for intracranial radiosurgery

Leksell Gamma Knife® is a dedicated, fully integrated system for intracranial radiosurgery. Leksell Gamma Knife® Perfexion™ combines the latest technology, clinical leadership and 40 years of collaborating with the world's leading institutions, which makes it the primary benchmark for all radiosurgery solutions.

Gamma Knife® radiosurgery is a clinically efficient choice for complex and challenging cases. It can manage single as well as multiple targets, such as brain metastases, in only one session, making the treatment much easier on the patient. Gamma Knife radiosurgery is renowned for its exceptional dose conformity and selectivity, enabling the dose to essentially be wrapped around the most complex shapes while limiting radiation to surrounding brain tissue and critical structures. Leksell Gamma Knife typically delivers two to three times lower dose to normal brain tissue than competing technologies.

Leksell Gamma Knife Perfexion represents the future of stereotactic radiosurgery. This innovative system radically broadens both the techniques and the scope of treatments. The system communicates seamlessly with MOSAIQ®, Elekta's comprehensive oncology information system that makes it easy to exchange information such as treatment plans, treatment records and protocols, both prior to and after treatment.

Leksell Stereotactic System

The highest level of clinical accuracy

Leksell Stereotactic System® is the most used and reliable stereotactic system on the market and a benchmark for stereotactic neurosurgery. It helps physicians deliver improved treatment and ultimately quality of life for their patients by ensuring the highest accuracy in every single step of the treatment.

Leksell Stereotactic System comprises tools that provide safe, correct localization and treatment of neurological targets through minimally invasive surgery.

It is used for both diagnosis and treatment, from biopsies of deep-seated brain targets to the correct placement of implantable electrodes for deep brain stimulation (DBS). The integrated system also contains Leksell SurgiPlan®, an advanced planning software, and Leksell® Neuro Generator, a complete system for functional neurosurgery and pain management.

Elekta outlook

Vision-saving treatment with Gamma Knife radiosurgery

Anita Thibault suddenly experienced lightening-like flashes and impaired vision in her left eye. What she feared were symptoms of a stroke was actually a tumor.

An MRI scan identified a mass in the orbit of her left eye – an anterior clinoid meningioma. The benign, slow-growing tumor could nevertheless eventually damage or destroy her vision.

Anita searched the internet to learn what her options were and discovered that the University of Virginia offered a Gamma Knife® radiosurgery technique called the Extend™ program, where the total dose of radiation is divided up and treatments are delivered over several days.

Doctor Jason Sheehan, Professor of Neurological Surgery, Radiation Oncology and Neuroscience and Co-Director of University of Virginia 's Gamma Knife Center, felt Anita would be an ideal candidate for the Extend™ program using Leksell Gamma Knife® Perfexion™.

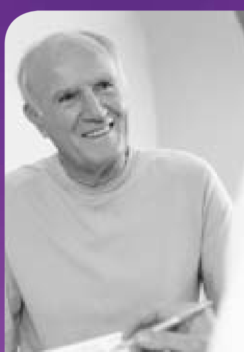
He says: "By performing multiple sessions, we are able to deliver a potent dose of radiation to the tumor, but a small dose over time to the surrounding optical structures."

Anita Thibault was one of the first patients in North America to receive treatment with the Extend program when Doctor Sheehan administered the radiosurgery sessions over four treatments in 2010. Today, more than three years later, Anita's vision is perfect and she is now very optimistic about her future.

ELEKTA

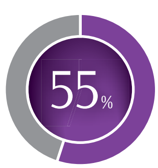
Oncology

Groundbreaking patient-friendly treatment



High rate of innovation – world leading products

Approximately share of total net sales



■ Elekta Oncology

Elekta is the world's leading innovator of linear accelerators. The Versa HD™ linear accelerator introduced during the year is the most advanced in the industry and received a very positive welcome soon after it was launched.

Elekta Oncology endeavors to be the number one partner for oncology systems in cancer care. Working with world-leading clinics, several groundbreaking technological advancements have been introduced over the years. Elekta Oncology pursues an ongoing innovation process that allows the Company, collaborating with its customers, to develop new solutions that enable increasingly improved results and yet remain as comfortable as possible for patients. Elekta's broad R&D portfolio ensures a continuous flow of new solutions that contributes to improved cancer care. This particularly applies to visualization and image guidance and methods for compensating for anatomical movement during treatment.

Elekta Oncology also generates growth by utilizing the potential that exists in its large, worldwide installed base of linear accelerators. This is realized through creation of customer value in the form of upgrades, system expansions, service, education and training. All are aimed at ensuring that customers' systems uphold the highest standards of safety, performance and efficiency.

Emerging countries account for a substantial share of Elekta Oncology's new orders. These markets are expected to grow at a significantly faster rate than the established markets, mainly due to the high economic growth and an increasing proportion of older people in these large populations. In a number of markets, such as Russia, China and Brazil, health care is also undergoing a large-scale structural expansion.

Elekta will continue to strengthen its leadership in emerging markets. The increasing need for modern radiation therapy technology and services in emerging markets will be addressed by improved access to leading technology, accurate planning systems and excellent technical and application support, in addition to investments in local training facilities for cancer care professionals.

A portfolio of leading innovations

The latest innovations that Elekta has taken to market are good examples of the Company's ability to take radiation therapy to new levels that make treatments increasingly comfortable on and more effective for patients. In March 2013, Elekta launched its new groundbreaking linear accelerator Versa HD™. Versa HD is the most advanced linear accelerator system on the market, and in April 2013 the system received the US FDA 510(k) clearance. Versa HD is also equipped with clinical treatment solutions for the breast, lung, prostate, brain and spine, head and neck.

Elekta's revolutionary new beam-shaping solution, the Agility™ multileaf collimator, which

Number of leaves in the revolutionary Agility™ multi-leaf collimator

160

"I am very proud that over the last few years we have been able to offer the market two such groundbreaking innovations as Agility™, and Versa HD™. It proves our technical leadership. The reception from our customers is confirmation that we are meeting our common goal: providing cancer patients throughout the world with the best possible treatment."

Bill Yaeger
Executive Vice President,
Elekta Oncology

was launched last year, has rapidly become the industry standard. Agility enables significantly faster and more precise treatment for patients, with minimum radiation leakage to surrounding healthy tissue.

Another recent example of innovation is the Autoscan option that was added to Elekta's groundbreaking Clarity™ image guidance technology. Autoscan is a flexible alternative to traditional, handheld scanners and enables automated ultrasound scanning of the prostate, controlled and monitored from outside the treatment room.

Integrity™ R1.1 is the new generation of Elekta's digital control system which monitors and controls over a thousand items in real time to assure safe and effective treatment delivery. Integrity R1.1 enables the use of continuously variable dose rates that, in combination with our latest developments, can significantly reduce treatment time.

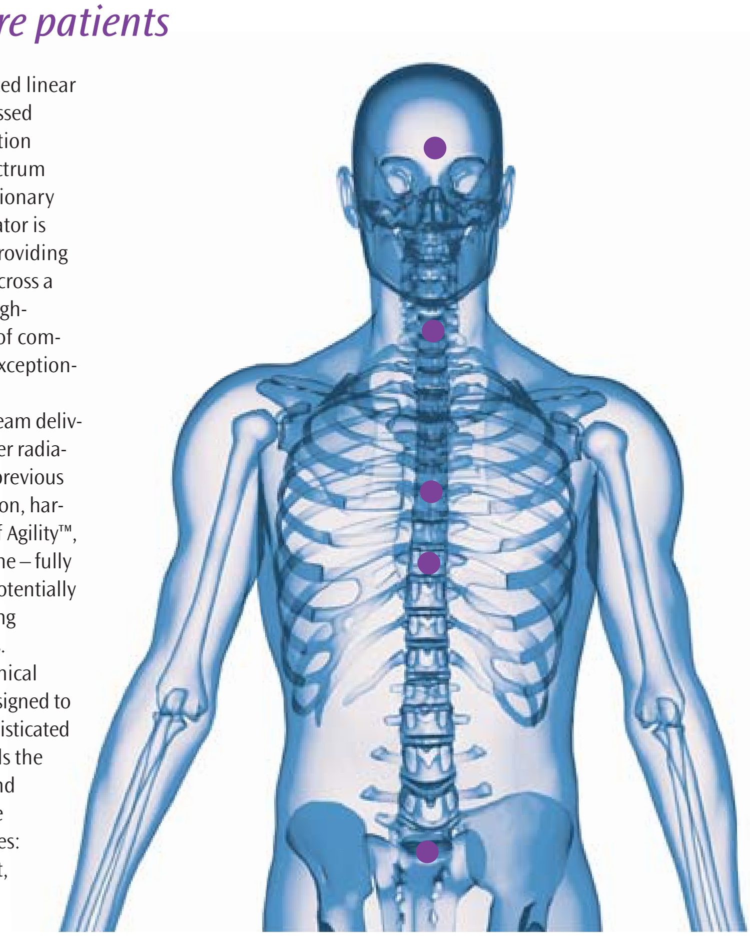
Versa HD with Agility

Versatility to deliver better treatments to more patients

Versa HD™ is Elekta's most advanced linear accelerator and provides unsurpassed versatility by enabling high-definition radiation delivery for a broad spectrum of clinical indications. The revolutionary Agility™ 160-leaf multileaf collimator is fully integrated into the system, providing highly conformal beam shaping across a 40 x 40 cm field and can deliver high-definition beams to a wide range of complex targets. Agility also features exceptionally low radiation transmission.

With new flattening filter-free beam delivery technology, Versa HD can deliver radiation doses three times faster than previous Elekta linear accelerators. In addition, harnessing the ultra-fast leaf speeds of Agility™, clinicians can now – for the first time – fully exploit higher dose rate delivery, potentially enabling even greater dose sculpting capabilities for advanced therapies.

Supported by a series of anatomical treatment solutions specifically designed to work together, Versa HD™ is a sophisticated and streamlined system that fulfills the requirements of both clinicians and patients. Customized solutions are available for a range of disease sites: brain & spine, head & neck, breast, lung and prostate.



Partnerships that drive innovation

Elekta's groundbreaking innovations take place in partnerships and close collaboration with leading research institutions and hospitals. During the year, a new, significant collaboration began involving image-guided radiation therapy with magnetic resonance imaging (MRI).

MRI revolutionized treatment options for many diseases by virtue of its unparalleled ability to image soft tissues.

Brain & Spine
Versa HD provides a suite of solutions specifically designed to maximize field-shaping accuracy and optimize the ability to place high SRS doses on brain and spine targets while avoiding nearby normal tissues.

Head & Neck
To achieve optimal targeting of selected head and neck tumors, while sparing adjacent normal structures, Versa HD offers a number of customized solutions designed to provide high-resolution beam shaping and patient positioning products for secure and comfortable head fixation.

Lung
A unique portfolio of solutions supports Versa HD lung radiotherapy, which prioritizes highly accurate dose placement to lung targets while minimizing radiation exposure to surrounding organs-at-risk.

Breast
Versa HD provides ground-breaking solutions to image and define the lumpectomy cavity, in addition to products that enable accurate patient positioning and respiratory motion management.

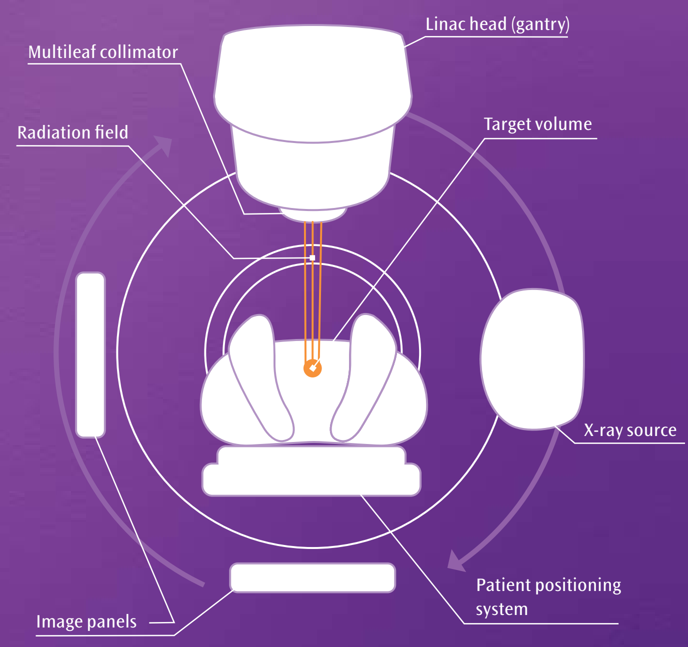
Prostate
The Versa HD solution for prostate harnesses Elekta's unique imaging and tracking capabilities specifically designed to visualize and isolate the prostate and surrounding critical structures.

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 tumor's contours .

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 up to seven weeks. At each daily treatment, the radiation beam from the linear accelerator head is rotated around the patient at different angles so that the entire tumor receives an optimal radiation dose.

In addition, image guided radiation therapy using Elekta Synergy® allows the patient to be imaged in the treatment position during or immediately prior to treatment. An integrated X-ray source and an additional image panel are used, which provide 2D images, moving real-time images and volumetric 3D images.



Elekta Compact

Cost-efficient entry into high-tech care

Elekta Compact™ is a cost-efficient entry point into radiation therapy or as an additional treatment system for a growing radiology department. It is a linear accelerator that meets the needs of emerging markets as it satisfies fundamental radiation treatment requirements, while also providing a wide range of treatment techniques. With its modular design, Elekta Compact is a state-of-the-art treatment system on a platform designed to incorporate new features and functions as a department's clinical needs grow. Elekta Compact is equipped with a single low-energy photon beam, making it ideal for small treatment rooms.

The aim of a new research project is to combine MRI with the market's number one radiation therapy systems on a shared platform. This will give treating physicians exceptional images of soft tissue and tumors during radiation therapy. It will also allow treatment delivery to be adjusted in real time for the most precise treatments possible.

This is the background of the Elekta MR-guided linac research consortium, for MRI-guided radiation therapy, that Elekta and Philips Healthcare established during the year. The consortium is open to leading cancer clinics and cancer physicians. Institutions that joined during the year are University Medical Center Utrecht in the Netherlands, the University of Texas MD Anderson Cancer Center in Houston, US, The Netherlands Cancer Institute-Antoni van Leeuwenhoek Hospital in Amsterdam and Sunnybrook Health Sciences Centre in Canada.

Meetings with the research community

Elekta has a long tradition of supporting research groups devoted to exploring the potential of the Company's technologies and their benefits to patients. The Elekta MR-guided linac consortium is the most recent, in addition to the previously existing groups: the Elekta International IMRT Consortium, the Elekta Synergy® Research Group, Leksell Gamma Knife® Society and the Elekta Clarity® Consortium.

As a complement to these initiatives, there are also the specialized clinical groups of the Elekta Spine Consortium and the Elekta Lung Research Group, both of which focus on critical and particularly complex clinical problems involved in the treatment of particular cancer diseases. Furthermore, the Elekta Pediatric Research Group, a collaborative group for specialists in the treatment of children with cancer, was founded in the preceding year. Pediatric radiation oncology is a unique specialty. There are few pediatric cancer researchers and specialists in the world since cancer in children is relatively rare. Allowing these researchers and specialists to share clinical data and results helps promote advances in this field.

Elekta outlook

Collaborations contribute to the best solutions

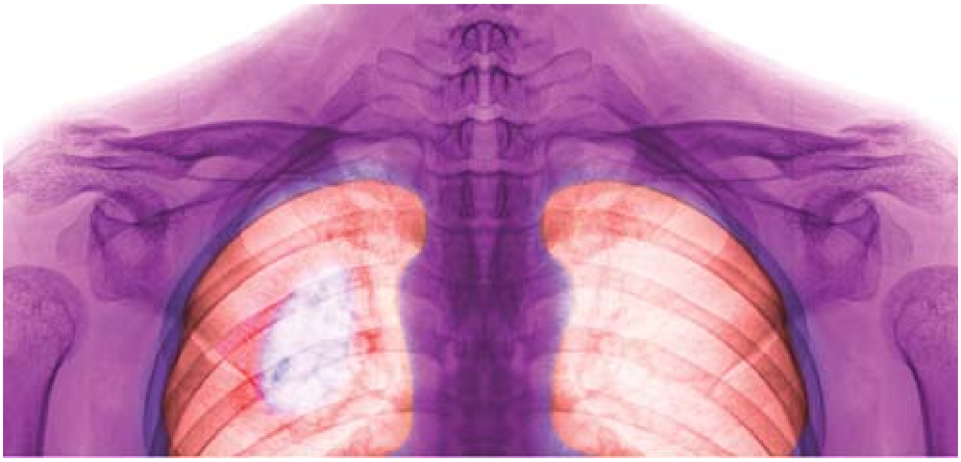
By bringing together the industry's brightest minds, Elekta is able to develop clinically meaningful products and technology.

One of Elekta's several research consortia is the Elekta Lung SBRT Research Group. It includes experts from five institutions working collectively to improve outcome benefits for patients with early stage non-small cell lung cancer treated with SBRT[1)]. Most of these patients have inoperable tumors, and radiotherapy is their best hope.

The Elekta Lung SBRT Research Group maintains an aggregated database that now details the treatment and outcomes of nearly 1,000 treated tumors. The group shares its research by publishing papers in peer-reviewed journals and as abstracts presented at professional meetings.

Doctor Anna Britten, Director of Global Clinical Consortia at Elekta, says: "The benefit to patients is significant. For example, a substantial proportion of early stage lung cancer patients are now able to receive SBRT with very little toxicity, and in a time frame, often less than a couple of weeks, that is much easier for patients to tolerate. Thanks to SBRT, many patients with inoperable tumors can now be treated with radiation, and that would have been very difficult, if not impossible, using conventional techniques." ■

1) SBRT: stereotactic body radiation therapy



Elekta Lung SBRT Research Group

The Elekta Lung SBRT Research Group is composed of experts from these prestigious hospitals:

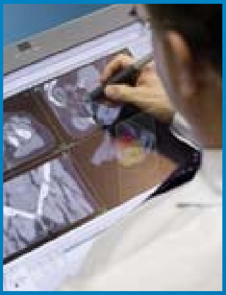
- The Netherlands Cancer Institute – Antoni van Leeuwenhoek Hospital – Amsterdam, the Netherlands
- Princess Margaret Hospital – Toronto, Ontario, Canada
- Thomas Jefferson University Hospitals – Philadelphia, Pennsylvania, USA
- University Hospital Würzburg – Würzburg, Germany
- William Beaumont Hospital – Royal Oak, Michigan, USA

ELEKTA

Brachytherapy

Precision solutions for cancer treatment

Human Care Makes the Future Possible



Global leader with favorable growth potential

Approximately share of total net sales

■ Elekta Brachytherapy

Elekta Brachytherapy is a world-leading supplier of products and solutions in brachytherapy, a form of radiotherapy that sites the radiation source inside or near the target. There is increasing evidence that brachytherapy, as a sole treatment or in combination with external beam radiotherapy, provides an excellent and cost-effective treatment. For instance, a research summary in the UK shows that brachytherapy is a cost-effective method for the treatment of prostate cancer with excellent patient benefits.

Elekta Brachytherapy has sales in more than 100 countries and is currently number one in most markets where they are active. Growth in Elekta Brachytherapy has occurred thanks to a distinct focus on innovative product solutions, training and optimized manufacturing. It involves equipment used to deliver radiation treatment, known as afterloaders and applicators, but also software, in for example, treatment planning.

Installed base of afterloaders

1,900

Prostate and gynecological cancer most common diagnosis

Brachytherapy is a radiation treatment method used to treat a multitude of cancer types. Compared with external beam radiation through a linear accelerator, brachytherapy uses an internal radiation source that is placed in the body, inside or next to the tumor itself. This makes it possible to achieve two goals that are fundamental to successful radiation treatment: to deliver the most effective radiation dose as possible directly to the tumor and protecting the surrounding healthy tissue as far as possible.

Brachytherapy is mainly used in the treatment of gynecological cancer and prostate cancer. At the same time, there is a trend toward increased use for other cancer types. For example, in Asia, with its high incidence of lung cancer, brachytherapy is expected to play a significant role in treatments designed to shrink lung tumors, thus improving the patient's quality of life.

Brachytherapy, which attacks the core of the tumor, is primarily effective in the treatment of clearly restricted tumors and specific indications. As a single treatment form, brachytherapy is best suited for the treatment of small, uncomplicated tumors. For more complex tumors, the method is often used jointly with external radiotherapy and other treatment forms such as cytostatic treatment or surgery.

For relevant diagnoses, the method has major advantages for patients. The high precision means that the intensity of the radiation dose can be adapted to the individual on each separate treatment occasion. The treatment period will be short and will have a limited impact on the patient's daily life. For example, two treatment sessions of brachytherapy with a high dose rate can be sufficient to treat prostate cancer.

"Through the integration achieved during the past year together with a renewed focus on innovation, we have created fruitful ground for accelerating the growth of brachytherapy. By convincing an increasing number of people of brachytherapy's patient value, we will be able to advance our positions geographically and in respect of new treatment opportunities."

John Lapré
Executive Vice President,
Elekta Brachytherapy

Focus on accelerated growth

The Brachytherapy business area, which was added to Elekta through the acquisition of Nucletron in 2011, is an important part of Elekta's growth strategy. As a result of the acquisition, more than 3,000 customers were added, of which 1,000 were not yet Elekta customers. In Elekta's growth strategy, work to develop the joint customer base is therefore one of the driving forces identified to increase the growth rate.

During the past year, the organizational merger was completed and employees specializing in brachytherapy are now represented in all regional organizations. The integration has been generally well received by clients, who appreciate cooperation with one party instead of several.

Through joint sales efforts, the objective is to accelerate growth in brachytherapy, both organically and through acquisitions in new markets. In the long-term, Elekta recognizes significant growth potential in Region Asia Pacific, as well as other emerging markets. The aim is to achieve a growth rate matching the expectations for the entire Group, meaning more than 10 percent annually.

Considerable focus will be placed on increasing knowledge of brachytherapy and disseminating information about the clinical benefits gained from the treatment method, individually or as a complement to other treatment methods. For a cancer clinic, brachytherapy provides access to a broader range of options, with the aim of providing each patient with the right treatment at the right time. Elekta Brachytherapy also offers open and flexible solutions that facilitate integration with various systems, thus optimizing resource utilization within in the clinic.

Flexitron remote afterloading platform

Safety through simplicity

The Flexitron® afterloading platform is the newest afterloader on the market, offering unrivalled potential for continued innovation. The platform represents a new way of working, introducing a new standard in afterloading. It optimizes the treatment delivery process, based on the clinic's workflow and supports the clinical team to work safely and efficiently, so that execution of all steps in the workflow proceed as planned. The Flexitron platform integrates seamlessly with MOSAIQ®, is scalable with 10, 20 or 40 channels and can easily be tailored to the evolving needs of the clinic.

During the past year, the opportunity was created to connect Elekta's afterloader to the oncology information system, MOSAIQ®. This is an important step that will integrate brachytherapy with the modern workflow at the clinic.

Research for broad utilization

Our growth strategy also includes increasing research and development efforts, for instance in the development of special applicators for expanded use of brachytherapy in the treatment of other major cancer types, such as colorectal or bladder cancers. Elekta Brachytherapy also is establishing specialist units to develop programs for specific cancer types and create an integrated approach to address the clinical needs that arise when treating specific forms of cancer.

The Flexitron® afterloader, Elekta Brachytherapy's most sophisticated product, offers significant opportunities for continued innovation and upgrades. Flexitron has been completely redesigned with insight from clinical customers. It was presented in April at American Brachytherapy Society's meeting in New Orleans and at ESTRO in Geneva. This latest version of Flexitron makes the treatment process even more patient- and user-friendly. It can also be equipped with a longer-lasting Cobalt-60 source (versus an Iridium-192 source) for emerging markets where source exchange logistics are limiting the adoption of brachyhtherapy. This can increase access to brachytherapy for more patients.

During the year, a process was initiated to establish a consortium for collaboration with external researchers and institutions in the field of brachytherapy, similar to other such groups supported by Elekta to further drive customer connection and thought leadership in brachytherapy.

Applicators for HDR and PDR brachytherapy

Complete patient centric applicator range

Applicators are a pivotal part of Elekta Brachytherapy's fully integrated solutions. With a broad portfolio of specialized applicators, Elekta Brachytherapy offers a comprehensive range of patient-centric applicator for more than 15 types of cancer in a variety of anatomies. Recently, two new applicators were launched focusing on the treatment of lung cancer and bladder cancer.

Elekta outlook

Radiotherapy the most cost-effective for prostate cancer

A recent study by the University of Twente, the Netherlands, confirms that brachytherapy alone or in combination with external beam radiation therapy, is the most cost-effective treatment for prostate cancer.

The research paper, titled 'Comperative cost/QALY of guideline-recommended prostate cancer treatments: a UK cost perspective' was presented at the 2013 European Society for Radiotherapy and Oncology (ESTRO) in Geneva, Switzerland. It is based on data from six recent overview studies, involving 55,000 patients with low, intermediate or high-risk prostate cancer over a 10-year period.

Ben Pais, Vice President, Medical Affairs and his team at Elekta Brachytherapy, followed the study closely. Pais says: "The role of health economics is becoming more important, and that means the authorities no longer only look at the clinical value of a treatment, but also at its economical value."

The study demonstrated that in low-risk patients, where the prostate cancer remains localized, brachytherapy is the most cost-effective treatment. The study also highlighted that brachytherapy offered a better quality of life for the patients. In intermediate and high-risk patients, the study showed that the most cost-effective treatment option was the combination of brachytherapy and external beam radiation – the best quality of treatment for the patients at the lowest cost. ■

Ben Pais, Vice President, Medical Affairs, Elekta Brachytherapy

Designing with the patient in mind

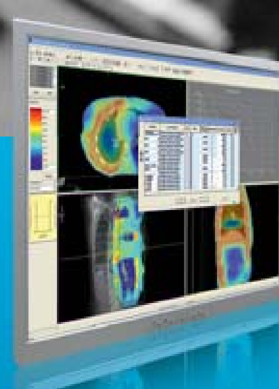
To meet the needs of customers in Southeast Asian markets, Elekta launched a scaled-down version of its well-known brachytherapy Fletcher Applicator. It was developed for women in countries such as China, India, Japan, and Malaysia who tend to be smaller in stature than their western counterparts.

Cervical cancer is the most common cancer among women in all of these countries except in Japan, and pre-screening routines are lacking. Elekta's new, smaller applicator has the same features and options as the Fletcher Applicator Set, but the adjustable intrauterine tube has a four-millimeter radius rather than the standard six millimeters.

Maurits Wolleswinkel, Vice President, Business Line Management, Elekta Brachytherapy, says: "Device manufacturers tend to build a global portfolio with standard product solutions. Our approach is to provide a tailored product based on local market needs, especially in fast-growing markets such as those in Asia. Investing early in these markets is part of our strategic focus." ■

Maurits Wolleswinkel, Vice President Business Line Management, Elekta Brachytherapy

Human Care Makes the Future Possible



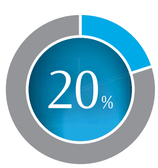
ELEKTA

Software

World leading software for oncology

More efficient clinics have more time for patients

Approximately share of total net sales



Elekta Software

Elekta Software's advanced software systems are tailored to the needs and practices of cancer care. The systems are continuously developed to customers' needs to create better care and more efficient clinical operations. This gives clinicians greater ability to focus on the patient and to better adapt treatment to each patient's needs.

Elekta Software is the world's leading developer of solutions for patient information, workflow management and treatment planning in oncology. These software solutions empower hospitals and clinics to digitally manage and streamline all aspects of cancer care. Throughout the flow of patient care, software solutions from Elekta facilitate and record activities that are critical for patient safety, clinical workflow, and evidence-based health care. The latter may, for example, involve the user having easy access to data so that patient treatment and care can be based on an optimal clinical basis.

Software plays an increasingly prominent role in cancer care. Population growth and increased average life expectancy are contributing to more cases of cancer and a growing demand for care, which in turn incurs increased costs for society. Continuous technological improvements also enable the treatment of an increasing number of cancers, whether the aim is curative or palliative.

Elekta is exceptionally well-positioned to satisfy this trend in both mature and emerging markets, with software solutions that significantly contribute to enabling improved and cost-effective care for cancer patients.

In both developed countries and emerging markets, the dynamics of care are being driven by the need to do more with the same amount of resources. Elekta's systems make it possible to measure, document and enhance the efficiency of the clinic, a requirement in nearly all mature markets. In the US, the HITECH Act offers financial incentives to care providers that deploy electronic medical reporting and use it in a meaningful way. Elekta's MOSAIQ® was the first comprehensive medical oncology and radiation oncology information management system to be fully certified under the HITECH Act.

Cancer care is rapidly expanding in many emerging countries, which entails establishing a software infrastructure to achieve maximum efficiency from new investments. Many of these countries are densely populated, which also increases the need for efficient patient throughput. Elekta's MOSAIQ® is already the world's most widely used oncology specific software platform and has also made major advances in emerging markets.

One of Elekta's main competitive edges is the Company's philosophy of offering open systems and the ability to connect with virtually any vendor's linear accelerator. An example of the advantages of this is Siemens' withdrawal from the market; users of Siemens' linear accelerators continue to be offered the option of upgrades with software from Elekta.

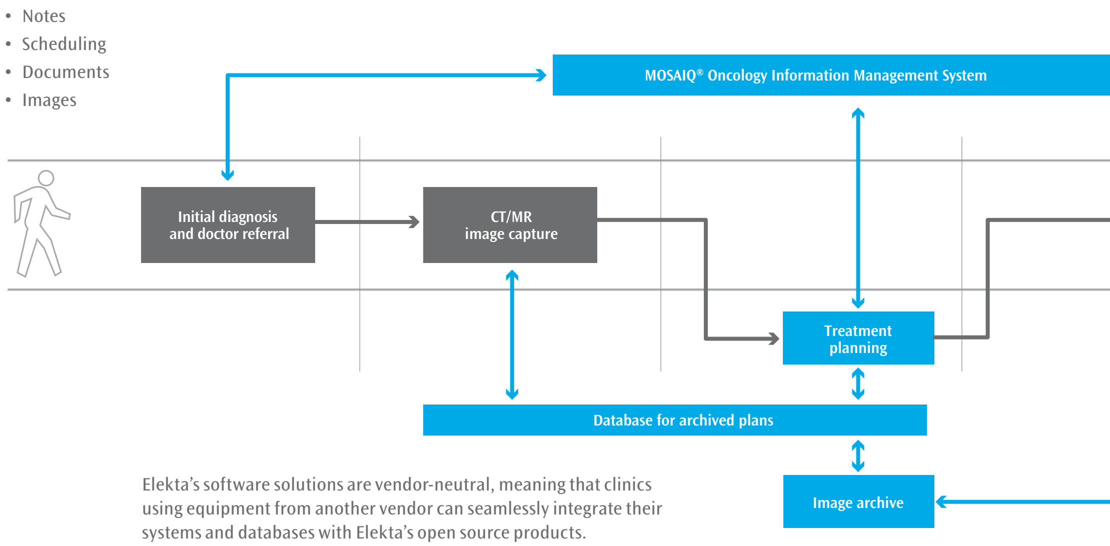
Clinics with software solutions from Elekta

5,000

"We have achieved yet another year of wonderful successes that show that Elekta is unbeatable in software for oncology. We are continuing to realize our vision of an integrated platform for all of a clinic's needs for oncology information management and treatment planning. We know that our customers support us in this endeavor since they can see the future benefits, particularly for their patients."

Todd Powell
Executive Vice President,
Elekta Software

Elekta's software systems encompass the complete flow of information about a patient being treated for cancer



Elekta's software solutions are vendor-neutral, meaning that clinics using equipment from another vendor can seamlessly integrate their systems and databases with Elekta's open source products.

Toward a comprehensive system

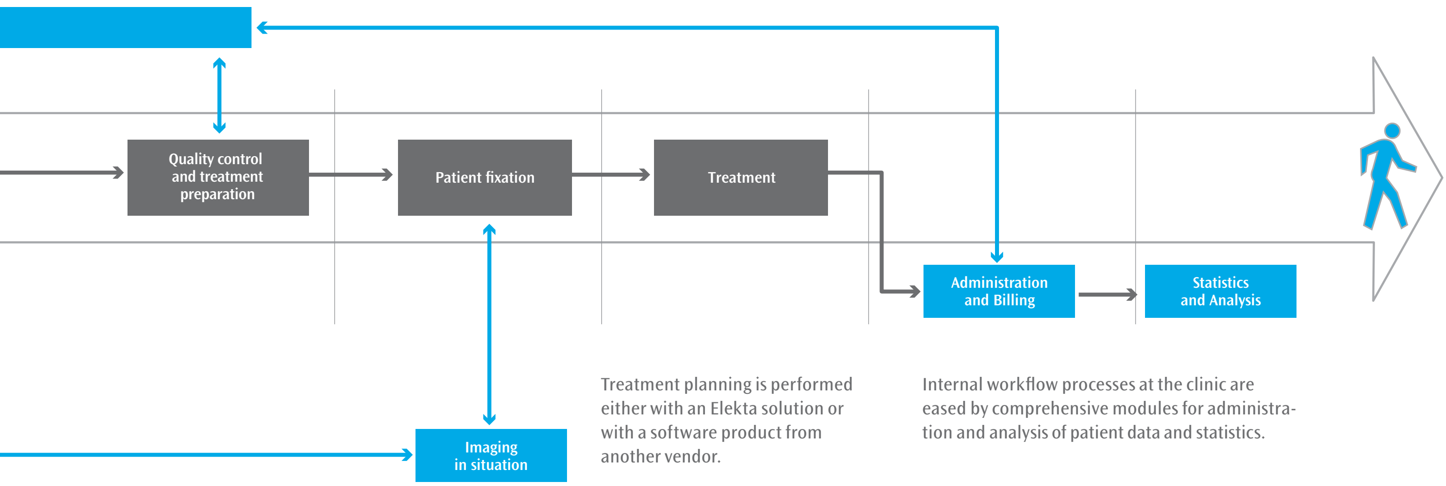
For more than 20 years, MOSAIQ® has been the world's leading platform for oncology information management systems. This continuously evolving platform gives caregivers a cohesive and centralized portal that supports improvements in workflows, data management and patient care, all within a single system and user interface. Elekta also has a major market for MOSAIQ in equipment from other suppliers.

The key to continued success of Elekta's software systems in the years ahead is to ensure the variuos tools fit seamlessly in an integrated workflow. A new generation of software, MOSAIQ® RTP (radiation treatment planning), is emerging that involves a paradigm shift for data management at the clinic. In particular, efforts are underway toward the paperless clinic – an opportunity that is increasingly in demand for both efficiency and patient safety reasons.

Today, MOSAIQ contains several tools in five main areas: radiation oncology, medical oncology, IQ Scripts, Data Director and MOSAIQ® Evaluate. MOSAIQ Evaluate, the first step in MOSAIQ RTP development, is a set of tools that enables the integration of treatment and dose planning in the MOSAIQ workflow. Evaluate was introduced during the year after having received 510(k) clearance by the US Food and Drug Administration.

Another new capability in the past year is that MOSAIQ has been integrated with Leksell Gamma Knife® and with Elekta Brachytherapy afterloaders.

Elekta Software is now pursuing the successive integration of several of its advanced tools in MOSAIQ RTP, with the ultimate goal of creating a comprehensive planning system and thus a single source for treatment planning and oncology information. The advantage for an oncology department is improved coordination and planning of the department's activities in a way that was not possible before, employing separate workflow tools for different planning needs.



Treatment planning is performed either with an Elekta solution or with a software product from another vendor.

Internal workflow processes at the clinic are eased by comprehensive modules for administration and analysis of patient data and statistics.

During the year, US Oncology Network – among the largest networks of community-based oncology physicians in the US – selected MOSAIQ as the standard for its network of clinics. The agreement is the continuation of US Oncology Network's long-standing relationship with Elekta.

This year, Elekta also assisted Fresno Community Medical Centers in California to transition to MOSAIQ and transfer about 10,000 medical records from its Siemens LANTIS system. The long-term aim is to completely transfer to film and paperless oncology operations. Elekta's technical support team provided coordination services during the transition, training and start-up phase.

In a study announced in December 2012 and conducted by KLAS, an independent market research company in the US, MOSAIQ was ranked number one for Software and Services in the Oncology segment for the third year in a row. The ranking is a total of the points awarded over 12 months, compiled by KLAS and based on the feedback from more than 20 000 users at hospitals and clinics in the US.

Oncology Information Systems

Capture the complete oncology workflow in one system

MOSAIQ® is the major oncology information platform from Elekta. It is a complete patient information management system that centralizes radiation oncology, particle therapy and medical oncology patient data into a single user interface, accessible by multi-disciplinary teams across multiple locations.

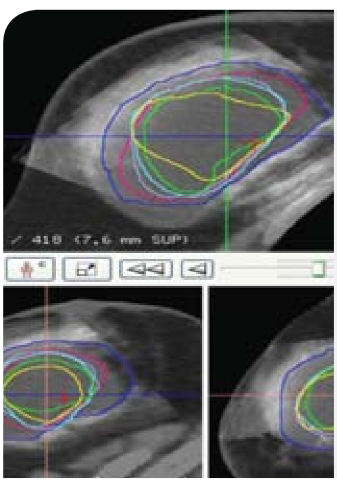
As a true open systems solution, MOSAIQ connects seamlessly to virtually any linear accelerator and planning system, giving centers the flexibility to choose the optimal treatment solutions for their practice and their patients.

MOSAIQ provides comprehensive image, data and workflow management – from the single physician practice to the most sophisticated provider networks with hundreds of users. The single application offers users fast and efficient access to the right information when they need it.

Leading system for treatment planning and visualization

Successful radiation therapy requires extreme planning precision. The higher the radiation dose that can be delivered to the tumor, the more effective the treatment will be. Precision is also important to sure that cancer cells are eliminated, while healthy tissue surrounding the tumor is optimally protected. Accordingly, it is essential to have a clear image of the surrounding tissue and tumor boundaries of the tumor in order to, for example, position the patient correctly and compensate for movements during treatment. During the year, a new version of Monaco® treatment planning system improved dose conformity and VMAT delivery efficiency with Elekta's revolutionary Agility™ beam-shaping solution.

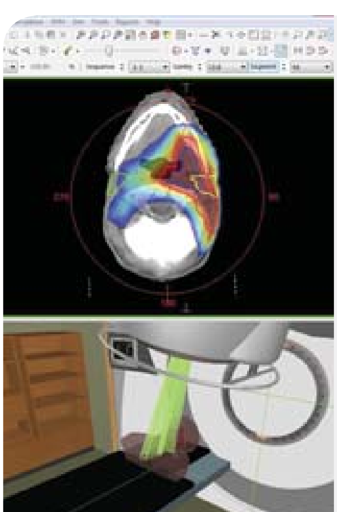
Elekta's Clarity® system obtained 510(k) clearance from the US Food and Drug Administration during the year for the use of Clarity 4D in monitoring prostate motion during radiation delivery. Clarity is a groundbreaking, non-invasive and non-ionizing image guidance technology that provides exceptionall images of soft tissue and is an outstanding platform for the next generation of motion management.



Soft tissue visualization

Ground breaking, non-invasive, non-ionizing image guidence

CT simulation is a key part of radiation therapy workflows, but its limited soft tissue visualization can inhibit its ability to characterize the target and surrounding structures. Clarity® takes soft tissue visualization to entirely new levels for radiation therapy. Easy to learn and use, Clarity is capable of integrating with any external beam radiation therapy workflow and equipment to support simulation, planning and treatment. Clarity's hybrid imaging technology allows clinicians to add superior soft tissue visualization to their existing CT simulation.



Treatment planning systems

State-of-the-art planning

The legacy of clinical excellence is reflected in a broad range of leading-edge applications and comprehensive workflow solutions designed to make all members of the radiotherapy team more effective in providing patient care.

Elekta planning solutions cover the spectrum of radiation therapy, radiosurgery and particle therapy techniques. Elekta provides comprehensive tools to make planning easier, simpler and more clinically reliable. Among the solutions are Monaco®, XiO® and Oncentra® External Beam.

Elekta contouring solutions provide all members of the treatment team with flexible, convenient access to planning functionality and patient data. The systems allow seamless movement of data between workstations, providing productivity gains using distributed planning capabilities. Among the solutions are Focal™ and Atlas-Based Autosegmentation™ (ABAS).

Elekta outlook

MOSAIQ enables more reliable patient care

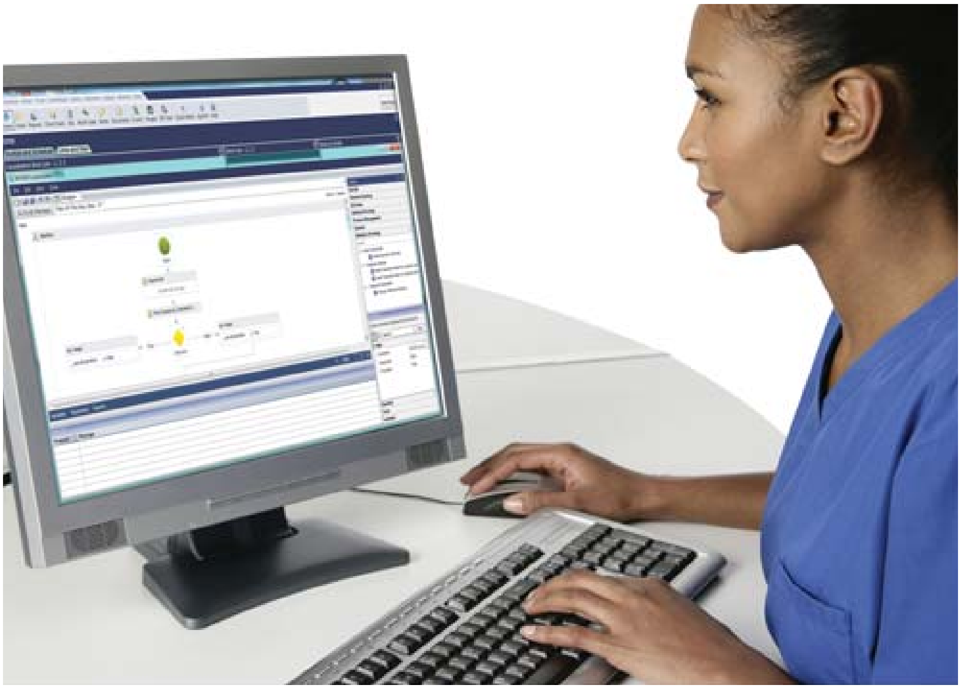
Imagine using the collective expertise to improve how doctors treat tumors and cancer. This is essentially what Elekta's MOSAIQ® oncology information system does as it connects hospitals, enabling them to share information and best practices.

MOSAIQ is a comprehensive vendor-neutral software system that centralizes radiation oncology and medical oncology patient data into a single user interface. The US Oncology Network chose MOSAIQ as its standard radiation oncology information system for its installed base of linear accelerators.

By making MOSAIQ its standard oncology information system, the US Oncology Network will be able to use the treatment data collected from each center in a consistent way, generating an extremely valuable dataset that doesn't exist today.

Doctor Vivek Kavadi, Radiation Oncology Medical Director for The US Oncology Network, says: "Standardizing on the same MOSAIQ version across the entire enterprise will enable us to implement and share best workflow practices and help us to deliver high quality radiation therapy in a cost-effective way."

A group of clinicians at cancer care facilities in southwest Ontario, Canada has also connected their clinics using MOSAIQ. Doctor Bill Evans, President and CEO of the Juravinski Hospital and Cancer Centre, says having access to decision-making tools and a common electronic patient record will allow the clinics to provide safer and more reliable patient care. ■



Human Care Makes the Future Possible

ELEKTA Services

Efficient clinics increase patient benefit

Services that *enhance customer service*

Elekta's products and solutions form the backbone of the customer's radiotherapy clinics. An interruption could lead to unscheduled delays and impact the entire clinical workflow. Elekta's service offering helps prevent interruptions and optimizes the customer's efficiency by reducing waiting times and simplifying workflows. The end result is more time for more patients.

Elekta Services works strategically to maintain and develop the installed base of equipment and software at clinics. In the aftermarket, Elekta Services is integrated with Elekta's product offering. In mature markets, Elekta Services and Elekta Software now account for a significant portion of revenues. In growth regions, such as Asia Pacific, capacity requirements are expected to grow rapidly as cancer care services are expanded, particularly in major markets such as China and India.

The service offering helps customers boost their competitiveness and achieve the highest possible return on their investments. This is how Elekta Services forms partnerships with its customers, which leads to positive and long-term relationships and provides a key platform for growth. This increases the potential for additional sales of accessories, upgrades, services and new systems to existing customers, as well as to others, since satisfied customers often become ambassadors for Elekta as a whole.

Training services are a cornerstone of Elekta's growth strategy and will grow in significance. Clinical training is conducted in partnership with leading university hospitals. In emerging markets, in particular, training initiatives play a major role in setting the standards of future cancer care.

Due to the growing need for care, customers are also redefining their operations on the basis of access to specialty expertise. The shortage of hospital physicists in some markets has encouraged more clinics to demand the possibility to purchase all of their technical services from Elekta.

Rapid intervention, as part of this offering, is also gaining significance. Elekta is meeting this requirement with a strong global network of service units. About 500 service engineers are employed in the service units, which are distributed in line with the installed base.

Understanding customers' present and future requirements is central to the success of Elekta Services. As a result, Elekta has intensified its focus on measuring customer loyalty in recent years, through major global surveys and by measuring each individual customer case. This provides a basis for systematic productivity improvements, so that existing customers increasingly recommend and advocate Elekta's products and services.

Elekta achieves high ratings in these measurements. We are considered a leader in safety, in particular, compared with competitors. One aspect of good safety practice is Elekta Services'

Share of the Elekta employees working with service

40%

"Every day, we see how our customers' needs for system integration and other services are increasing. Preceding these needs requires continuous development of our consulting services, which also strengthens our leading position as a service provider. Elekta's comprehensive offering of hardware and software promotes the development of full-spectrum solutions, which is totally in line with our customers' future requirements. We are also making a substantial investment in a broad suite of training services."

Tomas Puusepp
CEO and President,
Elekta AB

quality assurance of how increasingly complex systems and solutions can interact in an optimal manner.

Elekta Services provides a link between the customer and the Company as a whole. This means that Elekta Services helps to capitalize on the competitive edge generated by Elekta's complete and comprehensive system for cancer clinics, including aftermarket services such as upgrades and additional sales.

Services from installation to operation

A successful integration of new technology in the clinic requires careful planning and well-organized implementation. This requires both time and resources, which are finite in most clinics. Elekta's installation and start-up team helps customers use their new equipment and clinical applications to full advantage. Services include planning, project management, installation, testing and verification. During clinical operation, customers are offered the level of service they require, from full-spectrum service and support programs to partnership agreements and support services if requested.

In collaboration with a number of selected partners, Elekta can also offer various financing solutions to help customers expand or upgrade their operations.

Remote Services – preventive measures

The online services offered by Remote Services further enhance opportunities for advanced troubleshooting and rapid intervention for customers. Remote Services can monitor and access customers' systems, which minimizes the risk of interruptions to the clinic's treatment schedule. Remote Services benefit from the complete digitization of Elekta's products. Elekta's linear accelerators, for example, are equipped with 2,000 alarm points that can generate alarm messages directly from the machine. This enables Remote Services to diagnose system issues faster, ensure that the correct components are identified and ordered, and while connected, schedule service before errors impact the customer.

The ability to update software remotely at scheduled times also helps customers plan for new functionality. Operational interruptions are reduced since updated software can be installed outside working hours. Around-the-clock access and the ability to carry out repair services online enable faster intervention and generate environmental gains due to less travel.

Consulting services boost customer competitiveness

For Elekta Services, the potential for future growth also involves developing and introducing new services to boost customer competitiveness and efficiency. This includes software consulting services to help the customer develop efficient workflows and processes, or to maximize benefits from all of the software available at the clinic. It might also include adaptation of systems to customer-specific requirements, or advice and management support in connection with expansion to meet a growing need for care capacity.

Elekta outlook

Acquisition strengthens service capabilities

With Elekta's fast expansion in Latin America, the Company needed to expand and improve its service team. To do this, Elekta acquired Radon Ltda, a leading independent linear accelerator service supplier with an excellent reputation throughout the region.

Elekta and Siemens linear accelerators account for about a third of Brazil's installed base of 250 machines. Most of the service contracts held by Radon are with clinics that use equipment delivered by Siemens, which has left the linear accelerator market. By acquiring Radon, Elekta significantly strengthened its Latin American service organization and almost tripled its capacity to install and service linear accelerators in Brazil.

Luciano Barros, a founder and Partner Director of Radon, says: "Initially, our customers using Siemens equipment were concerned about the deal, afraid that things might change in our relationship. But we reassured them that the idea behind Elekta's acquisition was to support Radon to improve our quality of service. I think everyone now sees the benefits."

He adds: "In my opinion, it was the best thing for both companies. Elekta needed to increase and improve its service team and Radon needed a better business structure to support our growth. Visiting new prospective sites is easier now, when we can say that Radon is an Elekta company."

Radon has continued its successful business model and strategy, and as a demonstration of its dedication to its customers, Elekta has kept the reputable Radon name. ■

Manufacturing with *human focus*

Elekta develops and manufactures highly complex products that rely on interaction between a range of technologies and specialties. However, the ultimate purpose of these products is to save lives. This imposes extremely rigorous demands on quality and patient safety.

Elekta's production units play a key role in the Company's position as a pioneer in modern cancer care and brain disease treatment. The units develop, manufacture, test and quality-assure some of the world's most advanced solutions in radiation therapy, radiosurgery, neurosurgery, brain activity mapping and oncology software.

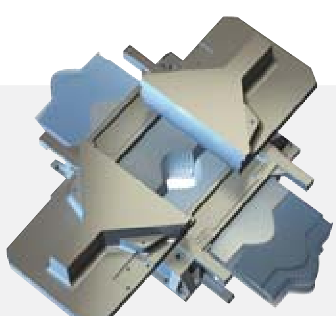
The production strategy is based on three cornerstones: quality that guarantees patient safety, favorable production economics, and reliable and secure sourcing of raw materials and components. This strategy underlies the entire value chain, from suppliers to assembly, testing, quality assurance, installation and customer usage.

The development and manufacture of most components in Elekta's systems require cutting-edge expertise to guarantee cost-efficient and high-quality production. As a result, Elekta has developed long-term relationships with suppliers over the years that can meet these exacting demands and complement Elekta's in-house expertise and know-how. Many of these relationships are partnerships spanning several decades, involving close collaboration to ensure quality and cost efficiency.

The general trend is toward basing production in low-cost countries – either by Elekta engaging new suppliers there, or by existing suppliers becoming established in these countries. At present, almost half of the total purchasing volume is sourced from

Product development

Agility – cutting-edge technology in mini format



Elekta's unique beam-shaping device, Agility™ multileaf collimator, was launched in 2012. The development process proved a major technological and organizational challenge, involving hundreds of people including production specialists. The objective was to deliver a high-performance product that was faster to assemble, while Agility contains considerably

Project start

Concept exploration
Six concepts explored and key technologies proved

Technology and business case are feasible

Product exploration
Key technologies integrated to create first prototype and get customer feedback

Product and customer needs are feasible

Requirements and planning

Bringing product to market is feasible

low-cost countries. Elekta's consolidation of its supplier base during recent years has also led to fewer suppliers delivering more content. This consolidation has also meant that Elekta now shares more responsibility for quality assurance with suppliers. Major investments have been made in this area in recent years, both internally and among suppliers. These include, among other things, certified purchasers and quality engineers at Elekta who evaluate the quality of supplier processes by implementing monthly or quarterly audits.

Internal efforts are continually taking place to raise awareness of every step throughout the entire value chain, and to ensure cutting-edge expertise within the multitude of complex technologies that must interact in Elekta's solutions. This is achieved through internal change programs and external certification schemes.

To raise awareness of the significance that each step holds for the entire operation, employees are continuously rotated within the production process, from assembly to testing and quality assurance, for example. Many Elekta employees are also highly proficient in process development.

Elekta also promotes the participation of manufacturing representatives in all development projects. This ensures that new treatment solutions can be developed and manufactured with favorable production economics, that they possess sound environmental qualities and that future service can be carried out efficiently.

Production plays an important role in Elekta's environmental practices and efforts are ongoing to reduce energy consumption and eliminate, recycle or replace environmentally impacting materials and processes. Several Elekta facilities have achieved ISO 14000 certification. Our environmental practices are described in more detail in the responsibility section on page 57–58.

Elekta has received several external recognitions for the efficiency and quality of its production processes, including the World Class Manufacturing Award in the UK, which is given by the manufacturing industry publication The Manufacturer.

Global manufacturing and sourcing

Assembly and quality assurance worldwide

Elekta has eight production units in the US, China and Europe. All system components are sent here by suppliers for assembly, testing and quality assurance.

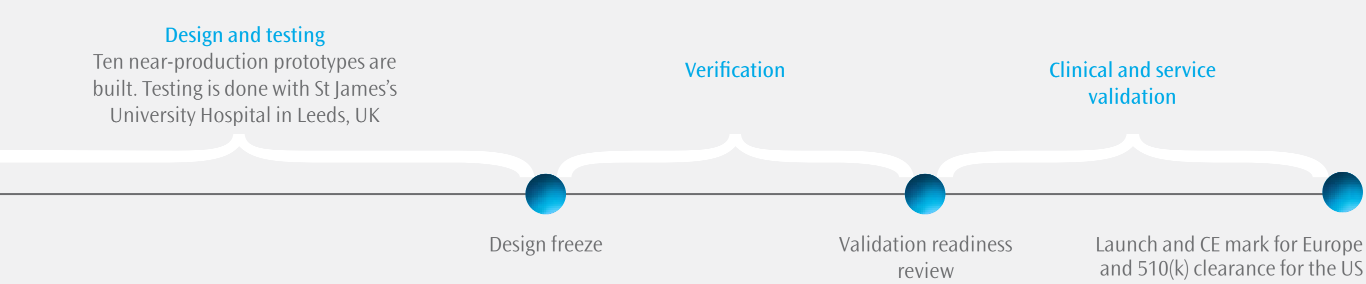
The radiosurgery systems are assembled in Linköping, Sweden, while oncology systems are assembled in Crawley in the UK, Beijing in China and Schwabmünchen in Germany. The facility for assembling magnetoencephalography systems is located in Helsinki, Finland. Elekta Brachytherapy manufactures both hardware and software in Veenendaal, the Netherlands, where the equipment also is assembled and tested.

Elekta Software produces the software that is installed in each system. This takes place in Shanghai in China, Uppsala in Sweden, and in Sunnyvale and St Louis in the US.

The international supplier base is located throughout China and other Asian countries, Sweden, UK, US and Eastern Europe.

more and much higher-performing components than its predecessor.

Agility is a groundbreaking innovation comprising a range of advanced components that interact in such areas as mechanics, optics and software. These include drive units with one of the smallest engines in the market, the optical system using ruby fluorescence, the modular software architecture and automatic calibration. Agility includes five different solutions with patents owned by Elekta. Production takes place in Crawley in the UK.



With a mission to *care for life*

Elekta develops safe and efficient solutions and products with the aim of improving cancer care worldwide. Responsible and sustainable enterprise constitutes the very core of Elekta's goodwill. It is also decisive to Elekta's ability to complete its principal mission: to improve, prolong and save lives.

Elekta's responsibility in its operations directly impacts the Company's ability to build and maintain a strong and renowned brand, which is in turn the basis for a long-term sustainable market presence and growth. Accordingly, Elekta aims to continuously conduct and develop transparent discussions on responsible enterprise with all stakeholders. During these discussions, based on mutual respect, Elekta will clarify the guiding principles with which Elekta bases its view on the Company's responsibility, caring for life, being a groundbreaker and partner in cancer care and acting according to values that promotes long-term relationships, trust and responsibility.

The Code of Conduct is a cultural conduit

Elekta's Code of Conduct is one of the Company's most important policy documents for responsible enterprise and serves as a conduit for the Company's culture. It clarifies the fundamental principles by which Elekta expects each employee and partner – such as suppliers and distributors – to abide. The Code includes comprehensive information concerning Elekta's view of its responsibility in terms of social, environmental and financial matters. The areas of responsibility described include, for example, employee rights, product safety, corruption, conflicts of interest and competition.

Elekta's Code of Conduct adheres to principles established by international bodies, such as the UN Declaration on Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work.

The Code of Conduct is kept alive in many ways, including having all senior executives sign the Code on an annual basis. The Code plays a key role during the integration of new acquisitions.

Supplemental anti-corruption policy

Elekta's anti-corruption policy serves as an important supplement to the Code of Conduct. The cornerstone of the policy is zero tolerance for corruption. A substantial portion of the policy focuses on the interaction with health care personnel and with Elekta's other clients, agents and distributors. The rules cover a wide range of improper behavior that could damage Elekta's credibility in such areas as consultancy agreements, gifts, donations and research agreements.

The anti-corruption policy has been translated into several languages and all employees are to study it using an e-learning program. The policy applies to all companies and employees of the Elekta Group. It is also to be communicated and applied in all contractual relations with Elekta's business partners.

Ultimate responsibility for informing employees and partners about the Code of Conduct and the policy rests with the management of each of the Group's legal entities. The Group's Head of CSR is in charge of implementing and monitoring compliance through such measures as regular audits.

Serious incidents are to be reported directly to the CEO and the Board of Directors. A whistleblower procedure enables employees to turn directly to the Head of CSR if they suspect improprieties, without risking sanctions.

International partnerships

Elekta is also a member of a number of industry organizations that have produced sector-wide Codes of Conduct, such as COCIR in Europe and MITA in the US. These Codes also clarify the rules that should apply in the Company's relationships with decision-makers and clients in the care sector, including physicians, nurses, hospital managers and consultants appointed by hospitals.

Authorities and legislation

Elekta's employees and suppliers must always comply with the prevailing legislation and the regulations and international conventions that apply in the countries in which Elekta conducts operations or otherwise maintains contact.

Elekta respects and complies with competition regulations, environmental legislation, labor laws, safety requirements and other provisions that are relevant to its operations. Elekta also engages in a regular dialog with authorities and legislators through its membership in various industry organizations.

For its financial activities, Elekta complies with all accounting legislation and regulations to guarantee correct and transparent information regarding the Company's operations, structure, financial position and performance.

Increasingly enhanced treatment for cancer patients

Elekta's mission is to care for life. The aim of everything that Elekta does is to improve, prolong and save lives – from hardware to software and systems, which have all been developed with the aim of providing patients with the best possible care.

Elekta manufactures equipment and systems for cancer treatment, although it does not provide specific medical advice concerning the care of individual patients, which is the responsibility of physicians and hospitals. However, Elekta's online Patient Center includes compilations of data, extensive patient information about how various treatments are applied and information on the most common forms of cancer. The Elekta Patient Center also provides links to relevant online communities, professional associations and patient organizations.

Innovation through customer partnerships

Elekta is renowned for building long-term and partnership-focused relationships with its clients. The Company views its clients as far more than partners and, over the years, these collaborations have resulted in – and continue to generate – key breakthroughs for increasingly enhanced treatment options and treatment practices for cancer diseases. In partnership with its customers, the functionality of Elekta's products is advanced toward ever-increasing efficiency and higher performance.

Elekta also supports the transfer of knowledge and exchange of best practice by coordinating several product associations and users meetings, during which researchers and healthcare specialists can present scientific reports and the latest research results. These meetings are assigned high priority and comprise a source of information for future product development.

Elekta conducts regular customer surveys, which provide valuable feedback from user experiences of the Company's products and services. The results are meticulously analyzed and integrated into the plans for future product development and other improvements at the Company. Elekta ranks high in both internal and external customer satisfaction surveys.

Safer products for patients and users

As a manufacturer of medical equipment, Elekta operates in a stringently regulated environment. The Company must live up to rigorous requirements in terms of international legislation and product-safety standards, such as IEC and ISO standards, the European directive on medical-technical products, US FDA requirements on quality systems and numerous national directives and legislation. The registration and approval of products in various countries, through certificates, licenses and similar systems, is becoming increasingly important as Elekta establishes operations in a growing number of countries.

Elekta's products are developed, manufactured, marketed, sold and serviced in accordance with controlled procedures and processes. These are described in the ISO 9001 (quality management), ISO 13485 (quality management for the design and manufacturing of medical-technical devices) quality systems and in standards that are specifically applicable to medical devices. Quality systems are audited and certified by external supervisory bodies and the FDA conducts regular inspections.

The evaluation of product risks and safety aspects are conducted as an integral part of the product development process. The evaluation covers all phases of the product's lifecycle, including installation, handling and application. Elekta aims to supply the safest products possible, for customers and patients, but also for its own installation and service technicians.

A basic training course on the functionality and application of Elekta's products is conducted as part of the delivery. Safety messages and controls are implemented in the software to assist the user.

Processes are in place to handle circumstances should in the event of an incident or if a complaint is reported by a client. This feedback plays a key role in maintaining the safety of the products used. Specific procedures have been established for corrective or preventive initiatives, the updating of user information, the updating of products in the market and for reporting in accordance with official requirements.

High level of ethics in business relationships

Elekta wants its relationships with suppliers and distributors to be hallmarked by favorable business practices and a high level of ethics. The contents of Elekta's Code of Conduct are also included in all standard agreements with suppliers and distributors. Elekta continuously conducts compliance reviews of its Code to ensure, for example, that suppliers respect employee rights, local legislation and are environmentally considerate. Supply reliability, quality and quality systems are reviewed and audited, and the results are communicated regularly to the partners concerned.

Target to achieve environmentally sustainable operations

Elekta's vision is to be an environmentally sustainable organization that continuously strives to reduce the environmental impact of the Company's business activities and products. Work in this area is based on Elekta's environmental policy and includes minimizing the waste of resources as a result of production and air and water emissions, as well as avoiding the use of environmentally hazardous materials.

Elekta's products help clients meet their own environmental objectives and their own requirements for cost-effective treatments. Long term, this also involves managing the risks and opportunities associated with climate change and planning for a more profound lack of resources and higher costs for materials and energy.

Elekta's principal environmental impact arises from the consumption of electricity in production, for heating premises, for transportation and for business travel.

In its environmental work, Elekta complies with and observes all applicable environmental legislation. For example, this applies to the REACH regulation on the registration, evaluation, authorization and limitation of chemicals, and the WEEE rules concerning waste from electric and electronic equipment. Under the European industry organization COCIR, Elekta is involved in work on a plan to use ecodesign and energy-efficiency measures to facilitate voluntarily joining the ErP directive regarding energy-related products.

Several climate initiatives

For the fourth consecutive year, Elekta has published detailed information about its climate impact and carbon emissions within the framework of the Carbon Disclosure Project (CDP) investor initiative. CDP constitutes a basis on which investors can determine how a company identifies and manages risks and opportunities related to climate change. In its emission reporting for the past year, Elekta received an auditing score of 78 (76). The CDP's definition of a high value is 70 and up to a maximum of 100.

Elekta established targets for reducing greenhouse gas emissions for the first time in 2011. This decision was based on global climate change and the Company's overall objectives for reducing its environmental impact. The target was set at a reduction of 35 percent per unit revenue by 2015, with 2009 as the base year. Achieving this target requires substantial efforts at various facilities in the coming years, such as striving to reduce emissions of the SF6 greenhouse gas and a decrease in overall energy consumption. SF6 is one of the strongest active greenhouse gases and constitutes a necessary component in generating radiation inside a linear accelerator. Elekta has commenced work on recycling the gas from production, with the goal of recycling all SF6.

Elekta's Remote Services solution for the monitoring and remote servicing of Elekta's installed systems reduces the need for onsite service initiatives. For Elekta's service technicians, this entails less travel and thus reduced emissions.

Elekta also has internal web conference systems that are frequently used and that reduce the need for business travel. Using various incentives, Elekta locally encourages employees to use public transport, carpooling, a bicycle pool and so forth.

A number of local climate-offset initiatives were implemented during the year. Examples include the purchase of climate-neutral electricity and climate offsetting of business trips by air.

For more detailed information about CDP reporting, visit www.cdproject.net.

Ecodesign provides a competitive edge

Offering energy-efficient products and solutions has become an important competitive advantage for Elekta, as hospitals and clinics try to reduce their energy consumption and thus their costs. Accordingly, ecodesign is deeply integrated into Elekta's product development. Elekta's proprietary EcoDesign process is based on a lifecycle process and aims to limit the use of hazardous substances, minimize energy and resource consumption from production to use, encourage and facilitate upgrades and recycling, and avoid composite materials that complicate recycling.

An example is Elekta's linear accelerators, which consume about 30 percent less energy than similar equipment in the market. This corresponds to annual energy savings at a hospital of about 21,000 KWh for each system, and an approximately 10.5-metric ton reduction in CO_2 emissions.

Elekta's work on organically sustainable design is conducted in accordance with international standards for ecodesign requirements for medical devices Elekta's equipment product developers have to complete training courses in ecodesign.

Abbreviations

OECD The Organisation for Economic Co-operation and Development

ILO International Labour Organization, a UN agency

COCIR European Coordination Committee of the Radiological, Electromedical and Healthcare IT Industry

MITA The Medical Imaging & Technology Alliance

IEC International Electrotechnical Commission

ISO The International Organization for Standardization

REACH European Union regulation concerning Registration, Evaluation, Authorisation and Restriction of Chemical substances

WEEE European Union directive on Waste Electrical and Electronic Equipment

Elekta outlook

Elekta in society

Elekta's entire operations are based on developing enhanced technologies and software for cancer care and making them available to more patients. All around the world, Elekta partners with researchers and caregivers in the battle against cancer and the operations also include support for research projects, donations, scholarships and contributions to voluntary organizations.

Facing cancer together

Elekta's activities to benefit Facing Cancer Together (FCT) raised a total of USD 52,200 at the 2012 Annual Meeting of the American Society for Radiation Oncology (ASTRO). The proceeds came from ticket sales to a charity event with more than 1,000 paying attendees. Similar fund-raising activities are usually arranged each year at the ASTRO Annual Meeting.

Facing Cancer Together is a non-profit organization in the greater Boston area in the US, that guides and empowers individuals through the challenges of cancer. The organization offers a range of activities for cancer patients including support groups, expressive arts programs and mind-body wellness groups.

"Facing Cancer Together is honored to have been chosen by Elekta as charity of choice for 2012," says Gail Bork, Executive Director Facing Cancer Together. "Our organizations share a common goal in providing a valuable range of services for those facing cancer. It is truly a privilege being recognized for our work."

facing cancer together
A COMMUNITY OF HOPE

Gala for breast assessment center

The four-time Grammy Award winner, Olivia Newton-John, was a major attraction at a gala in November 2012 to support a new breast assessment center at a Canadian hospital. The gala raised a total of CAD 60,000 for the new CIBC Breast Assessment Center at Juravinsky Hospital and the Cancer Centre in Hamilton, Ontario. Elekta was a gold sponsor and donated CAD 10,000 to the gala. The center will offer the most comprehensive screening and diagnostic services for breast cancer in south western Ontario.

Olivia Newton-John was diagnosed with breast cancer in 1992 at the age of 44 and survived due to effective treatment.

"The atmosphere was electrifying and Olivia Newton-John won the audience with her story of how she battled cancer," says Michael Power, Vice President and Senior Partner of Elekta North America. "It has inspired much of her work over the past 20 years, as she evolved from a pop star to an advocate for women's health and wellness."

Elekta outlook

Spain – support for children's cancer research

Cancer diseases are far more common in adults than in children. As a result, the development of radiation therapy equipment has essentially focused on treatment for adult patients. Elekta's support for research on children's cancer takes several forms, including the recently formed Elekta Pediatric Research Group.

At the Annual Meeting of the European Society for Radiotherapy and Oncology (ESTRO) in Barcelona in 2012, Elekta made a donation to the Pediatric Oncology program at Madrid Monteprincipe Hospital's Pediatric Oncology and Hematology Unit. The donation amounted to EUR 32,000 and was raised at Elekta's charity party at the ESTRO gathering.

The objective of the Pediatric Oncology program is to raise awareness of children's cancer and enhance the care and quality of life for sick children.

"Elekta also makes its own contributions in this area by adapting radiation therapy treatment for children, such as developing equipment for immobilization and image guidance strategies and by studying how radiation can be adapted to child-size doses," said Elekta's President and CEO, Tomas Puusepp as he made the donation.

Future talents encouraged in Crawley

Elekta in the UK is helping to discover tomorrow's inventors. In Elekta's manufacturing facility in Crawley, West Sussex, the STEM initiative (science, technology, engineering and mathematics) is working to involve thousands of young people in science and develop the tools and techniques that will drive the economy of the future.

Elekta is sponsoring the initiative by inviting young people aged between 16 and 18 to visit the facility, where they can go behind the scenes to see how the world's most innovative technological solutions for modern cancer treatment are designed and manufactured.

In October, ten new students were also admitted to Elekta's research training program. The students will receive assignments in electronics, physics, mechanics, software and quality assurance.

These and other community support activities partially contributed to Elekta being recognized as the Outstanding Organisation of the Year by the UK National Management and Leadership Awards 2012. In September of the same year, Elekta also received the Queen's Award for Enterprise in the International Trade category for the Company's export success.

Four scholarships to promising students

During the year, the ASRT Education and Research Foundation awarded four scholarships to entry-level radiation therapy students at four US universities. The scholarships were made possible through a contribution of USD 23,000 from Elekta.

"Because Elekta is dedicated to making cancer care technology as gentle, therapeutic and efficient as possible, we are committed to ensuring that users of this technology are adequately prepared from an educational standpoint to exploit its tremendous potential," says Jay Hoey, Executive Vice President, Elekta North America. "This is the reason why our partnership with the ASRT Education and Research Foundation is so critical. It provides a key opportunity to learn, share knowledge and enhance patient care."

The four recipients were Lee Culp from Erie Community College – City Campus, David Dosanjh from City College of San Francisco, Njeri Kaittany-Gaines from the University of Texas MD Anderson Cancer Center and Valerie Nix from the College of Southern Nevada.

Collaboration, responsibility, *trust, communication*

Qualified and passionate employees are critical to our ability to continue developing the right products and solutions that will meet the needs of the market and further strengthen the Company's leading position. Extensive work is ongoing to develop the Company's strengths by building a culture of collaboration, responsibility, trust and communication.

Elekta has been growing an average of 16 percent per year since 2005, and the number of employees has nearly tripled from 1,250 to nearly 3,500. Thanks to the contributions of our highly qualified employees toward the creation of world-leading products, this growth has also been characterized by solid profitability. Our swift expansion, numerous acquisitions and penetration into new markets have also entailed challenges for the organization and placed a focus on the need for the systematic creation of a stronger and shared corporate culture. This is compounded by an increased complexity in the operations, where various business areas, products and functions are becoming increasingly dependent on collaboration in, for example, research and development.

During the fiscal year, the strategic agenda, One Elekta, was introduced with the aim of increasing the Company's integration and thereby its ability to cope with future challenges.

One Elekta is a process that encompasses a broad spectrum of activities related to the strengthening of our shared corporate culture and in particular, increasing collaboration between various business areas and functions. This ultimately pertains to increasing customer value through the strongest and most consistent offering possible, and in this regard, collaboration among Elekta's competencies should lead to new and innovative solutions.

It is also a priority to reinforce Elekta's core values alongside the cultivation of a corporate culture characterized by collaboration, responsibility, trust and communication – success factors identified by employees through Elekta's employee surveys in 2011 and 2012.

Cultivating strong leadership

Strong leadership is critical to Elekta's ability to face business challenges and to being or becoming a leader in the markets where the Company has operations. A number of initiatives were thus taken during the year to strengthen leadership at all levels of the Group.

A global manager program, Elekta Model Manager, was launched and is aimed at training all managers from staff functions, business areas and regions. The program will be active for a six-month period and is customized toward the creation of a common ground in terms of the managers' abilities to handle the business challenges faced by Elekta. During the fiscal year, 16 percent of our managers had either enrolled for or completed the program.

Strong foundational values

Elekta's core values are imbued with the passion for the Company's customers and products and the endeavor to improve, extend and save lives. Core values distinguish our Company from other companies and are there to provide support in all our external relationships and our decision-making in all its forms.

The cornerstones of these core values are established through Elekta's employees striving to build long-term partnerships and connections; building partnerships based on trust and responsibility; adopting an innovative attitude toward research and development; being inventive in order to push at the boundaries of what is possible; being responsive to patients and customers in order to arrive at solutions that are of benefit to them.

This attitude, based on our core values, strengthens Elekta's opportunities to continue being a pioneer and to redefine clinical-care and shift clinical-care paradigms, and to participate in shaping future cancer care.

A global program for leadership development was also initiated – the Elekta Leadership Program. The program is aimed at increasing the ability of senior managers to provide effective leadership in an increasingly complex and changing business climate. A number of tools for manager and leadership development have also been made available globally, for example for recruitment, mentorship and performance management.

Individual development and competence sourcing

Elekta's internal performance-management process encompasses all employees and is based on personal goals set for an employee's contributions at work and on professional development. Structured evaluations are provided based on the competencies that are deemed to lead to successful business activities and the manner in which the individual conducts himself/herself in regard to Elekta's core values.

The One Elekta agenda is aimed at distinguishing Elekta as an employer and linking individual targets to the Group's targets with more consistency. In the performance-management process, there is also an ambition to increase the autonomy of employees and provide each and every one the best opportunities for rendering services on their own terms.

Elekta's employees are not only offered competence development in areas directly related to their duties, but also on general compliance issues arising from Elekta's operations in the area of medical technology.

As a complement to the performance-management process, Elekta has an active manager-maintenance plan, through which all the upper-management levels and other positions critical to the Group's operations are reviewed annually. This allows for the support and development of employee careers toward future assignments in the Company.

Employee surveys – an important tool

Elekta is highly attractive as an employer and receives a constant stream of spontaneous job applications. To retain competent employees in the long-term, Elekta is working in a more methodical manner to strengthen the Company's capacity for satisfying the needs of employees for approval, development opportunities and rewards for good efforts. One vital tool for this purpose is the global employee survey that is conducted annually, and is followed-up with activities in the periods between the surveys. Follow-ups are integrated components of the surveys and constitute the most significant phase of the process.

Results from the 2012 survey confirm the premises of One Elekta and the organization's need for coherence, uniformity and clarity, in respect to leadership and other areas. The results are now being followed up based on a number of focus areas and measures that were identified by the Executive Management and which have already been integrated into the One Elekta process.

Diversity – a natural feature

Due to its global geographical distribution, Elekta is a company in which diversity is a natural feature. Elekta also encourages diversity and equal treatment at various units on local and regional levels. Elekta has a zero-tolerance policy against all forms of discrimination, regardless of whether it pertains to age, gender, religion, sexual orientation, marital status, social or ethnic background, political opinion, functional disability or other reasons that are prohibited in accordance with local legislation.

Elekta also strives to ensure that all employees with equivalent experience and qualifications have the same salary for performing the equivalent jobs, in harmony with local rules and regulations. All employees are also to be offered equal career opportunities, based on their merits and qualifications or similar job-related criteria.

Elekta drafts policies and plans to promote equality and diversity in countries where such is required in accordance with local legislation.

About one third of Elekta's employees are women, which is probably a reflection of Elekta's operations in a technology-intensive and traditionally male-dominated industry. The gender distribution in terms of job assignments and positions is balanced. However, there is a conscious effort to try to achieve further balance in gender distribution in certain units and in certain geographic markets.

Respect for the rights of employees

Elekta abides by the applicable industrial-relations legislations of all countries where it has operations and expects the same from its business partners. Elekta respects the rights of all employees to freely associate with a union of their choice and if so desired, to enter into collective agreements in accordance with local legislation and applicable conventions.

Elekta's commitments also include the safeguarding of the health, safety and well-being of its employees, and the Company expects all of its employees and business partners to respect and be conducive to this goal in relation to Elekta. All local legislation concerning working terms and conditions and workplace safety are to be respected by both Elekta and the Company's business partners.

Elekta's employees, worldwide

On April 30, 2013, Elekta had a total of 3,488 employees worldwide, spread among 35 offices in 24 countries. There are about 240 employees in Sweden, where the head office and the product area Elekta Neuroscience is located. Most employees are located in the US and Canada (1,000), followed by the UK (630) and China (470). One in five employees at Elekta works in the field of research and development.

Elekta outlook

Amarjit puts patient safety first

Elekta is renowned for pioneering advanced technology. But behind every product or solution there are hundreds of employees ensuring that it meets or exceeds quality standards. Amarjit Gill is one of these people who help give doctors confidence that they are using the best treatment alternative.

Elekta maintains its high standards in part by hiring the best-qualified person for each position but by also employing dedicated people. Amarjit Gill is Head of Quality and Regulatory Affairs for Elekta's oncology product area in Crawley, UK, where she leads a team of 20 colleagues.

"Elekta has an important role in the industry, and every employee plays an important part. For us, safety is critical and we take pride in and responsibility for our products. My job is to sign the dotted line that the equipment we produce is reliable and compliant." She says: "It's important to have cutting-edge technology, but safety is crucial. My colleagues and I are focused on what is important to the Company, which ultimately is important to our customers and their patients: being cared for as effectively and safely as possible."

For Amarjit and her team, this commitment to quality yields more than normal job satisfaction.

"We receive feedback from doctors – the people who use our equipment – who tell us that our products truly make a difference. It's great that we can instill trust and confidence in our company, products and both our customers and patients." ■

About Amarjit Gill

Position Head of Quality and Regulatory Affairs, Elekta Oncology

Location Crawley, UK

Joined Elekta October 2011

Education Higher National Diploma (HND) in Software Engineering; BA (Hons) Engineering and Management; MBA and Member of the Chartered Quality Institute – Chartered Quality Professional (MCQI-CQP)

Experience Eight years at a defense contractor and systems integrator as a software QA engineer and eight years at a small medical device company working with QA and RA

Amarjit describes Elekta as Reliable, focused and friendly

Elekta outlook

Mehmet strives for continuous improvements

State-of-the-art treatment centers might have top of the line equipment, but do they function at capacity? If a patient is delayed in the next step of their treatment, or needs to change rooms during therapy, then something is ineffective. Mehmet Üzümcü and his team find these inefficiencies and optimize the workflow for better efficiency while maintaining good outcomes.

Mehmet Üzümcü is Director of Clinical Marketing and Business Development within Elekta Brachytherapy in Veenendaal, the Netherlands. He leads a group of four colleagues charged with the task of finding clinical workflow obstacles and possible solutions, as well as identifying technical innovations.

"Elekta has all the ingredients to offer the best solutions in radiation oncology, and our team contributes by improving the clinical workflow – taking the user and patient experience and making it better," Mehmet says. "We help to improve both the equipment and how it works in a clinical setting."

He says the true strength of the Company lies in its people.

"People define a company and my colleagues at Elekta are innovative, engaged and motivated. They know that the work they do on a daily basis translates into solutions that help improve people's lives."

Mehmet believes Elekta's continued success lies in its comprehensive radiation oncology portfolio. "By combining and integrating our equipment, software and treatment solutions, we will continue to lead our industry," Mehmet Üzümcü concludes. ■

About Mehmet Üzümcü

Position Director Clinical Marketing and Business Development, Elekta Brachytherapy

Location Veenendaal, the Netherlands

Joined Elekta Nucletron in 2005, which was acquired by Elekta in 2011

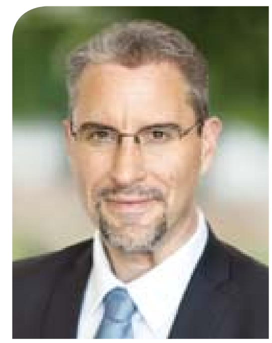
Education MSc Applied Physics, Delft University of Technology and PhD Medicine, Leiden University Medical Center

Experience Senior Physicist Brachytherapy and R&D Manager for Oncentra® Brachy treatment planning system at Nucletron

Mehmet describes Elekta as
Innovative, inspiring and global

Four questions to Jason Hoffman

Global Vice President HR



In three words, how would you describe Elekta?
Passionate, innovative and dedicated. That is what our colleagues are and a company is defined by its people.

What drives you in your role?
A fundamental driving force for me is that I work for a company that has taken the responsibility to develop better cancer treatments for patients.

What is HR's responsibility?
We are responsible for increasing employee engagement and for building our future leadership capability. We also work to build a performance culture within the Company and to reinforce our corporate value base. That sounds like a lot of big words, but our human resources are a big responsibility.

Why would you recommend anyone to join Elekta?
Working at Elekta is a unique opportunity to change lives. It is inspiring and challenging and the people who work here all know that at the end of the day, they may have helped improve the life of someone with cancer. And that is a great reward.

Market capitalization *up by 18 percent*

Elekta B-shares have been listed on the NASDAQ OMX Stockholm since 1994. Total number of registered shares on April 30, 2013 was 382,824,016. In September 2012 a 4:1 share split was conducted. The data per share and number of shares has been restated proforma. Total trading in Elekta shares during the period May 1, 2012–April 30, 2013 amounted to 439.4 million shares (448.4), corresponding to 115 percent (119) of the total number of shares. The average number of shares traded each day during the period amounted to 1,757,654 (1,765,529). Market capitalization at April 30, 2013 amounted to SEK 38,127 M (32,309), an increase by 18 percent.

Distribution of shares April 30, 2013

Class of share	No. of shares	No. of votes	Percentage of capital	Percentage of votes
A-shares	14,250,000	142,500,000	3.7%	27.9%
B-shares	368,574,016	368,574,016	96.3%	72.1%
Total	**382,824,016**	**511,074,016**	**100.0%**	**100.0%**

Treasury shares as per April 30, 2013, amounted 1,554,288 series B-shares. See Note 24 for more information on Elekta's share capital.

Dividend and proposal to repurchase shares

Elekta's goal is to provide shareholders with a favorable return and value growth. The policy is to distribute at least 30 percent of net profit in the form of dividend, repurchase of shares or comparable measures. A dividend decision is based on Elekta's financial position, earnings trend, growth potential and investment requirements. For 2012/13, the Board proposes, in accordance with the Company's dividend policy, a total dividend of SEK 2.00 (1.25) per share, of which 1.50 is an ordinary dividend and an extraordinary dividend of SEK 0.50 per share. Total dividend amounts to approximately SEK 763 M and 57 percent of net profit for the year. The Board of Directors intends to propose an extraordinary dividend to shareholders of SEK 0.50 during the next two years.

The Board also intends to propose to the Annual General Meeting 2013 to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB.

Option program

The subscription period for the Elekta AB 2007 Share Unit Plan ended by July 31, 2012. Thus, as per April 30, 2013, there were no outstanding option programs.

Share program

The Annual General Meeting in the years 2009–2012 have resolved to adopt share programs, called Performance Share Plans. Performance Share Plan 2009/12, resolved by the Annual General Meeting in 2009, was concluded during the year. Outstanding programs as per April 30, 2013 were Performance Share Plan 2010/13, 2011/14 and 2012/15 respectively. The resolutions entailed that the conditions and the guidelines stated in the respective plans shall form the basis for the receipt of shares by key employees of Elekta upon fulfillment of certain performance requirements during the periods 2010/11–2012/13, 2011/12–2013/14 and 2012/13–2014/15, respectively. The EPS target under Performance Share Plan 2010/13 has not been met and therefore no allotment of shares will take place. The Performance Share Plans 2011/14 and 2012/15 are summarized in the tables below. See Note 5 for more information on the plans.

Share program 2011/14

Originally designated number of shares	877,216
Theoretical value at time of allotment, SEK	66,306,468
Allotment of shares	Nov. 14, 2014
Number of shares as of April 30, 2013	869,308

Share program 2012/15

Originally designated number of shares	1 ,043,040
Theoretical value at time of allotment, SEK	78,228,000
Allotment of shares	Sep. 4, 2015
Number of shares as of April 30, 2013	1,043,040

Convertible bonds

In April 2012 Elekta conducted an issue of convertible bonds. The issue raised approximately SEK 1,894 M for the Company, before transaction costs. The conversion price is SEK 97.50 and bondholders have the right to require conversion into shares at any time until March 28, 2017. At full conversion, the number of shares of Series A will increase by a total of 730,768 and the number of shares of Series B will increase by a total of 18,699,932. As per 30 April 2013 a total of 17,336 B-shares have been subscribed through conversion of convertible bonds into shares, all converted in fiscal year 2012/13.

OWNERSHIP STRUCTURE APRIL 30, 2013

Shareholding, No. of shares	No. of shareholders	Percentage of shareholders	No. of shares	Percentage of share capital	Average No. per shareholder
1–500	14,456	54.8%	2,404,340	0.6%	166
501–1,000	4,254	16.1%	3,360,044	0.9%	790
1,001–10,000	6,499	24.6%	18,675,999	4.9%	2,874
10,001–100,000	835	3.2%	24,048,364	6.3%	28,800
100,001–	348	1.3%	334,335,269	87.3%	960,741
Total	**26,392**	**100.0%**	**382,824,016**	**100.0%**	**14,505**

Source: SIS Ägarservice AB and Euroclear AB

MAJOR SHAREHOLDERS APRIL 30, 2013[1)]

Owner	No. of shares	Percentage of capital	Percentage of votes
Laurent Leksell and companies	23,656,624	6.2%	29.7%
Swedbank Robur funds	18,450,429	4.8%	3.6%
AMF Insurance & funds	14,661,965	3.8%	2.9%
Nordea funds	12,662,312	3.3%	2.5%
T Rowe Price funds (USA)	8,120,163	2.1%	1.6%
SEB funds	7,537,947	2.0%	1.5%
Standard Life Investment fond (UK)	6,557,762	1.7%	1.3%
First Swedish National Pension Fund, AP1	6,063,772	1.6%	1.2%
Skandia Liv	5,709,269	1.5%	1.1%
Norges Bank Investment Management (NO)	4,814,251	1.3%	0.9%
Other	274,589,522	71.7%	53.7%
Total	**382,824,016**	**100.0%**	**100.0%**

Source: SIS Ägarservice AB and Euroclear AB

[1)] The table above lists the 10 largest known shareholders in Elekta AB as of April 30, 2013. Foreign ownership was approximately 55 percent (56). Of these shares, 74 percent (79) of holdings were held by trustees. As a result, there may be other large shareholders with undisclosed holdings, even if no other foreign shareholder has declared holdings above 5 percent. 17 percent (19) was owned by Swedish institutes.

CHANGES IN SHARE CAPITAL UNTIL APRIL 30, 2013

Year	Transaction	Total No. of shares	Total share capital
1994	New issue	7,397,180	36,985,900
1994	Exercise of warrants	7,897,180	39,485,900
1997	New issue	10,497,451	52,487,255
2000	New issue	27,853,617	139,268,085
2001	Conversion of debentures	31,661,867	158,309,335
2001	Exercise of warrants	31,678,867	158,394,335
2002	Exercise of warrants	32,181,742	160,908,710
2003	Exercise of warrants	32,647,067	163,235,335
2003	Conversion of debentures	32,781,267	163,906,335
2003	Exercise of warrants	32,953,967	164,769,835
2003	Redemption of shares	31,066,254	155,331,270
2004	Exercise of warrants	31,567,454	157,837,270
2005	Exercise of warrants	31,596,236	157,981,180
2005	Bonus issue	31,596,236	189,577,416
2005	Split 3:1	94,788,708	189,577,416
2005	Cancellation of repurchased shares	94,114,008	188,228,016
2005	Exercise of warrants	94,194,372	188,388,744
2006	Exercise of warrants	94,451,456	189,902,912
2006	Redemption of shares	93,649,756	187,299,512
2006	Exercise of warrants	93,741,598	187,483,196
2007	Exercise of warrants	93,880,090	187,760,180
2007	Conversion of debentures	93,900,016	187,800,032
2007	Exercise of warrants	92,272,445	187,806,632
2007	Cancellation of repurchased shares	93,903,316	184,544,890
2008	Exercise of warrants	93,075,863	186,151,726
2008	Cancellation of repurchased shares	92,124,563	184,249,126
2009	Exercise of warrants	92,237,944	184,475,888
2010	Exercise of warrants	94,188,044	188,376,088
2011	Exercise of warrants	94,769,763	189,539,526
2012	Exercise of warrants	95,701,670	191,403,340
2012	Split 4:1	382,806,680	191,403,340
2012	Conversion of convertible loan	382,807,329	191,403,665
2013	Conversion of convertible loan	382,824,016	191,412,008

FINANCIAL CALENDAR

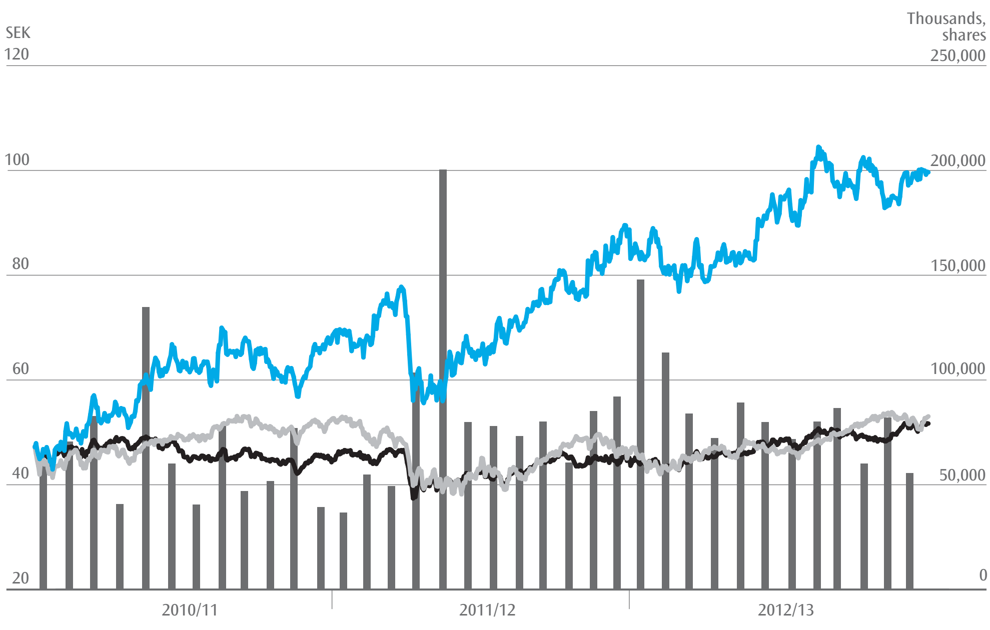
Three-month interim report May–July 2013/14	September 3, 2013
Annual General Meeting	September 3, 2013
Six-month interim report May–October 2013/14	December 4, 2013

DATA PER SHARE[1)]

	2008/09	2009/10	2010/11	2011/12	2012/13
Earnings per share					
before dilution, SEK	1.50	2.27	2.76	3.26	3.52
after dilution, SEK	1.50	2.25	2.73	3.23	3.52
Cash flow per share[2)]					
before dilution, SEK	1.58	2.63	1.31	–7.07	3.17
after dilution, SEK	1.58	2.60	1.30	–7.01	3.17
Shareholders' equity per share					
before dilution, SEK	6.92	8.74	10.22	13.19	14.55
after dilution, SEK	6.92	9.38	10.61	13.31	14.55
Dividend, SEK	0.50	0.75	1.00	1.25	2.00[3)]
Share price, Elekta Series B, April 30, SEK	23.44	47.38	68.85	85.25	99.65
Market capitalization, April 30, SEK M	8,637	17,585	25,954	32,309	38,127
Lowest share price, SEK	18.13	22.75	42.88	51.95	76.88
Highest share price, SEK	35.50	51.75	70.85	90.75	104.50
Average number of shares					
before dilution, 000's	368,114	368,832	373,364	376,431	380,672
after dilution, 000's	368,114	371,780	378,028	380,125	380,672
Number of shares, April 30[4)]					
before dilution, 000's	368,498	371,181	374,951	378,991	381,270
after dilution, 000's	368,498	383,580	383,618	384,284	381,270

1) In September 2012 a 4:1 share split was conducted. The data per share and number of shares have been restated proforma.
2) Excluding the acquisitions of RMI and Elekta Korea in 2010/11: SEK 7.77 before dilution and SEK 7.60 after dilution and Nucletron in 2011/12: SEK 7.10 before dilution and SEK 7.03 after dilution.
3) Proposed dividend. Ordinary dividend SEK 1.50 and extraordinary dividend SEK 0.50.
4) Number of registered shares on April 30, 2012 excluding treasury shares.

The Elekta share



Source: Six Trust and Fidessa

Five year review, key figures and definitions

INCOME STATEMENT

SEK M	2008/09	2009/10	2010/11	2011/12	2012/13
Net sales	6,689	7,392	7,904	9,048	10,339
Operating expenses excluding amortization and depreciation	–5,651	–5,932	–6,161	–6,904	–7,978
EBITDA	**1,038**	**1,460**	**1,743**	**2,144**	**2,361**
Depreciation	–74	–77	–76	–90	–110
EBITA	**964**	**1,383**	**1,667**	**2,054**	**2,251**
Amortization	–134	–151	–165	–205	–239
Operating result	**830**	**1,232**	**1,502**	**1,849**	**2,012**
Financial net	–56	–40	–38	–141	–212
Profit after financial net	**774**	**1,192**	**1,464**	**1,708**	**1,800**
Taxes	–228	–359	–433	–480	–449
Profit for the year	**546**	**833**	**1,031**	**1,228**	**1,351**
Profit Attributable to					
Parent Company shareholders	552	838	1,031	1,227	1,340
Non-controlling interests	–6	–5	0	1	11

CASH FLOW

SEK M	2008/09	2009/10	2010/11	2011/12	2012/13
Cash flow from operating activities	803	1,145	1,015	935	1,870
Cash flow from investing activities	–223	–177	–524	–3,598	–662
Cash flow from financing activities	–239	–571	–227	3,164	–380
Cash flow for the year	**341**	**397**	**264**	**501**	**828**

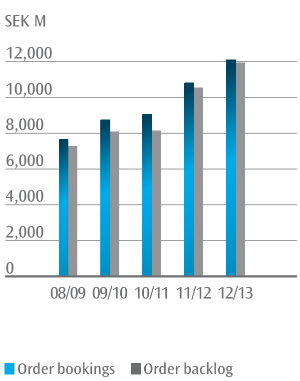
BALANCE SHEET

SEK M	April 30, 2009	April 30, 2010	April 30, 2011	April 30, 2012	April 30, 2013
Intangible assets	3,150	2,880	2,692	6,457	6,424
Tangible fixed assets	265	247	236	407	487
Financial assets	59	60	67	147	236
Deferred tax assets	34	128	206	233	92
Inventories	553	592	540	755	850
Receivables	3,062	3,434	3,858	5,341	5,651
Cash and cash equivalents	828	1,174	1,363	1,895	2,567
Total assets	**7,951**	**8,515**	**8,962**	**15,235**	**16,307**
Shareholders' equity	2,555	3,244	3,833	5,010	5,560
Interest-bearing liabilities	1,627	1,039	881	4,530	4,552
Interest-free liabilities	3,769	4,232	4,248	5,695	6,195
Total shareholders' equity and liabilities	**7,951**	**8,515**	**8,962**	**15,235**	**16,307**

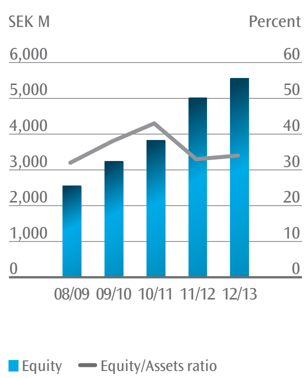
KEY FIGURES

	2008/09	2009/10	2010/11	2011/12	2012/13
Order bookings, SEK M	7,656	8,757	9,061	10,815	12,117
Order backlog, SEK M	7,267	8,093	8,147	10,546	11,942
Operating margin, %	12	17	19	20	19
Profit margin, %	12	16	19	19	17
Shareholders' equity, SEK M	2,555	3,244	3,833	5,010	5,560
Capital employed, SEK M	4,182	4,283	4,714	9,540	10,112
Net debt (+)/Net cash (–), SEK M	799	–135	–482	2,635	1,985
Equity/Assets ratio, %	32	38	43	33	34
Net debt/Equity ratio, multiple	0.31	–0.04	–0.13	0.53	0.36
Interest cover ratio, multiple	8.2	24.8	26.1	9.5	9.1
Return on shareholders' equity, %	27	30	30	29	27
Return on capital employed, %	24	30	35	28	21
Capital turnover ratio, multiple	1.0	0.9	0.9	0.8	0.7
Investments in tangible and intangible assets, SEK M	142	186	274	432	544
Depreciation, SEK M	–208	–229	–241	–295	–349
Average number of employees	2,446	2,485	2,621	3,162	3,336

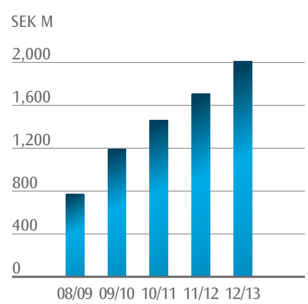
Orderbookings and order backlog



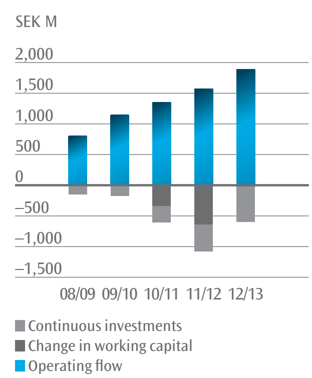
Equity and Equity/Assets ratio



Profit before tax



Cash flow after continuous investments



DEFINITIONS

Average number of employees
Average number of employees based on normal working hours per year.

Capital employed
Total assets less interest-free liabilities.

Capital turnover ratio
Net sales divided by average total assets.

Cash conversion
Cash flow after continuous investments divided by profit for the year adjusted by depreciations and amortizations for the year.

Cash flow per share
Cash flow after investments in relation to the average number of shares.

Contribution margin per region
Net sales less cost of products sold and expenses directly attributable to the respective region.

Earnings per share
Net profit for the year attributable to Parent Company shareholders in relation to the average number of shares.

Equity/Assets ratio
Shareholders' equity in relation to total assets.

Interest cover ratio
Profit after financial items plus financial expenses in relation to financial expenses.

Net debt
Interest-bearing liabilities less cash and cash equivalents.

Net debt/Equity ratio
Net debt in relation to shareholders' equity.

Operating margin
Operating result in relation to net sales.

Profit margin
Profit after financial items in relation to net sales.

Return on capital employed
Profit after financial items plus financial expenses in relation to average capital employed.

Return on shareholders' equity
Net profit for the year attributable to Parent Company shareholders in relation to average shareholders' equity excluding non-controlling interests.

Shareholders' equity per share
Shareholders equity excluding non-controlling interests in relation to the number of shares at year-end.

Value added per employee
Operating profit plus salaries, wages, payroll expenses and IFRS 2 costs divided by average number of employees.

Board of Directors' Report

The Board of Directors and the CEO of Elekta AB (publ.), corporate identity number 556170-4015 and registered office in Stockholm, hereby submit the consolidated financial statements and annual report for the fiscal year 2012/13, covering the period May 1, 2012 – April 30, 2013. Amounts in parentheses indicate values for the previous fiscal year.

ELEKTA'S OPERATIONS

Elekta is a medical technology company which aims to improve, prolong and save lives through clinical solutions for treating cancer and brain disorders. The Company develops clinical treatment solutions for radiation therapy and radiosurgery, as well as workflow-enhancing software systems across the spectrum of cancer care. Elekta is a leader in clinical solutions for image guided radiation therapy and stereotactic radiosurgery, giving oncologists and neurosurgeons an unmatched capability to treat tumors and functional targets with ultra-high precision while sparing healthy tissue.

Elekta's products comprise hardware as well as software and service in four product areas: Neuroscience, Oncology, Brachytherapy and Software. Each product area focuses on specific medical technology needs and clinical solutions and, as such, shares to a large extent a common technology base and competence structure. Elekta's operations are divided into three geographical regions:

- North and South America
- Europe, Middle East and Africa
- Asia Pacific

MARKET OUTLOOK

The global market development for Elekta's clinical solutions, software systems and services is driven by a shortage of radiation treatment capacity that prevails in many countries and by the increased cancer incidence and prevalence, as a result of an aging population, better diagnostics and improved treatment. New advanced and more precise and accurate methods are expected to increase the role of radiation therapy in cancer care and the number of patients being treated with a curative intention is increasing. An increasing number of customers are requesting more comprehensive and long-term relationships with suppliers. Healthcare systems are under strong pressure to improve efficiency. Therefore, software systems for higher efficiency, in patient throughput as well as information management and administration, are becoming more critical for operations. 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.

COMPETITION

Elekta's main competitors on the global market for radiation therapy are Varian Medical Systems as well as niche players such as Accuray. Elekta is currently the world's second largest supplier of radiation therapy equipment. Elekta is the leader on the market for administrative software. In the intracranial radiosurgery market the competition to Leksell Gamma Knife® is mainly other treatment technologies and linac-based solutions for radiosurgery are also alternatives.

RISKS

Elekta's presence in a large number of geographical markets exposes the Group to political and economic risks on a global scale or in individual countries.

The competitive landscape for Elekta is continuously changing. The medical equipment industry is characterized by rapid technological developments and continuous improvements of industrial know-how, resulting in companies launching new products and improved methods for treatment. Elekta strives to be the leader in innovation and offer the most competitive product portfolio, developed in close collaboration with key research leaders in the field. To secure the proceeds of research investments, it is of importance that such new products and technology are protected from the risk of improper use by competitors. When possible and deemed appropriate, Elekta protects its intellectual property rights by way of patents, copyrights and trademark registrations.

Elekta sells solutions through its direct sales force and through an external network of agents and distributors. The Company's continued success is dependent on the ability to establish and maintain successful relationships with customers. Elekta is continuously evaluating how to enter new markets considering both the opportunities and the risks involved. There are regulatory registration requirements with each new market that potentially could delay product introductions and certifications. The stability of the political system in certain countries and the security situation for employees traveling to exposed areas are constantly evaluated. Corruption is a risk and an obstacle for development and growth in some countries. Elekta has implemented a specific anti-corruption policy to guide the business by aiming to be in line with national and international regulations and best practices against corruption.

Elekta's operations comprise several markets that expose the group to a vast number of laws, regulations, policies and guidelines regarding, for example, health, security, environmental matters, trade restrictions, competition and delivery of products. Elekta's quality system describes these requirements, which are reviewed and certified by external supervisory bodies and are regularly inspected by authorities in applicable countries, for example the US FDA. Non-compliance of, for example, safety regulations can result in delayed or stopped deliveries of products. Changes in regulations and rules might also increase Elekta's costs and delay the development and introduction of new products.

Elekta depends also on the capability of producing advanced medical equipment, which requires highly qualified personnel. The Company's ability to attract and retain qualified personnel and management has a significant impact on the future success of the group.

Weak economic development and high levels of public debt might, in some markets, mean less availability of financing for private customers and reduced future health care spending by governments. Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Elekta's ability to commercialize products is dependent on the reimbursement level that hospitals and clinics can obtain for different types of treatments. Alterations in the existing reimbursement systems related to medical products, or implementation of new regulations, might impact future product mix in specific markets.

Elekta's ability to deliver treatment equipment relies largely on customers' readiness to receive the delivery at site. Depending on contractual payment terms a delay can result in postponed invoicing and also affect timing of revenue recognition. The Group's credit risks are normally limited since customer operations are, to a large extent, financed either directly or indirectly by public funds.

Elekta's production sites depend on a number of suppliers for components. There is a risk that those suppliers might change their terms, or that delivery difficulties might occur due to circumstances beyond Elekta's control. Critical suppliers are regularly followed-up regarding delivery precision and quality of components.

In its operations, Elekta is subject to a number of financial risks primarily related to exchange rate fluctuations. In the short-term, the effect of currency movements is reduced through forward contracts. Hedging is conducted on the basis of expected net sales over a period of up to 24 months. The scope of the hedging is determined by the Company's assessment of currency risks. Risk 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, please see Note 2.

LONG-TERM FINANCIAL OBJECTIVES

Elekta's aim is to achieve sustainable profitable growth. Elekta conducts its operations with a long-term plan, regularly reviewed and evaluated by the Board of Directors and with a perspective of at least three years. The financial objectives, which form the base of the long-term planning, are:

- Organic sales growth exceeding 10 percent in local currency
- Operating result improvement to exceed the sales growth in SEK
- Return on capital employed to exceed 20 percent
- Net debt/equity ratio not to exceed 0.50

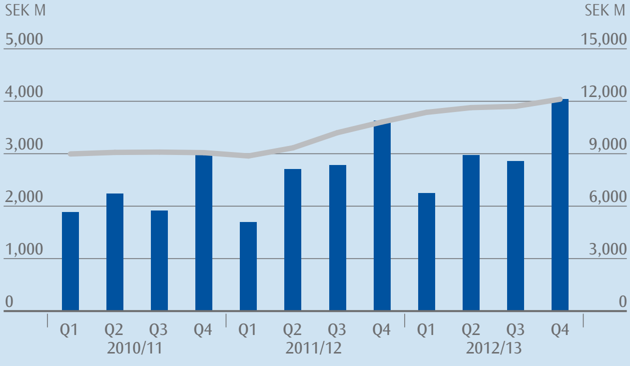
THE FINANCIAL YEAR 2012/13

- Order bookings increased to SEK 12,117 M (10,815), equivalent to 14 percent based on unchanged exchange rates
- Net sales increased to SEK 10,339 M (9,048), equivalent to 16 percent based on unchanged exchange rates
- Operating result amounted to SEK 2,058 M (1,837) excluding non-recurring items of SEK –46 M (12)
- Net income amounted to SEK 1,351 M (1,228)
- Earnings per share amounted to SEK 3.52 (3.26) before dilution and SEK 3.52 (3.23) after dilution
- Cash flow after continuous investments was SEK 1,292 M (503)
- On March 1, 2013, Elekta launched Versa HD™ – a new revolutionary linear accelerator system designed to significantly improve cancer care for patients. Since the launch, 30 Versa HD systems have been sold
- For 2012/13, the Board proposes, in accordance with the Company's dividend policy, a total dividend of SEK 2.00 (1.25) per share, of which SEK 1.50 is ordinary dividend and SEK 0.50 extra dividend

ORDER BOOKINGS AND ORDER BACKLOG

Order bookings increased 12 percent to SEK 12,117 M (10,815) and 14 percent based on constant exchange rates. Based on constant exchange rates order bookings rose 9 percent in North and South America, 10 percent in Europe, Middle East and Africa, and 23 percent in Asia Pacific. Order backlog was SEK 11,942 M, compared to SEK 10,546 M on April 30, 2012. Order backlog is converted at closing exchange rates. The translation of the backlog at exchange rates on April 30, 2013 compared to exchange rates on April 30, 2012 resulted in a translation difference of SEK –522 M.

Order bookings



SEK M	2012/13	2011/12	Change
North and South America	4,470	4,081	10%
Europe, Middle East and Africa	3,878	3,653	6%
Asia Pacific	3,769	3,081	22%
Group total	**12,117**	**10,815**	**12%**

MARKET COMMENTS

North and South America

In the US, Elekta's order bookings and sales have gradually strengthened during the latter part of the fiscal year and growth was strong in the fourth quarter. The general market in the US has been affected by uncertainty regarding reimbursement levels for radiation therapy and the outcome of health care reform. Demand for Elekta's cancer treatment solutions was strong in Canada. The underlying growth in demand in the region is expected to continue, mainly due to a growing and aging population. As with other emerging markets, the South American market is driven by a substantial shortage of treatment capacity and focus on improving cancer care. Combined with Elekta's increasing presence in selected countries, this level of progress supports Elekta's growth prospects on this continent. An extensive procurement program of radiation treatment equipment is currently taking place in Brazil, which has impacted other levels of activity in the country.

Europe, Middle East and Africa

The market trend in Europe has been positive. Elekta achieved a particular strong growth in UK, Germany and Russia. Demand is driven by investments in new radiation treatment capacity as well as by replacement of existing installed base of linear accelerators. In the fourth quarter, improvements were noted in the Middle East region.

Asia Pacific

Elekta is the market leader in the region. China, India and other high growth markets accounted for a substantial share of Elekta's growth during the year. China is now Elekta's second largest market. By maintaining a focus on growth, the Company is well positioned to support care providers in these countries in their endeavor to advance and enhance cancer care. The positive demand trend in Japan continued during the year. Elekta has a strong presence in neurosurgery and software, and is well positioned to further increase its market share in oncology.

NET SALES

Net sales increased 14 percent to SEK 10,339 M (9,048). Based on constant exchange rates, net sales grew by 16 percent.

SEK M	2012/13	2011/12	Change
North and South America	3,521	3,122	13%
Europe, Middle East and Africa	3,561	3,206	11%
Asia Pacific	3,257	2,720	20%
Group total	**10,339**	**9,048**	**14%**

EARNINGS

Operating result excluding non-recurring items increased 12 percent to SEK 2,058 M (1,837). The effect from changes in exchange rates was negative by approximately SEK 90 M, including hedges. Operating margin, excluding non-recurring items amounted to 20 percent (20). Gross margin was 46 percent (47). The lower gross margin is mainly related to currency and geographical mix. Selling and administrative expenses in relation to net sales decreased by 0.7 percentage points to 19.6 percent. This is related to increased efficiency.

Net financial items amounted to SEK –212 M (–141). Financial net was negatively affected by participations in associates due to start-up costs in one of the associates.

Elekta's ongoing incentive programs have affected the operating result by SEK 21 M (–35). The 2010/13 performance share plan did not meet the EPS target for payout.

Income before tax amounted to SEK 1,800 M (1,708). Tax expense amounted to SEK 449 M (480) or 25 percent (28). Net income amounted to SEK 1,351 M (1,228).

Earnings per share amounted to SEK 3.52 (3.26) before dilution and SEK 3.52 (3.23) after dilution. In September 2012 a 4:1 share split was conducted. All data per share has been restated proforma.

SENSITIVITY ANALYSIS

Elekta's operations are characterized by significant quarterly variations in delivery volumes, which have a direct impact on net sales and profit. 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 46 percent (47).

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 operating profit by about SEK 27 M (27). Short-term the effect is reduced through currency movements in forward contracts. A general change of 1 percentage point in the interest on loans and investments would affect Elekta's profit before tax by about SEK 22 M (16).

INVESTMENTS AND DEPRECIATION

Investments in intangible and tangible fixed assets amounted to SEK 544 M (432). Amortization of intangible assets and depreciation of tangible fixed assets amounted to SEK 349 M (295). Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 211 M (201), of which 179 M (174) relates to the R&D function. Capitalization within the R&D function amounted to SEK 286 M (246) and amortization to SEK 107 M (72).

LIQUIDITY AND FINANCIAL POSITION

Cash flow was strong due to high earnings growth and a broadly unchanged working capital, resulting in a lower working capital to net sales ratio. Cash conversion was 76 percent. Cash flow from operating activities was SEK 1,870 M (935). Cash flow after continuous investments was 1,292 M (503) and cash flow after investments, which includes acquisitions, amounted to SEK 1,208 M (–2,663).

The balance sheet has been affected by changes in exchange rates. Important foreign currencies used for translation of the balance sheet have decreased in value during the year. The exchange rate effect from the translation of cash and cash equivalents amounted to SEK –156 M (31). The translation difference in long-term interest-bearing liabilities amounted to SEK –52 M (233). Shareholder's equity has been affected by exchange rate differences amounting to SEK –353 M (180).

Cash and cash equivalents amounted to SEK 2,567 M (1,895) and interest-bearing liabilities amounted to SEK 4,552 M (4,530). Thus, net debt amounted to SEK 1,985 M (2,635). Net debt/equity ratio was 0.36 (0.53). On April 30, 2013 Elekta had undrawn committed credit facilities of SEK 1,801 M (2,351).

BUSINESS COMBINATIONS

On June 19, 2012, Elekta acquired Radon Ltda group, the leading linear accelerator service company in Brazil. The acquisition price consists of one fixed amount of SEK 69 M (BRL 21 M) and one variable amount of SEK 20 M (BRL 6 M). Elekta has consolidated Radon from June 19, 2012. Goodwill and identifiable intangible assets amount to approximately SEK 86 M (BRL 26 M). Transaction costs related to the acquisition amount to less than SEK 1 M. Radon has added net sales to Elekta by SEK 15 M during the year. From the date of acquisition Radon has contributed with an operating result of SEK –1 M. For more information regarding business combinations see Note 32.

OTHER SIGNIFICANT EVENTS DURING THE YEAR

Elekta won USD 35 million tender in China

In August, 2012, Elekta won a major tender where the Health Department of the People's Liberation Army is expanding its capacity to treat cancer. Elekta will deliver a comprehensive range of clinical solutions, including Leksell Gamma Knife, linear accelerators, brachytherapy equipment and associated software. The total value of the contract amounts to USD 35 million, making it Elekta's largest deal ever in China. The majority of the order was booked in the second quarter.

Launch of Versa HD

On March 1, 2013, Elekta launched Versa HD™ – a new revolutionary linear accelerator designed to offer patients better care and treatment for more types of cancer. Versa HD is an integrated treatment system that offers the versility and flexibility required to meet the growing challenges posed by cancer care.

Varian Medical Systems filed a lawsuit in the United States against Elekta

The lawsuit with Varian Medical System continues and Elekta is defending itself against the allegations made. The costs so far amount to SEK 46 M and have affected this year's result. After year-end the lawsuit has been resolved by mutual agreement to the satisfaction of the parties and without any material effect on the results.

EMPLOYEES

The average number of employees was 3,336 (3,162). The number of employees on April 30, 2013 totaled 3,488 (3,366). Value added per average employee amounted to SEK 1,380 K (1,342).

RESEARCH AND DEVELOPMENT

Elekta conducts intensive research and development (R&D) aimed at strengthening and enhancing the Company's position as technology leader in its markets and product areas. Investments in R&D, before capitalization of development costs, increased by 15 percent (22) over last year and totaled SEK 894 M (778), corresponding to 9 percent (9) of net sales. Costs related to the R&D function amounted to SEK 715 M (604) and capitalization of development costs within the R&D function and amortization of capitalized development costs amounted to net SEK 179 M (174). Capitalization amounted to SEK 286 M (246) and amortization to SEK 107 M (72).

SIGNIFICANT EVENTS AFTER YEAR-END

On May 24, 2013 Elekta entered into a Revolving Credit Facility with a group of core banks. The facility is for 175 MEUR with a five year tenor and will be used a as a liquidity back-up facility. The new agreement replaces the previous facility that matured in April 2013.

ENVIRONMENTAL RESPONSIBILITY

Elekta's objective is to continuously reduce the operation's environmental impact, and to comply with all of the environmental laws and regulations that are relevant in relation to Elekta's production units and products, and in relation to the markets in which operations are conducted. Elekta's environmental responsibility is based on the Group's environmental policy. See pages 57–58 for more information on the Group's environmental work.

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.

IT

Elekta has continued its investments in global communications and efficient 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.

PARENT COMPANY

The Parent Company of the Group, Elekta AB, conducts no operating activities but provides group management, joint group functions and financial management. Profit before tax amounted to SEK 714 M (600). Profit for the year amounted to SEK 712 M (596) inclusive of dividends from subsidiaries of SEK 705 M (180). Total assets amounted to SEK 9,616 M (8,654) of which shares in subsidiaries amounted to SEK 1,837 M (1,764) and short-term receivables from subsidiaries amounted to SEK 2,804 M (2,608). Investments in subsidiaries amounted to SEK 73 M (40).

Cash and cash equivalents at year-end amounted to SEK 2,125 M (1,347). Cash flow for the year amounted to SEK 790 M (341). Shareholders' equity amounted to SEK 2,586 M (2,304). Long-term and short-term liabilities totaled SEK 7,003 M (6,320) of which interest-bearing liabilities amounted to SEK 6,857 M (6,172). The average number of employees during the year was 25 (22). The number of employees on April 30, 2013 was 25 (23). For further information refer to the Parent Company's financial reports and the accompanying notes.

ARTICLES OF ASSOCIATION

The Articles of Association state that board members are appointed and dismissed by the Annual General Meeting. The Articles of Association contain no specific regulations regarding changes to the Articles of Association.

SHARES

A 4:1 share split was conducted in September 2012 with the purpose to facilitate increased liquidity and turnover in the share.

During the year 451,854 new Series B-shares were subscribed through exercise of warrants distributed within the framework of the established employee option programs and 17,336 new B-shares through conversion of convertibles. Total number of registered shares on April 30, 2013 was 382,824,016 divided between 14,250,000 A-shares and 368,574,016 B-shares whereof 1,554,288 (2,008,000) treasury shares equivalent to 0.4 percent (0.5) of the total number of outstanding shares. One series A-share entitles the holder to 10 votes and series B-shares entitle the holder to one vote for each share. 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 A-shares are owned by Laurent Leksell via companies, also the only shareholder representing more than ten percent of total votes. For more information regarding the Elekta share see pages 65–67.

DIVIDEND AND PROPOSAL TO REPURCHASE SHARES

For 2012/13, the Board proposes, in accordance with the Company's dividend policy, a total dividend of SEK 2.00 (1.25) per share, of which SEK 1.50 (1.25) is ordinary dividend and SEK 0.50 (–) extraordinary dividend. Total dividend amounts to approximately SEK 763 M and 57 percent of net profit for the year. The Board of Directors intends to propose an extraordinary dividend to shareholders of SEK 0.50 during the next two years. The Board also intends to propose to the 2013 Annual General Meeting to renew the authorization for the Board to repurchase a maximum of 10 percent of the number of shares outstanding in Elekta AB.

APPROPRIATION OF PROFIT

Amounts in SEK.

Distributable shareholders' equity of the Parent Company:	
Premium reserve	584,403,440
Retained earnings	942,232,537
Profit for the year	712,188,197
Total	**2,238,824,174**

The Board of Directors and the CEO propose:	
to be distributed to the shareholders, a total dividend of SEK 2.00 per share[1]	762,539,456
and that the remaining amount be carried forward	1,476,284,718
Total	**2,238,824,174**

[1] The total amount distributed may change up until the record date depending on changes in the number of shares.

THE BOARD'S STATEMENT ON THE PROPOSED DIVIDEND

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 equity ratio is reassuring, under the assumption that the Company and the Group continue to be profitable. The Group reports an equity/assets ratio of 34 percent (33). Concerning the Company's and the Group's result and position in general, refer to the statements of income, statements of comprehensive income, balance sheets and statements of cash flow and notes.

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).

OUTLOOK FOR 2013/14

For fiscal year 2013/14, net sales are expected to grow by more than 10 percent in local currency. The majority of the growth is expected to come from emerging markets. Investments in product development will increase by more than 20 percent and EBITA is expected to grow by approximately 10 percent in local currency. Compared with the 2012/13 fiscal year, exchange rate fluctuations are expected to have a negative impact of about 3 percentage points on the EBITA growth.

GUIDELINES FOR REMUNERATION TO EXECUTIVE MANAGEMENT

The Board of Directors proposes that the Annual General Meeting on September 3, 2013 approve the following guidelines for remuneration and other terms of employment for the executive management of the Group. The guidelines will be valid for employment agreements entered into after the AGM and for any changes made to existing employment agreements thereafter. It is proposed that the Board be given the ability to deviate from the below-stated guidelines in individual cases where specific reasons or requirements exist. The guidelines in the following proposal are unchanged compared to the guidelines which were proposed by the Board of Directors and approved by the AGM on September 4, 2012.

Guidelines

It is of fundamental importance to Elekta and its shareholders that the guidelines for remuneration and other terms of employment for the executives of the Group attract, motivate and retain competent employees and managers, both in the short and long-term. To achieve this goal, it is important to ensure fairness and internal equity, while maintaining market competitiveness in terms of the structure, scope and level of executive compensation within Elekta. Employment conditions for executive management should comprise a balanced mix of fixed salary, a variable salary component, annual incentive or long-term incentives, pension and other benefits, as well as notice and severance payments, where applicable.

Total target cash compensation

Total target cash compensation, (fixed plus variable salary components), should be competitive in the geographic market where the executive is resident. The level of total target compensation should be reviewed annually to ensure that it is in line with or slightly above the market median, preferably within the lower end of the third quartile (between 51 percent and 60 percent against the market median), for similar positions in that market. Market medians are established annually with the assistance of external compensation benchmarking. Since compensation should be performance-driven, the target annual variable salary component should account for a relatively high portion of the total target compensation.

Compensation components

The Group compensation system comprises various forms of compensation. This ensures well-balanced remuneration, thereby strengthening and underpinning short and long-term objective setting and achievement.

Fixed salary

Executive Management's fixed salary shall be individual and based on the content and responsibility of the position, the individual's competence and experience in relation to the role held, as well as the geography in which the position is based.

Variable salary

In addition to a fixed salary, Executive Management also has a variable salary component. The variable component is structured as a portion of the total cash remuneration package and is primarily related to the achievement of common Group financial performance goals. The Key Performance Indicators (KPIs) for variable salary components shall primarily be related to the outcome of specific financial objectives within the Group compensation and benefit system.

The size of the variable salary component depends on the position held and may amount to between 30 percent and 60 percent of the fixed salary for on-target performance. Performance against fixed targets and payment for results achieved are measured quarterly. Quarterly payments against variable salary components are capped at 100 percent.

The goals for the variable salary component are established annually by the Board so as to sustain the business strategy and objectives. Other KPIs may be used to drive focus on non-financial objectives of particular interest.

Annual incentive

For performance related to financial goals within the variable salary plan exceeding 100 percent of the target, there is the opportunity for additional compensation called annual incentive. The annual incentive entails a potential to earn a maximum of 60 percent of the target variable salary component. Accordingly, the maximum payout level for the sum of the variable salary component and the annual incentive is capped at a 160 percent of the original target for variable compensation. The plan also contains a minimum performance level or threshold under which no variable salary or annual incentive will be paid out at all.

Equity-based long-term incentive programs

The Board also uses long-term incentives to ensure alignment between shareholder interests and executive management, senior managers and other key colleagues. On an annual basis, the Board of Directors evaluates whether an equity-based long-term incentive program should be proposed to the AGM.

In order to strengthen long-term thinking in decision-making and ensure achievement of long-term objectives, while also covering situations where equity-based solutions may be inappropriate or precluded by law, the Board may also selectively decide on other types of non-equity-based long-term incentive programs. Monetary long-term incentives should only be used as remuneration in special circumstances and be in line with practice in each market. They must also require continued employment in the Group.

Retention measures

In order to ensure long-term engagement and retention of key staff in connection with the acquisition of new business, the divestment of operations or other transitional activities, an additional annual incentive with a deferred payment of 12–24 months may or may not be applied. This deferred incentive requires continued employment until an agreed future date for any payment to be made and is applied only in special circumstances, i e is not part of any ordinary executive remuneration scheme. The deferred incentive should never exceed 50 percent of the contractual annual variable salary component and shall in other aspects comply with the Group bonus plan.

Pensions

When establishing new pension agreements, senior executives who are entitled to pension benefits should only be enrolled in defined-contribution schemes. The standard retirement age for Swedish citizens is 65 years while other executives follow the rules of their respective countries of residence. The main guideline is that the size of pension contributions be based only on the fixed salary. Certain individual adjustments may occur based on local market practice.

Other benefits

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

Notice periods and severance agreements

Periods of notice in Elekta follow local labor legislative requirements in the geographies in which they are based. Senior executives generally have notice periods of between 6 and 12 months, except for the President and CEO, whose period of notice is 24 months if notice is given by the Company and 8 months, if notice is given by the President and CEO. In the event of a material change of control, the President and CEO shall have the right to terminate the employment with 6 months notice within 120 days, and shall be entitled to severance payment equal to 18 months employment including all employment benefits except for annual incentives and company car.

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

Severance agreements entitling executives to lump sum payments will in principle not be signed.

Preparation and decision process

During the year, Elekta's Executive Compensation Committee (ECC) provided the Board with recommendations regarding principles for formulating the Group's remuneration system and remuneration of senior executives and senior managers. The recommendations covered formulation of the bonus system, distribution between fixed and variable remuneration and 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 its motion to the AGM is based on the recommendation submitted. Elekta's ECC comprises the Chairman of the Board and two independent Board members. The President and CEO attend the committee's meetings. The Group Vice President Human Resources acts as the ECC secretary.

Corporate Governance Report 2012/13

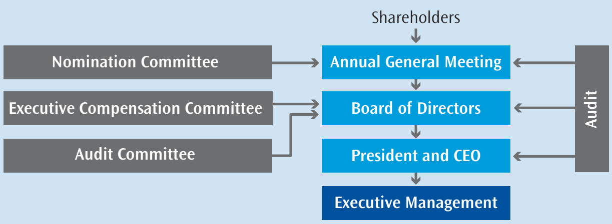
Elekta AB is a Swedish public limited liability company. Elekta is listed on NASDAQ OMX Stockholm. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, NASDAQ OMX Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code (the Code) and other relevant rules and guidelines. Elekta's internal Code of Conduct, as well as its vision and values, form the basis for the internal corporate governance rules.

Elekta has applied the Code since 2005. Elekta has implemented and complies with the Code with one exception concerning item 2.4 of the Code, as follows:

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

This Corporate Governance Report has been reviewed by the Company's auditors in accordance with the Annual Accounts Act (1995:1554).

Corporate Governance at Elekta



GENERAL MEETING OF SHAREHOLDERS

The shareholders' right of decision in Elekta's affairs is exercised at general meetings. 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 weeks and not later than four weeks in advance of the meeting.

To be able to participate in decisions, shareholders must be present at the AGM personally or by proxy. Shareholders may register their participation by mail, telephone or via the Elekta website. 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 accounts, election of members of the Board of Directors, appointment of auditors, remuneration to the Board of Directors and auditor as well as other important issues resulting from laws or the articles of association.

At General Meetings, 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 a qualified majority is required. All relevant documentation for General Meetings 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 4, 2012, in Stockholm shareholders representing 57 percent of the votes in the Company were present. For more information about the 2012 AGM, please visit www.elekta.com.

Information regarding direct or indirect shareholding in Elekta representing at least one-tenth of the voting right for all shares in the Company and information about authorizations by the General Meeting for the Board of Directors to decide upon repurchases of own shares is set out in the Board of Directors' report on pages 73.

NOMINATION COMMITTEE

The 2012 AGM resolved that the Nomination Committee for the 2013 AGM should be appointed through a procedure whereby the Chairman of the Board, before the end of the second quarter of the fiscal year, contacts three to five representatives for the largest holders of A- and B-shares, as per the last banking day in September, which should be given the possibility to appoint one member each. Those members shall, together with the Chairman of the Board, constitute the Nomination Committee and fulfill its obligations in accordance with the Code. The procedure is described in its entirety in the minutes of the 2012 AGM, which can be found on Elekta's website www.elekta.com. The names of persons appointed to the Nomination Committee were announced in a press release on October 24, 2012. The Nomination Committee's assignment is valid until a new Nomination Committee has been named.

The Nomination Committee consists of the following individuals, who were appointed by the listed shareholders:

- Åsa Nisell – Swedbank Robur funds
- Ossian Ekdahl – First Swedish National Pension Fund, AP1
- Anders Oscarsson – AMF Insurance and Funds
- Laurent Leksell – personal holdings and via companies
- Akbar Seddigh – Chairman of the Board

At the time when the Nomination Committee was established, these shareholders collectively represented approximately 38 percent of the votes in Elekta.

The Nomination Committee appointed Laurent Leksell as chairman and has had three recorded meetings. The Nomination Committee has conducted its assignment in accordance with the Code and in line with this work, has produced a proposal for the composition of the Board to be presented to the AGM for resolution and prepared a proposal for the AGM regarding fees for Board members not employed by the Company and for the auditor. The Nomination Committee's assignment also involves proposing an auditor, which is done in consultation with the Audit Committee.

Prior to the nomination process for Elekta's Board of Directors, an evaluation was conducted under the Chairman's leadership of the performance of all Board members. 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 Nomination Committee and has formed the basis for the Nomination Committee's discussions.

Prior to the 2013 AGM, the Nomination Committee will submit proposals for the Chairman of the AGM, the number of Board members, the Chairman of the Board, Board members and the appointment of an auditor. The Nomination Committee will also submit proposals for remuneration to the Chairman and other members of the Board, as well as any work on Board committees and auditors' fees, and propose a procedure for appointment of a new Nomination Committee. The Nomination Committee's proposals are presented in the notice of the AGM, and on Elekta's website. When the notice of the AGM is published, the Nomination Committee also publishes a motivated statement regarding its proposed Board on Elekta's website www.elekta.com.

No remuneration was paid by Elekta to the members of the Nomination Committee.

ELEKTA'S BOARD OF DIRECTORS

Elekta's Board of Directors and Chairman are elected by the AGM. The Board of Directors approves Elekta's strategy and goals, evaluates the day-to-day operations and monitors the Company's development and financial position. The 2012 AGM appointed the persons presented on page 78–79 as Board members until the 2013 AGM. Seven of the eight Board members are independent of the Company and its senior management, as well as of major shareholders in the Company, according to the Code. Information regarding provisions of the articles of association for appointment and dismissal of Board members and provisions stipulated in the articles of association regarding changes to the articles of association is presented on page 73. During the 2012/13 fiscal year, the Board held eleven meetings at which minutes were recorded.

As part of its work, the Board regularly visits Elekta's larger units around the world and also participates in other activities of interest. During the past year, the Board traveled to Boston, in the US, to hold a Board meeting in conjunction with ASTRO, which is the largest radiotherapy trade fair of the year. Other meetings were held at the head office in Stockholm. Representatives from the Executive Management and other managerial representatives regularly participated in Board meetings to report on issues relating to their respective areas during the year.

RULES OF PROCEDURE FOR THE BOARD

Within the Board of Directors, there is no special distribution of responsibility among Board members except for the tasks that the Board has delegated to the Executive Compensation Committee and the Audit Committee. In addition to the division of responsibilities that generally apply under the Swedish Companies Act, Elekta's articles of association and the Code, the work of the Board of Directors is regulated by its rules of procedure, which stipulate that the Board should, for example:

- Hold at least seven ordinary meetings
- Resolve on 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 5 M if such matters are beyond the scope of approved investment budgets
- Decide on acquisitions of real estate, shares or the acquisition of operations in another company
- Decide on the establishment and capitalization of subsidiaries
- Resolve on the terms of employment for the CEO
- Resolve on the annual reports and interim reports

At the ordinary Board meetings, the following items should also be considered:

- Report on the Group's operations including financial management
- Report on extraordinary measures or events
- Development of major projects in progress and forecast business events
- Report on existing or potential legal disputes

SIGNIFICANT DECISIONS DURING THE YEAR

In addition to decisions on plans and strategy, continuous monitoring of business operations and approval of interim and year-end reports, the Board of Directors decided during the 2012/13 fiscal year on matters including:

- Long-term strategic plan
- Long-term financing and financial policy
- Plan for succession management
- Major investments in research and development, and product development programs

Remuneration to the Board of Directors is resolved on by the AGM and is paid to those Board members who are not Elekta employees. Elekta has not introduced any share, or share-based incentive program for Board members. Remuneration to the respective members is detailed in the table on this page.

Meeting attendance and fees for the Board of Directors 2012/13, thousands

	Fees decided by the 2012 AGM		Number of meetings attended		
Name	Board fees	Committee fees	Board	Audit Committee	Compensation Committee
Chairman:					
Akbar Seddigh	750	70	11	–	4
Members:					
Hans Barella	340	150	11	4	–
Luciano Cattani	340	35	11	–	4
Laurent Leksell[1)]	–	–	11	–	–
Siaou-Sze Lien	340	35	10	–	4
Wolfgang Reim	340	–	11	–	–
Jan Secher	340	70	11	4	–
Birgitta Stymne Göransson	340	70	11	4	–
Total	**2,790**	**430**	**11**	**4**	**4**

[1)] No remuneration is paid to members of the Board who are employed by the Company.

Board of Directors

AKBAR SEDDIGH

First elected 1998

Board chairman, chairman of the Compensation Committee

Born 1943. Graduate chemist and marketing specialist

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board chairman: A+ Science Holding AB, Blekinge Tekniska Högskola, Innovationsbron AB and Sweden Bio

Board member: Athera Biotechnologies AB och LSO – USA

Holdings in Elekta: 13,200 B-shares and 3,300 B-convertibles

Principal work experience and other information: Nearly 30 years of experience from medical technology. Among others he has had executive positions in Volvo Group, AB Atomic Energy and Geological survey of Sweden. He founded the medical technology company Ortivus in 1984 and was its CEO until the Company's listing in 1997

HANS BARELLA

First elected 2003

Chairman of the Audit Committee

Born 1943. Master of Science in Electrical Engineering/Business Administration from the Technical University in Eindhoven, the Netherlands

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board chairman: Sapiens GmbH and Super Sonic Imagine SA

Holdings in Elekta: –

Principal work experience and other information: CEO at Philips Medical Systems and member of the Group Management Committee of Royal Philips from 1997 to 2002. Former board chairman of COCIR

LUCIANO CATTANI

First elected 2008

Member of the Compensation Committee

Born 1945. Master of Science in Economics from the University of Rome

Independent: Independent of the Company and the executive management and independent of the major shareholders

Deputy board chairman: EQVAL SA – Switzerland

Board member: EGEA Medical-Carpi and Sorin Spa

Holdings in Elekta: 1,000 B-convertibles

Principal work experience and other information: President for EMEA at Stryker Corporation from 2001 to 2004, Group President International at Stryker Corporation from 2005 to 2008 and Executive Vice President International Public Affairs at Stryker Corporation from 2008 to 2010

LAURENT LEKSELL

First elected 1972

Born 1952. Master of Business Administration and PhD from Stockholm School of Economics

Independent: Not independent in relation to the Company or the executive management and, being the Company's largest shareholder, not independent in relation to major shareholders

Board chairman: Stockholm City Mission

Board member: International Chamber of Commerce (ICC) and Sweden-China Trade Council

Holdings in Elekta: 14,250,000 A-shares, 9,406,624 B-shares, 3,562,500 A-convertibles and 2,500,681 B-convertibles

Principal work experience and other information: Founder of Elekta and Executive Director, since 2005. Former CEO and President of Elekta during the years from 1972 to 2005. Scientist and teacher at Stockholm School of Economics

SIAOU-SZE LIEN

First elected 2011

Member of the Compensation Committee

Born 1950. Bachelor of Science in Physics from Nanyang University and an Master of Science in Computer Science from Imperial College in London

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board member: Luvata Holding, Nanyang Technological University (NTU), NTU's Confucius Institute and Republic Polytechnic Singapore

Holdings in Elekta: –

Principal work experience and other information: Senior Executive Coach at Mobley Group Pacific Ltd after a 28-year career at Hewlett-Packard. Until 2006, Senior Vice President, Hewlett-Packard Services for the Asia-Pacific & Japan region

WOLFGANG REIM

First elected 2011

Born 1956. Master in Natural Sciences and PhD in Physics from the Federal Institute of Technology ETH in Zürich

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board chairman: Ondal Medical Systems GmbH since November 2012

Board member: Carl Zeiss Meditec AG, GN Store Nord A/S, Esaote S.p.A until December 2012, Klingel GmbH from December 2012 and Medlumics S.L. from January 2013

Holdings in Elekta: –

Principal work experience and other information: Independent consultant focusing on the medical technology industry. Until end of 2006 CEO of Dräger Medical AG. He started to work for Siemens in 1986 and was the CEO of the Siemens Ultrasound Division from 1997 to 2000 and President of the Special Products Division from 1995 to 1997

JAN SECHER

First elected 2010

Member of the Audit Committee

Born 1957. Master of Science in Industrial Engineering and Management from Linköping University in Sweden

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board chairman: Peak Management AG and Holmstaden A/S from October 1, 2013

Holdings in Elekta: 8,800 B-shares and 2,340 B-convertibles

Principal work experience and other information: President and CEO of Perstorp AB from September 16, 2013. Previous the President and CEO of Ferrostaal AG from 2010 to 2012, operating partner of the US private equity fund Apollo in London from 2009 to 2010, CEO of Clariant AG in Basel from 2006 to 2008 and CEO of SICPA in Lausanne from 2003 to 2005. Before he held various leading positions in the ABB Group during the years from 1982 to 2002

BIRGITTA STYMNE GÖRANSSON

First elected 2005

Member of the Audit Committee

Born 1957. Master of Business Administration from Harvard Business School and Master of Science in Chemical Engineering and Biotechnology from the Royal Institute of Technology in Stockholm

Independent: Independent of the Company and the executive management and independent of the major shareholders

Board chairman: Fryshuset Foundation

Board member: Medivir AB, Rhenman & Partners Asset Management AB and Stockholm Chamber of Commerce

Holdings in Elekta: 7,600 B-shares and 1,900 B-convertibles

Principal work experience and other information: President and CEO of Memira Group since 2010. Previous positions as CEO for Semantix from 2005 to 2009 and VP and CFO for Telefos from 2001 to 2005. Before that CFO for Åhlens, senior management consultant at McKinsey & Company, Swedish Technical Attache's in Washington DC and product manager for Gambro

EXECUTIVE COMPENSATION COMMITTEE

Elekta's Executive Compensation Committee (ECC) is appointed by Elekta's Board of Directors. 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 remuneration plans throughout Elekta.

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.

During the fiscal year, the ECC consisted of the Chairman of the Board, Akbar Seddigh, who also was Chairman of the ECC and Board members Luciano Cattani and Siaou-Sze Lien. President and CEO Tomas Puusepp is present at the Committee meetings and the Group VP Human Resources serves as secretary.

The ECC provides the Board with recommendations regarding principles for formulating the Group's remuneration system for senior executives and senior managers. The recommendations relate to the variable salary component, 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 resolved on by the Board. The entire Board decides on remuneration to the President and CEO.

During the 2012/13 fiscal year, the ECC held four meetings. Minutes were taken at every meeting. Attendance at the committee meetings was 100 percent. More important matters dealt with by the ECC during the fiscal year included:

- Yearly remuneration audit for the CEO and the Executive Management
- Compensation benchmark for the CEO and Executive Management
- Evaluation of the Group's remuneration philosophy and strategy
- An evaluation of the Company's existing long-term incentive plan
- Proposals for the revision of the long-term incentive plan
- Evaluation of the Company's compliance with the Code regarding remuneration to senior executives
- Evaluation of the Company's compliance with the principles for remuneration to senior executives

Information on Elekta's principles for remuneration of Executive Management and outstanding share plans is presented on pages 74–75 and in Note 5.

AUDIT COMMITTEE

The Audit Committee works in accordance with guidelines and instructions for the Audit Committee, which have been adopted by the Board. The Audit Committee is responsible for ensuring that the entire Board of Directors is kept regularly informed as to the work of the Audit Committee and, where necessary, shall submit matters to the Board for approval. The main duties of the Audit Committee are to support the Board of Directors in the work of monitoring the quality of the financial reporting, risk management and auditor review and to ensure that established accounting principles are applied in a correct manner. The Audit Committee regularly meets Elekta's auditors, evaluates the audit work and approves the additional services that Elekta may procure from the external auditors.

The Audit Committee's members were Hans Barella (chairman), Birgitta Stymne Göransson and Jan Secher. President and CEO Tomas Puusepp and CFO Håkan Begrström is present at the Committee meetings. During the 2012/13 fiscal year, the Audit Committee held four meetings. Minutes were taken at every meeting.

The more important matters dealt with by the Audit Committee during the fiscal year included:

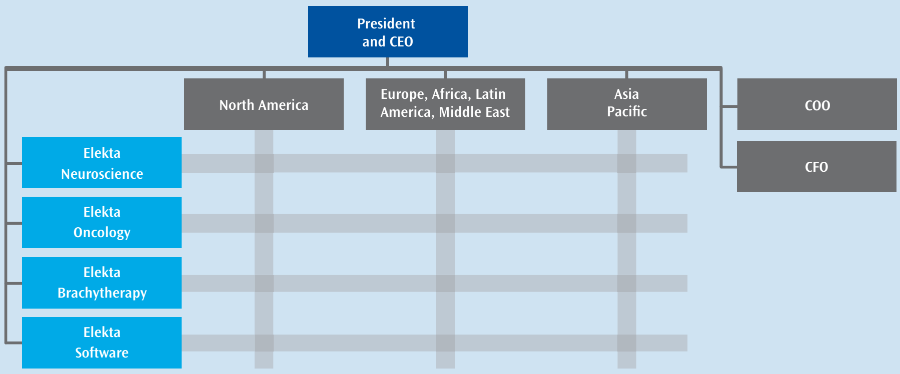
- Monitoring of compliance and review of plans and measures for compliance
- Risk Management and prioritization of resources to ensure proper risk management
- Proposals for the establishment of an Internal audit function
- Evaluation of reports from external auditors
- Analysis of balance sheet and income statement, monitoring and review of performance indicators
- Review of principles for revenue recognition
- Review and evaluation of auditor's impartiality and independence
- Adoption of internal control processes

AUDITORS

The AGM on September 4, 2012 elected PwC as audit firm until the 2013 AGM, with Johan Engstam, born 1966, as auditor in charge.

In addition to Elekta, Johan Engstam's auditing assignments include Husqvarna AB (publ) and Transmode AB (publ). He has no auditing assignments in companies related to Elekta's major shareholders or its President and CEO. The auditors' fees during the fiscal year are reported in Note 8.

Elekta's organization



Executive Management

TOMAS PUUSEPP

Year of birth: 1955

Official title: CEO and President

Employed since: 1988

Holdings: 600,000 B-shares and 150,000 B-convertibles

JOHAN SEDIHN

Year of birth: 1965

Official title: COO

Employed since: 1993

Holdings: 79,462 B-shares and 20,203 B-convertibles

HÅKAN BERGSTRÖM

Year of birth: 1956

Official title: CFO

Employed since: 2001

Holdings: 140,052 B-shares and 35,013 B-convertibles

JAMES P HOEY

Year of birth: 1958

Official title: EVP Region North America

Employed since: 2005 (Founded IMPAC 1990)

Holdings: 15,417 B-shares

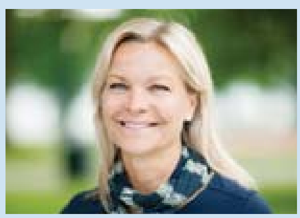
GILBERT WAI

Year of birth: 1953

Official title: EVP Region Asia Pacific

Employed since: 1998

Holdings: 344,000 B-shares



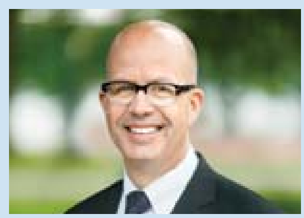
ÅSA HEDIN

Year of birth: 1962

Official title: EVP Elekta Neuroscience

Employed since: 1994–2000 and since 2007

Holdings: 6,970 B-shares and 6,540 B-convertibles



BILL YAEGER

Year of birth: 1961

Official title: EVP Elekta Oncology

Employed since: 2000–2008 and since 2011

Holdings: 4,200 B-shares

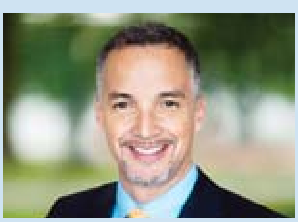
JOHN LAPRÉ

Year of birth: 1964

Official title: EVP Elekta Brachytherapy

Employed since: 2011 (Employed at Nucletron since 2009)

Holdings: 2,500 B-shares



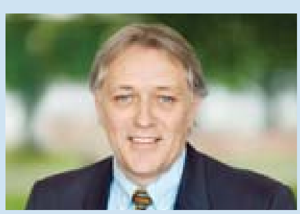
TODD POWELL

Year of birth: 1965

Official title: EVP Elekta Software

Employed since: 2005 (Employed at IMPAC since 1992)

Holdings: –



IAN ALEXANDER

Year of birth: 1958

Official title: EVP Region Europe, Africa, Latin America, Middle East

Employed since: 2008–2011 and since 2012

Holdings: 1,332 B-shares

PRESIDENT AND CEO

The President and 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, of major significance, or are explicitly defined as the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since May 1, 2005. Born in 1955, he has a total of more than 30 years of management experience in international medical technology. 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 Elekta, including head of Elekta's neurosurgery operations, President of Elekta's subsidiary in North America and global head of Elekta's sales, marketing and service operations. Tomas Puusepp has no significant assignments outside Elekta. He has no shareholdings or ownership interests in companies with significant business relations with Elekta. Tomas Puusepp's share and option holding in Elekta is noted in the presentation of the Executive Management on page 81.

EXECUTIVE MANAGEMENT

Elekta's Executive Management consists of the President and CEO, the Chief Financial Officer, the Chief Operating Officer, the managers of four product areas and the three regions – a total of ten members. The President and CEO oversees the work of the Executive Management and the Executive Management makes jointly decisions. Executive Management meetings are held one or two days each month. The meetings, with Elekta's General Counsel acting as secretary, are often held in conjunction with visits to the Group's various units. Details regarding remuneration of the President and CEO and Executive Management are provided in Note 5.

FINANCIAL REPORTING AND INFORMATION

Elekta provides the market with continuous information regarding the Company's performance and financial position in accordance with the guidelines specified in the Board's communications 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. As a general rule, orders with a value exceeding USD 10 M shall be considered for disclosure through publication of a press release
- 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 silent period prior to each quarterly report, during which the Company does not present at investor seminars or conduct meetings with investors or analysts, in person or over telephone. The length of this silent period is to be determined by the CEO. It should not be shorter than 14 days.

RISK MANAGEMENT AND INTERNAL CONTROL

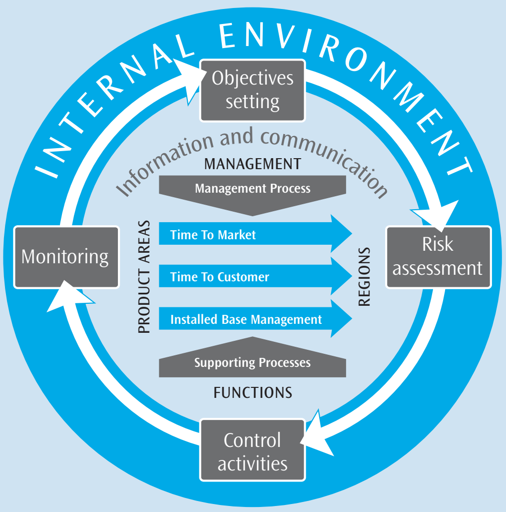
During the year, Elekta has continued to implement a more systematic method for risk management and internal control, Elekta Risk Management and Internal Control process, see figure on this page. The method is developed from already established work procedures for identifying and handling of risks and will secure that risk management and internal control is an integral part of the strategy- and management processes. The method focuses on management of strategic risks, operating risks, legal and regulatory compliance risks and risks related to financial reporting with the aim to provide reasonable assurance that the Elekta long-term and short-term objectives are achieved. Risk Management and Internal Control over financial reporting aims to provide reasonable assurance with regard to the reliability of the external financial reporting in terms of interim reports, year-end reports and annual reports, and to ensure that the external financial reporting is prepared in accordance with laws, applicable accounting standards and other requirements on listed companies.

Internal environment

The internal environment is the foundation for internal control. It establishes the culture in which Elekta operates and defines standards and guidelines for corporate behavior. The internal environment embraces Elekta's Mission, Vision and Values as guiding principles and is described in more detail in Elekta's Business Management System through documented policies, procedures, processes and work instructions that are communicated throughout the organization.

Elekta's Code of Conduct serves as an overall policy to ensure that all employees understand and act in accordance with corporate responsibility regarding business ethics and behavior in the areas of social, environmental and economic responsibility. Other policies procedures, processes and work instructions describe Elekta's business operations, for example the strategy- and management processes, the main business processes; Time to Market, Time to Customer and Installed Base Management, as

The Risk Management and Internal Control process



The Elekta Risk Management and Internal Control process is developed from the principles and definition of Enterprise Risk Management established by COSO, The Committee of Sponsoring Organizations of the Treadway Commission.

well as supporting processes such as purchasing, customer feedback, IT and human resources. There are also policies, procedures, processes and work instructions regarding the financial reporting in the Financial Guide, including for example authorization policy and instruction, accounting policy, reporting instruction and financial policy. In addition there are working instructions established for supporting for example the financial IT systems, and an information policy.

As a medical device company, Elekta operates according to requirements and standards established by regulatory authorities. These requirements and standards are implemented and maintained through Elekta's Business Management Systems.

The organizational structure is transparent with defined roles, authorities and responsibilities documented in job descriptions on all levels in the Company. The Board of Directors has established working instructions for the Board of Directors, the Audit Committee, the Executive Compensation Committee, the President and CEO as well as instructions regarding financial reporting for the Board of Directors. Personal performance evaluation is conducted annually to ensure relevant competency and any development needs. The organizational structure is described on page 80.

Objectives setting and risk assessment

As part of Elekta's strategy- and management processes, the Company establishes long-term and short-term objectives. A risk assessment is performed in connection with the strategy process in order to identify the risks related to the achievement of the objectives including risks related to financial reporting. The risks are documented in a Company risk map. In addition, risks that appear during the year are continuously evaluated and included, if applicable, to the Company risk map. The major risks are described on pages 70–71 and 97–99.

The risk assessment is conducted by evaluating the risk level, based on an impact and probability perspective, and defines the appropriate risk response to manage the risks. All risks are then handled by appointed risk owners and risk actionees.

Control activities

The control activities are designed to manage risks considered by the Audit Committee, the President and CEO and the Executive Management to be significant to achieve the strategic objectives, the objectives for the business operations, legal and regulatory compliance as well as for the financial reporting.

Policies and procedures are established and implemented to ensure that the risk responses are effectively carried out, for example by:

- Changing the business model to avoid risks
- Accepting actual risk levels and secure monitoring of changes
- Improving business processes to reduce risks
- Sharing risks between entities
- Transferring risks to external parties as appropriate

Control activities regarding financial reporting are designed to ensure that the fundamental requirements on the external financial reporting are fulfilled. They comprise overall and detailed controls and could be preventative or detective. Control activities are often integrated in key processes, such as order- and revenue recognition, and also include analysis and follow up of performance and results. Areas that are covered by control activities are for example approvals and authorizations of business transactions, reliability in business IT systems, observance of laws, applicable accounting standards and other requirements on listed companies as well as areas that include a certain degree of judgement.

Monitoring

The monitoring of risk management and internal control processes to ensure that they are effective, is conducted by the Board of Directors, the Audit Committee, the President and CEO, the Executive Management and other specifically appointed committees and relevant employees. Monitoring includes for example reviewing of monthly business- and financial reports, quarterly business reviews, monthly reviews of order recognition by the Order Committee and follow-up of internal quality audit reports of the business operations related to for example quality of product, product development and manufacturing, which is conducted by the Quality function, as well as reports from the external auditors.

Status of prioritized risks are monitored by the Risk Manager and reported quarterly to the Audit Committee and the Board of Directors, while all overall company risks are monitored by the Executive Management as an integrated part of the business reviews.

Information and communication

As part of Elekta's strategy- and management processes, the Board of Directors, the President and CEO and the Executive Management make decision on company long-term strategies, operational plans and company policies. These are communicated to the relevant levels within the Company as base for company control.

Management at different levels in the organization make daily decisions based on relevant reported operational and financial information and ensure that decisions are implemented and are in line with overall strategies, plans and policies.

Elekta has several different communication channels within the organization, including for example the Company's intranet, information letters, regular meetings and company magazines. The aim is to ensure visibility of necessary information to relevant employees.

Elekta's Communications Policy regulates communication with external parties, including the financial market.

Any suspicion of breach of the Code of Conduct may be reported, anonymously as well as, directly to Elekta's Corporate Social Responsibility Officer.

The work with risk management and internal control over financial reporting has during the year been performed by the Risk Manager, other internal functions and external resources. The work is based on established control procedures and control routines within the Company.

Based on the performed work, the Company currently has not considered to establish a separate internal audit function. However, the Board of Directors continuously evaluates the need and scope of an internal audit function related to financial reporting.

Income statement and Statement of comprehensive income

INCOME STATEMENT

		Group		Parent Company	
SEK M	Note	2012/13	2011/12	2012/13	2011/12
Net sales	4	10,339	9,048	–	–
Cost of products sold		–5,557	–4,831	–	–
Gross profit		**4,782**	**4,217**	**–**	**–**
Selling expenses		–1,147	–1,084	–	–
Administrative expenses		–878	–754	–104	–87
R&D expenses		–715	–604	–	–
Exchange rate differences		16	62	–	0
Operating result before non-recurring items		**2,058**	**1,837**	**–104**	**–87**
Transaction and restructuring costs		0	–168	–	–24
Net gain from divested business		–	180	–	–
Other non-recurring items		–46	–	–	–
Operating result	4–9	**2,012**	**1,849**	**–104**	**–111**
Income from participations in Group companies	10	–	–	865	768
Income from participations in associates	11	–29	–1	–40	–
Interest income and similar items	12	32	45	176	112
Interest expenses and similar items	12	–223	–200	–194	–179
Exchange rate differences		8	15	8	10
Appropriations	13	–	–	3	0
Profit before tax		**1,800**	**1,708**	**714**	**600**
Income taxes	14	–449	–480	–2	–4
Profit for the year		**1,351**	**1,228**	**712**	**596**
Profit attributable to:					
Parent Company shareholders		1,340	1,227		
Non-controlling interests		11	1		
Earnings per share:					
Earnings per share before dilution, SEK		3.52	3.26		
Earnings per share after dilution, SEK		3.52	3.23		
Average number of shares before dilution, thousands		380,672	376,431		
Average number of shares after dilution, thousands		380,672	380,125		

STATEMENT OF COMPREHENSIVE INCOME

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Profit for the year	**1,351**	**1,228**	**712**	**596**
Other comprehensive income:				
Revaluation of cash-flow hedges	34	–94	–	–
Translation differences from foreign operations	–353	180	–	–
Hedge of net investment	–	–	–8	9
Income tax relating to components of other comprehensive income	–5	22	1	–2
Other comprehensive income, net	**–324**	**108**	**–7**	**7**
Total comprehensive income	**1,027**	**1,336**	**705**	**603**
Comprehensive income attributable to:				
Parent Company shareholders	1,016	1,335		
Non-controlling interests	11	1		

COMMENTS ON THE INCOME STATEMENT

In the income statement presented on the previous page non-recurring items have been separately recognized. The table below presents the income statement down to operating result before and after non-recurring items with non-recurring items allocated by function. Non-recurring items in the Parent Company in 2011/12 would be allocated to the administrative function, thus administrative expenses including non-recurring items would amount to SEK –111 M.

		Group 2012/13			Group 2011/12			
SEK M	Note	Excluding non-recurring items	Non-recurring items	Including non-recurring items	Excluding non-recurring items	Transaction and restructuring costs	Net gain from divested business	Including non-recurring items
Net sales	4	10,339	–	10,339	9,048	–	–	9,048
Cost of products sold		–5,557	–	–5,557	–4,831	–5	–	–4,836
Gross profit		**4,782**	**–**	**4,782**	**4,217**	**–**	**–**	**4,217**
Selling expenses		–1,147	–	–1,147	–1,084	–10	–	–1,094
Administrative expenses		–878	–46	–924	–754	–149	–	–903
R&D expenses		–715	–	–715	–604	–4	–	–608
Other operating income		0	–	0	–	–	180	180
Exchange rate differences		16	–	16	62	–	–	62
Operating result	4–9	**2,058**	**–46**	**2,012**	**1,837**	**–168**	**180**	**1,849**

Net sales

Net sales rose 14 percent to SEK10,339 M (9,048) equivalent to 16 percent based on unchanged exchange rates.

	Net sales, SEK M	Change, %	Operating profit, SEK M	Change, %
Q1	1,695	19	63	–32
Q2	2,485	28	400	4
Q3	2,428	–5	386	–35
Q4	3,731	20	1,163	50
Full year 2012/13	**10,339**	**14**	**2,012**	**9**

Earnings

Operating result before non-recurring items increased by 12 percent and amounted to SEK 2,058 M (1,837). The increase is mainly related to higher volumes. The effect from changes in exchange rates was negative SEK 90 M.

Gross margin amounted to 46 percent (47) and operating margin was 19 percent (20).

The purchase of products, materials and consumables comprises the largest single cost item, accounting for 45 percent (43) of the group's total operating expenses. The second largest item is personnel costs at 32 percent (32).

Research and development expenditures before capitalization of development costs rose 15 percent to SEK 894M (778) equal to 9 percent (9) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 211 M (201), of which SEK 179 M (174) relates to the R&D function. Capitalization within the R&D function amounted to SEK 286 M (246) and amortization to SEK 107 M (72).

Elekta's ongoing incentive programs have affected the operating result by SEK 21 M (–35).

The change in unrealized exchange rate effects from cash flow hedges amounted to SEK 34 M (–94) and is reported in other comprehensive income. Closing balance of unrealized exchange rate effects from cash flow hedges in shareholders' equity was SEK 68 M (34) exclusive of tax. According to Elekta's currency hedging policy, anticipated sales in foreign currency may be hedged up to 24 months.

Net financial items amounted to SEK –212 M (–141).

Income before tax amounted to SEK 1,800 M (1,708). Tax expense amounted to SEK –449 M (–480) or 25 percent (28). Profit after tax amounted to SEK 1,351 M (1,228).

Result overview

SEK M	2012/13	2011/12
Operating result/EBIT	**2,012**	**1,849**
Amortization	239	205
EBITA	**2,251**	**2,054**
Depreciation	110	90
EBITDA	**2,361**	**2,144**
Non-recurring items	– 46	12
Operating result/EBIT excluding non-recurring items	**2,058**	**1,837**
EBITA excluding non-recurring items	**2,297**	**2,042**
EBITDA excluding non-recurring items	**2,407**	**2,132**

Balance sheet

SEK M	Note	Group April 30, 2013	Group April 30, 2012	Parent Company April 30, 2013	Parent Company April 30, 2012
ASSETS					
Non-current assets					
Intangible assets	15	6,424	6,457	–	–
Tangible fixed assets	16	487	407	–	–
Shares in subsidiaries	17	–	–	1,837	1,764
Shares in associates	18	25	4	27	15
Receivables from subsidaries		–	–	2,744	2,754
Other financial assets	19	211	143	37	38
Deferred tax assets	14	92	233	15	15
Total non-current assets		**7,239**	**7,244**	**4,660**	**4,586**
Current assets					
Inventories	20	850	755	–	–
Accounts receivable	21	3,192	2,692	0	1
Accrued income		1,861	1,953	–	–
Receivables from subsidiaries		–	–	2,804	2,608
Other current receivables	22	598	696	27	112
Cash and cash equivalents	23	2,567	1,895	2,125	1,347
Total current assets		**9,068**	**7,991**	**4,956**	**4,068**
Total assets		**16,307**	**15,235**	**9,616**	**8,654**
EQUITY AND LIABILITIES					
Equity					
Parent Company shareholders:					
Share capital	24	192	191	192	191
Contributed funds		740	688	–	–
Statutory reserve		–	–	156	156
Reserves		–562	–238	–	–
Retained earnings		5,177	4,357	2,238	1,957
Parent Company shareholders, total		*5,547*	*4,999*	*2,586*	*2,304*
Non-controlling interests		*13*	*11*	–	–
Total equity		**5,560**	**5,010**	**2,586**	**2,304**
Untaxed reserves	13	**–**	**–**	**27**	**30**
Non-current liabilities					
Long-term interest-bearing liabilities	25	4,340	4,417	4,336	4,417
Long-term liabilities to Group companies	25	–	–	38	50
Deferred tax liabilities	14	582	675	–	–
Long-term provisions	26	121	181	26	22
Other long-term liabilities		27	11	–	–
Total non-current liabilities		**5,070**	**5,284**	**4,400**	**4,489**
Current liabilities					
Short-term interest-bearing liabilities	25	212	113	–	–
Short-term liabilities to Group companies	25	–	–	2,483	1,705
Accounts payable		1,217	842	9	12
Advances from customers		1,292	1,086	–	–
Current tax liabilities	14	240	181	–	–
Short-term provisions	26	68	63	–	–
Other current liabilities	27	2,648	2,656	111	114
Total current liabilities		**5,677**	**4,941**	**2,603**	**1,831**
Total equity and liabilities		**16,307**	**15,235**	**9,616**	**8,654**
Assets pledged	28	3	7	–	–
Contingent liabilities	29	178	68	956	1,043

COMMENTS ON THE BALANCE SHEET

Assets and capital employed

The Group's total assets increased by SEK 1,072 M to SEK 16,307 M (15,235).

The Group's fixed assets totaled SEK 7,239 M (7,244) at year-end of which goodwill amounted to 4,411 M (4,482).

Current assets, excluding cash and cash equivalents, increased by SEK 405 M to SEK 6,501 M (6,096). Accounts receivable, accrued income and inventories increased by 9 percent (39). Inventory value in relation to net sales was 8 percent (8).

Cash and cash equivalents increased by SEK 672 M to SEK 2,567 M (1,895) at year-end, totaling 16 percent (12) of total assets. Of total bank balances SEK 3 M (7) were pledged primarily for commercial guarantees.

The Group's capital employed increased to SEK 10,112 M (9,540). Capital turnover ratio was 0.7 (0.8).

Liabilities and shareholders' equity

Interest-bearing liabilities totaled SEK 4,552 M (4,530) on April 30, 2013.

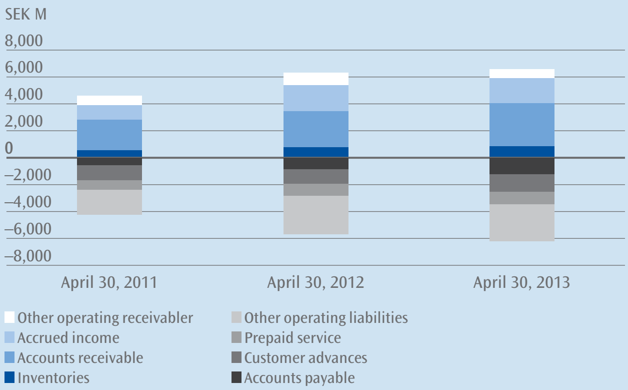
Net debt amounted to SEK 1,985 M (2,635). Net debt/equity ratio was 0.36 (0.53) and equity/assets ratio was 34 percent (33).

Interest-free liabilities and provisions increased with 500 to SEK 6,195 M (5,695). Operating assets exceeded operating liabilities by SEK 398 M (634).

Shareholders' equity was SEK 5,560 M (5,010).

Return on shareholders' equity was 27 percent (29) and return on capital employed totaled 21 percent (28).

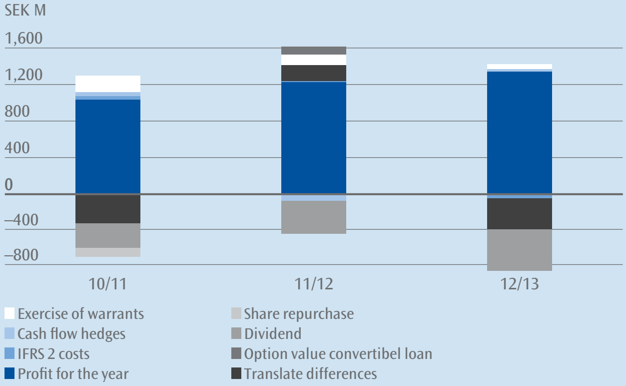
Composition of working capital



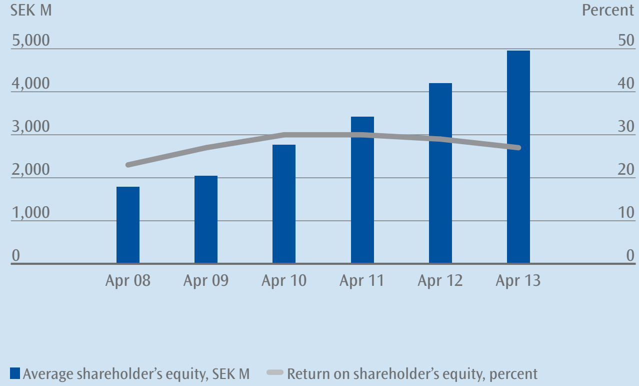
Changes in shareholders' equity

Group, SEK M	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Elekta AB's owners, total	Non-controlling interests	Total equity
Opening balance May 1, 2011	189	489	–440	94	3,500	**3,832**	1	**3,833**
Profit for the year					1,227	**1,227**	1	**1,228**
Revaluation of cash-flow hedges	–	–	–	*–94*	–	***–94***	–	***–94***
Translation differences from foreign operations	–	–	*171*	–	–	***171***	–	***171***
Exchange difference on net investment in foreign operations	–	–	*9*	–	–	***9***	–	***9***
Tax relating to components of other comprehensive income (Note 14)	–	–	*–2*	*24*	–	***22***	–	***22***
Other comprehensive income, net after tax	0	0	178	–70	0	**108**	1	**109**
Total comprehensive income	**0**	**0**	**178**	**–70**	**1,227**	**1,335**	**1**	**1,336**
Acquisition	–	–	–	–	–	**–**	10	**10**
Dividend	–	–	–	–	–376	**–376**	–	**–376**
Incentive programs	–	–	–	–	25	**25**	–	**25**
Tax effect incentive programs	–	–	–	–	–19	**–19**	–	**–19**
Exercise of warrants	2	113	–	–	–	**115**	–	**115**
Option value convertible loan	–	86	–	–	–	**86**	–	**86**
Transactions with the shareholders, total	**2**	**199**	**–**	**–**	**–370**	**–169**	**10**	**–159**
Closing balance April 30, 2012	**191**	**688**	**–262**	**24**	**4,357**	**4,999**	**11**	**5,010**
Opening balance May 1, 2012	191	688	–262	24	4,357	**4,999**	11	5,010
Profit for the year					1,340	**1,340**	11	**1,351**
Revaluation of cash-flow hedges	–	–	–	*34*	–	***34***	–	***34***
Translation differences from foreign operations	–	–	*–353*	–	–	***–353***	–	***–353***
Tax relating to components of other comprehensive income (Note 14)	–	–	*1*	*–6*	–	***–5***	–	***–5***
Other comprehensive income, net after tax	0	0	–352	28	0	**1,016**	11	**1,027**
Total comprehensive income	**0**	**0**	**–352**	**28**	**1,340**	**1,016**	**11**	**1,027**
Acquisition	–	–	–	–	–		–	**0**
Dividend	–	–	–	–	–476	**–476**	–9	**–485**
Incentive programs	–	–	–	–	–15	**–15**	–	**–15**
Tax effect incentive programs	–	–	–	–	–30	**–30**	–	**–30**
Exercise of warrants	1	50	–	–	–	**51**	–	**51**
Conversion of convertible loan	0	2						**2**
Transactions with the shareholders, total	**1**	**52**	**0**	**0**	**–521**	**–468**	**–9**	**–477**
Closing balance April 30, 2013	**192**	**740**	**–614**	**52**	**5,177**	**5,547**	**13**	**5,560**

Changes in shareholders' equity



Shareholders' equity and return



Parent Company, SEK M	Share capital	Statutory reserve	Premium reserve	Retained earnings	Total equity
Opening balance May 1, 2011	189	156	333	1,198	**1,876**
Profit for the year				596	**596**
Exchange difference on net investment in subsidiary	–	–	–	9	**9**
Tax relating to components of other comprehensive income (Note 14)	–	–	–	–2	**–2**
Other comprehensive income	0	0	0	7	**7**
Total comprehensive income	**0**	**0**	**0**	**603**	**603**
Dividend	–	–	–	–376	**–376**
Repurchased shares	–	–	–	–	**–**
Exercise of warrants	2	–	113	–	**115**
Option value convertible loan	–	–	86	–	**86**
Transactions with the shareholders, total	**2**	**–**	**199**	**–376**	**–175**
Closing balance April 30, 2012	**191**	**156**	**532**	**1,425**	**2,304**
Opening balance May 1, 2012	191	156	532	1,425	**2,304**
Profit for the year				712	**712**
Exchange difference on net investment in subsidiary	–	–	–	–8	**–8**
Tax relating to components of other comprehensive income (Note 14)	–	–	–	1	**1**
Other comprehensive income	0	0	0	–7	**–7**
Total comprehensive income	**0**	**0**	**0**	**705**	**705**
Dividend	–	–	–	–476	**–476**
Exercise of warrants	1	–	50	–	**51**
Conversion of convertible loan	0		2		**2**
Transactions with the shareholders, total	**1**	**0**	**52**	**–476**	**–423**
Closing balance April 30, 2013	**192**	**156**	**584**	**1,654**	**2,586**

COMMENTS ON CHANGES IN SHAREHOLDERS' EQUITY

In 2012 Elekta paid a total dividend of SEK 476 M. The dividend payment has affected equity through a reduction of retained earnings.

During 2012/13, a number of 451,854 new B-shares were subscribed through exercise of warrants distributed within the framework of the established option programs and 17,336 B-shares were subscribed through conversion of convertibles. The subscriptions have affected equity by increases in share capital and contributed funds, by SEK 53 M in total.

The total number of shares in Elekta as of April 30, 2013, amounted to 382,824,016 of which 14,250,000 A-shares and 368,574,016 B-shares. See Note 24 for more information on share capital.

Shareholders' equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in the translation reserve via other comprehensive income. The translation difference amounted to SEK M –352 (178) in 2012/13. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases. 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. 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. The translation reserve amounted to SEK −614 M (−262) on April 30, 2013.

Cash flow hedges are reported in the hedge reserve via other comprehensive income. 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. During 2012/13 the change in the hedge reserve was SEK 28 M (−70) after tax and the closing balance of the hedge reserve was SEK 52 M (24).

Cash flow statement

		Group		Parent Company	
SEK M	Note	2012/13	2011/12	2012/13	2011/12
Operating activities					
Profit before tax		1,800	1,708	714	600
Depreciation	6, 15, 16	349	295	–	–
Other non-cash items etcetera	30	225	132	50	–53
Change in working capital	30	–24	–641	–191	–1,565
Cash flow from operating activities before interest and tax		*2,350*	*1,494*	*573*	*–1,018*
Interest received		29	35	175	21
Interest paid		–171	–132	–138	–118
Income taxes paid	14	–338	–462	–6	–3
Cash flow from operating activities		**1,870**	**935**	**604**	**–1,118**
Investing activities					
Business combinations	30	–67	–3,363	–	–
Divestments of business		–	201	–	–
Investments in subsidiaries	17	–	–	–73	393
Investments in other shares	18	–17	–4	–17	4
Repayments from partnerships	18	0	5	–	–
Increase (–) / Decrease (+) in long-term receivables		–34	–16	–33	–2,694
Investments in intangible assets	15	–325	–304	–	–
Investments in machinery and equipment	16	–219	–128	–	–
Sale of fixed assets		0	11	–	–
Cash flow from investing activities		**–662**	**–3,598**	**–123**	**–2,297**
Cash flow after investments		**1,208**	**–2,663**	**481**	**–3,415**
Financing activities					
Borrowings		102	3,342	796	3,933
Repayment of debt		–39	–1	–53	–
Borrowing costs		–9	0	–9	0
Exercise of warrants		51	114	51	114
Option value convertible loan		–	85	–	85
Dividend		–485	–376	–476	–376
Cash flow from financing activities		**–380**	**3,164**	**309**	**3,756**
Cash flow for the year		**828**	**501**	**790**	**341**
Change in cash and cash equivalents during the year					
Cash and cash equivalents at the beginning of the year		1,895	1,363	1,347	1,006
Cash flow for the year		828	501	790	341
Exchange rate differences		–156	31	–12	0
Cash and cash equivalents at the end of the year	23	**2,567**	**1,895**	**2,125**	**1,347**

COMMENTS ON THE CASH FLOW STATEMENT

The cash flow statement describes 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.

The operating cashflow (cash flow from operating activities exclusive of change in working capital) amounted to SEK 1,894 M (1,576), an improvement of SEK 318 M compared with the preceding year.

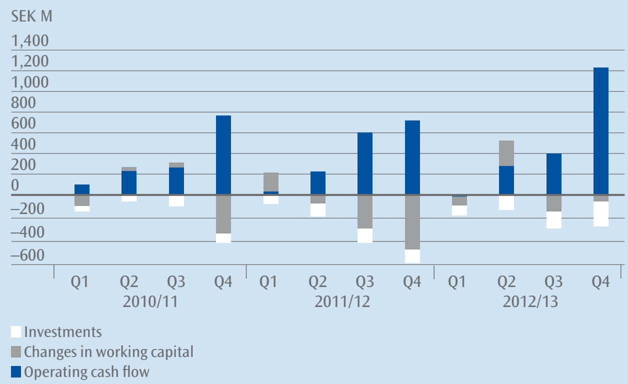
Cash flow from operating activities amounted to SEK 1,870 M (935).

Cash flow from continuous investments amounted to SEK –578 M (–432). Cash flow after continuous investments was SEK 1,292 M (503).

Cash flow after investments was positive SEK 1,208 M (–2,663), including business combinations of SEK –84 M (–3,166).

Cash flow after continuous investments

Specification of cash flow after continuous investments



Notes

NOTE 1 Accounting principles

Elekta AB, with corporate registration number 556170-4015, is a Swedish public company with its registered office in Stockholm. The address to the head office is Elekta AB, Box 7593, SE-103 93 Stockholm.

This Annual Report, including the consolidated financial statements, was signed and approved for publication by the Board of Directors of Elekta AB on August 1, 2013. The statements of income and the balance sheets, for the Parent Company and the Group, included in the Annual Report and the consolidated financial statements, are subject to adoption by the Annual General Meeting on September 3, 2013.

The most important accounting principles applied in the preparation of the financial reports are set out below. Mainly, the same principles are applied for the Parent Company and the Group. The Parent Company's accounting principles deviating from those applied by the Group, or considered important to describe, are stated under a separate heading at the end of this note.

BASIS FOR PREPARATION

Elekta's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on April 30, 2013, the Swedish Annual Accounts Act and standard RFR 1 of the Swedish Financial Reporting Board. The Parent Company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2 of the Swedish Financial Reporting Board.

Measurement basis

Assets and liabilities are recognized at historical cost apart from financial assets and liabilities that are derivatives and recognized at fair value.

NEW AND REVISED IFRS APPLIED FROM 1 MAY, 2012

The following new and amended standards and interpretations have been applied from 1 May, 2012. None of these have had a material impact on the financial reports:

- IFRS 7 Financial Instruments: Disclosures. Effective 1 July 2011
- IAS 12 Income Taxes. Effective 1 January 2012

NEW AND REVISED IFRS NOT YET APPLIED

The following new and amended standards and interpretations are not yet applied. Based on an initial assessment none of these will have a material impact on future financial reports:

- IFRS 7 Financial Instruments: Disclosures. Effective 1 January 2013
- IFRS 9 Financial Instruments. Effective 1 January 2015. Not yet endorsed by the EU
- IFRS 10 Consolidated Financial Statements. Effective 1 January 2014
- IFRS 11 Joint Arrangements. Effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities. Effective 1 January 2014
- IFRS 13 Fair Value Measurement. Effective 1 January 2013
- IAS 1 Presentation of Financial Statements. Effective 1 July 2012
- IAS 19 Employee Benefits. Effective 1 January 2013
- IAS 27 Separate Financial Statements. Effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures. Effective 1 January 2014
- IAS 32 Financial instruments: Presentation. Effective 1 January 2014
- IAS 36 Impairment of Assets. Not yet endorsed by the EU
- Improvements to IFRS (May 2012). Effective 1 January, 2013
- Investment Entities. Amendments to IFRS 10, IFRS 12 and IAS 27. Effective 1 January 2014. Not yet endorsed by the EU

CONSOLIDATED ACCOUNTS

The consolidated accounts include Elekta AB (the Parent Company) and companies in which the Parent Company held, directly or indirectly, more than 50 percent of the voting rights at the end of the period, as well as companies in which the Group otherwise has a controlling interest. Controlling interest means having a right to formulate the strategies for a company in order to obtain economic benefits. A subsidiary is included in the consolidated accounts from the point in time when the controlling interest is obtained until the point in time when the controlling interest ceases. Intra-group transactions, balance sheet items and unrealized intra-group profits are eliminated in the consolidated accounts.

The acquisition method

The consolidated accounts have been prepared in accordance with the acquisition method, which means that the cost of shares in subsidiaries is eliminated against their equity at the time of acquisition. Acquisition-related transaction costs are not included in the cost of the shares but expensed as incurred. The equity in a subsidiary is determined on the basis of the fair value of assets, liabilities and contingent liabilities at the acquisition date. Thus, only the part of the subsidiary's equity which has arisen after the acquisition date is included in the consolidated accounts. In business combinations, where sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition, the difference is reported as goodwill. A negative difference, negative goodwill, is recognized immediately as an income in the income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are reported for the items for which the accounting is incomplete. Such amounts may be adjusted during the measurement period, or new assets or liabilities may be recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Non-controlling interests

In connection with acquisitions of less than 100 percent, when a controlling influence is achieved, non-controlling interests are determined either as a proportional share of the fair value of identifiable net assets excluding goodwill or at fair value. Non-controlling interests are recognized as a separate item in the Group's equity. The Group's profit or loss and every component of other comprehensive income are attributable to the shareholders of the Parent and to non-controlling interests. Losses attributable to non-controlling interests are recognized even if this results in a negative balance. Subsequent acquisitions up to 100 percent and divestments of participations in a subsidiary that do not lead to a loss of controlling influence are recognized as equity transactions.

Translation of foreign subsidiaries

The group companies prepare their financial statements in their functional currency, i e the currency used in the primary economic environment in which they mainly operate. These reports provide the basis for the consolidated accounts which are prepared in Swedish kronor (SEK), which is the functional currency of the Parent Company and the presentation currency. The income statements and balance sheets of foreign subsidiaries have been translated, from their respective functional currency to the presentation currency of the Group. All items in the income statements have been translated at the average rate for the reporting period, while assets and liabilities in the balance sheets have been translated at the closing rate. Translation differences are reported in Group equity as other comprehensive income.

Certain long-term financing related to subsidiaries, where a settlement is not considered to take place in the foreseeable future, is considered as an increase in the Parent Company's net investment in the subsidiaries. Taking the tax effect into consideration, exchange gains and losses are reported in Group equity as other comprehensive income.

Associates

Associates are companies which are not subsidiaries but in which the Group has a significant, but not controlling, interest. This normally means companies in which the holding represents more than 20 percent but less than 50 percent of the voting rights. Associates are reported by use of the equity method. Holdings in associates are initially recognized at cost in the consolidated balance sheet. The carrying amount is adjusted for the share of associates' earnings after the acquisition date. Dividends from associates are reported as a reduction of the carrying amount. Income from participations in associates is a separate line in the income statement.

SEGMENT REPORTING

Operating segments are reported in accordance with management reporting as reported to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocation of resources and assessment of the operating segments' performance. In Elekta, this function has been identified as the President and CEO who is responsible for and deals with the continuous administration of the Group based on the Board's guidelines and instructions. To his aid, he has the Executive Managment. Elekta's President and CEO evaluates business performance from both geographic and product based perspectives. The geographic follow-up is however the main perspective and the product based perspective constitutes a complement to the geographic monitoring and control. It is from the geographic perspective that the activity is conducted and managed. Evaluation of financial performance is executed for three geographic regions which are Elekta's operating segments:

- North and South America
- Europe, Middle East and Africa
- Asia Pacific

The same accounting principles are applied in the segment reporting as for the Group.

REVENUE RECOGNITION

The Elekta revenue is derived primarily from the sales of hardware and software products, and service contracts and services to these products. Elekta recognizes its revenue at the fair value of the consideration received or receivable net of any value added tax or sales tax and net of sales discounts.

Revenue from the sale of products is recognized when all the following conditions are satisfied:

- The risk and rewards of ownership of the goods has been transferred to the buyer
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue and the related costs can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the entity

The above implies that each contract requires an examination of any circumstances, terms and conditions affecting the transaction.

Revenue from the rendering of service is recognized when the outcome can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. When the service is performed by an indeterminate number of acts over the specified service period, revenue is recognized on a straight-line basis over the service period.

Bundled deals, where hardware, software products and service may be included in the same deal, are very common. A bundled deal is treated as a project and is supported by a project team that coordinates the delivery and implementation of the products, which can occur at different stages. For bundled deals the total revenue is allocated to its different parts based on their relative fair values. As explained below, methods for revenue recognition are different between hardware products, software products and services.

The timing of revenue recognition often does not coincide with invoicing and payments from customers. Payment terms or conditions for projects differ between regions. In some markets, partial payments will be due upon certain events such as order receipt, delivery and acceptance. In other markets, the entire payment is due upon completion of implementation or acceptance. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income.

Hardware products

The risk and rewards related to hardware products are usually transferred to the customer upon shipment or delivery depending on the contracted shipment terms. The hardware products are delivered to comply with the delivery date contracted with the customer. At this point the customer has invested heavily in preparing an appropriate environment in which to accommodate the equipment and will be firmly committed to embarking upon the final stages of the project such as installation and training and this is normally the point in time where the main part of revenue is recognized. After technical acceptance has been received from the customer the last part of revenue is recognized.

Software products

After completing the implementation of software, or a part thereof, the customer will be presented with a certificate detailing the products delivered which is then signed by the customer. After the customer has signed the certificate, fully or partly, it serves as the proof of acceptance. By signing it the customer confirms that the products, services and training have been provided in accordance with the agreement and that the software has been handed over to the customer for clinical use. When Elekta receives the signed certificate revenue will be recognized given that all conditions for revenue recognition have been met. Many times, the acceptance procedure is performed in steps which also leads to a gradual recognition of revenue.

Service contracts
Service revenue is recognized on a straight-line basis over the contractual term of the arrangement or the expected period during which those specified services will be performed. Maintenance and support agreements on software products are generally renewed on an annual basis. The revenue for maintenance and support will be deferred and amortized over the length of the contract.

EMPLOYEE BENEFITS
Remuneration paid to employees in the form of wages/salary, paid vacation, etcetera is accounted for as it is earned. Pensions are reported either as defined contribution plans or as defined benefit plans as described below.

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.

Share-based compensation
Ongoing share programs are reported according to IFRS 2 Share-based payments and are mainly equity-settled. The conditions of the share programs state that they may be settled in other ways than through shares. This possibility is only applied to a very limited extent and neither cost nor obligation are material amounts.

Accounting for equity-settled share-based compensation programs entails that the instrument's fair value at grant date is recognized in the income statement over the vesting period, with a corresponding adjustment to equity. This leads to an estimated cost, corresponding to the earned portion of the estimated share value at allotment, being charged to profit and loss over the vesting period. At each closing over the vesting period the expected number of vested shares is revised and the impact of any changes over the original estimates are recognized in the income statement, with a corresponding adjustment to equity. In addition, provisions are made for estimated employer contributions related to the share programs.

Calculations are based on a theoretical market valuation where the market value is calculated using Black & Scholes based on the share price on the closing date. For allotted shares, social security expenses are paid on the basis of the market value on the allotment date.

TAXES
The tax expense in the income statement includes all tax that is to be paid or received for the current year, adjustments relating to previous years' current tax, and changes in deferred tax. 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 temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred tax assets relating to loss carry-forwards and other future tax credits are recognized to the extent it is probable that deductions can be made against future profits. Valuation is based on nominal amounts based on the tax rules prevailing in each country and the anticipated tax rate for the following year in each country. Deferred taxes relating to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated financial statements since Elekta AB, in all cases, can control the time of reversal of the temporary differences and it is not considered probable that such a reversal will occur in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset when there is a legal right to do so and when the deferred tax amounts concern the same tax authority. For items recognized in profit or loss, the related tax effects are also recognized in profit or loss. For items recognized in equity under other comprehensive income, related tax effects are also recognized in equity under other comprehensive income.

INTANGIBLE ASSETS
Intangible assets contain goodwill, capitalized development costs, customer relationships and other intangible assets. Other intangible assets mainly consist of acquired technology.

Goodwill
Goodwill comprises the positive amount by which the sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis, or more frequently if indicated. See also section Impairment.

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 as incurred. Identifiable costs for the development of new products are capitalized to the extent that these are considered to provide future economic benefits. In other instances, development expenditures are expensed as they are incurred. Costs for development once reported in the income statement are never capitalized in 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.

Customer relations and other intangible assets
Intangible assets also include technology, brands, customer relations, etcetera. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized on a straight line basis over 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 ASSETS
Tangible assets acquired by Group companies are reported at cost, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at fair value on the acquisition date after deduction for subsequent accumulated deprecation. Machinery and equipment is depreciated on a straight-line basis during its economic life of between 3 and 5 years. Installations and improvements on third party property are depreciated over the period of the lease agreement.

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

IMPAIRMENT

The carrying amount of depreciated assets is tested for impairment whenever there are indications that the carrying amount might not be recoverable. If there are indications of impairment, the asset's recoverable amount is calculated. The recoverable amount consists of the higher of the value in use of the asset in operations and the value that would be received if the asset was sold to a third party, the net realizable 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 realizable value at the end of the useful life. If the calculated recoverable amount is less than the carrying amount, impairment is made to the asset's recoverable amount. An impairment loss recognized in previous periods is reversed, if the reasons for the impairment no longer exist. However, a reversal will not be higher than the carrying amount would have been if an impairment loss had not been recognized in previous periods.

Goodwill is subject to annual impairment testing even if there are no indications of impairment. The carrying amount of goodwill is allocated to cash generating units. When testing for impairment of goodwill, the assets are grouped in cash-generating units and assessments are made on the basis of these units' future cash flows. Impairment losses on goodwill are not reversed.

All impairment losses, and any reversals of the same, are recognized in the income statement.

LEASING

The leasing of tangible 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 owned 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.

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 in accordance with the 'first in, first out' principle at the lower of cost and net realizable value. Internal profits arising from deliveries between Group companies are eliminated upon consolidation.

TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions in foreign currency are translated to the respective Group Company's functional currency by use of the currency rate prevailing on the transaction date. Monetary receivables and liabilities in foreign currency are similarly translated by use of the closing day rate. Exchange rate differences arising upon translation, and upon payment of the transaction, are reported in the income statement with the exception of those related to qualified hedge transactions, related to cash flows or net investments, which are recognized in equity under other comprehensive income. Exchange rate gains and losses on operating balance sheet items are recognized in the operating result. Exchange rate gains and losses on loans and investments are recognized as financial items. Non-monetary assets and liabilities carried at historical cost are translated at the exchange rate prevailing on the transaction date.

FINANCIAL INSTRUMENTS

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 quoted 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 off-set and reported at 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.

Financial assets and liabilities are divided into the following categories in accordance with IAS 39.

Financial assets measured at fair value through profit or loss

Assets are classified in this category when the intention is to sell in the short term. Derivatives with a positive market value are classified in this category unless they are used for hedge accounting. Assets in this category are recognized at fair value and changes in value are recognized in the income statement. Only financial derivatives were assigned to this category during the year.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are financial assets, which are not derivatives, with fixed or determinable payments, which are not quoted in an active market. The receivables arise when money, goods or services are provided directly to another party without any intention of trading in the receivables. Assets in this category are measured at amortized cost less any provision for impairment. The category include for example accounts receivable as well as cash and cash equivalents.

Accounts receivable

Since the anticipated life of accounts receivable is short, reporting is based on the amounts expected to be received, based on individual assessment of any bad debts, without discounting in accordance with the method for amortized cost. Impairment loss on accounts receivable is recognized in operating profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances with financial institutions and short-term investments with an original maturity of less than three months. Cash and cash equivalents are reported at nominal value.

Financial liabilities at fair value through profit or loss

This category includes derivatives with negative fair values that are not used for hedge accounting. Financial liabilities held for trading are also included. Liabilities in this category are continuously measured at fair value with changes in that value recognized in the income statement. Only derivatives were classified in this category during the year.

Financial liabilities measured at amortized cost

This category includes financial liabilities that are not held for trading, for example loans and accounts payable. These are recognized initially at fair value, net after transaction costs, and subsequently at amortized cost according to the effective interest method.

Loan liabilities

Loan liabilities are initially reported 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 off-set with changes in value of the hedge instrument in net financial items.

A convertible loan is recognized as a compound financial instrument divided into a liability component and an equity component. Upon initial recognition of the convertible bond, the fair value of the liability component is determined based on the present value of the contractually determined stream of cash flows based on a discount rate determined from the market rate of comparable instruments without the conversion option. Subsequent to initial recognition, the liability component is measured based on its amortized cost, using the effective interest method. The carrying value of the liability component gradually approaches the nominal value of the convertible loan. The gradual increase in the liability component is recognized in the income statement as interest expense and the total interest expense of the convertible loan therefore includes the gradual increase in the liability component as well as the cash coupon. The equity component is calculated as the difference between the nominal value of the convertible loan and the initially recognized liability component. The equity component is carried at a fixed value in shareholders' equity. Transaction costs related to the issue of the convertible loan are distributed between the liability and equity component in proportion to the distribution of the issue proceeds. The transaction costs are included in the calculation of amortized cost, using the effective interest method, and are expensed over the term of the convertible loan.

Hedging of net investments

Loans in foreign currency are reported at closing rate. Exchange rate differences for loans in connection with hedging of net investments in foreign operations are reported in other comprehensive income, with tax effects taken into account, and are thus off-set against the translation differences that arise when translating the subsidiaries' balance sheets into SEK.

Accounts payable

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

Accounting for derivatives used for hedging purposes

All derivatives are initially and continuously recognized at fair value in the balance sheet. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as follows. Changes in value relating to cash flow hedges are reported in other comprehensive income and are taken to the income statement as 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.

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 meet the obligation. A further condition is that it is possible to make a reliable estimate of the amount to 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 regarding product quality, repair costs etcetera.

CASH FLOW STATEMENT

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

THE PARENT COMPANY

The Group's Parent Company, Elekta AB, carries out group management and provides joint group functions and financial management. The Parent Company's revenues consist mainly of dividends from subsidiaries. The most material balance sheet items are shares in subsidiaries, intra-group balances and external loans.

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and standard RFR 2 of the Swedish Financial Reporting Board. RFR 2 requires the Parent Company, in its annual accounts, to apply all the International Financial Reporting Standards (IFRS) as endorsed by the EU in so far as this is possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. RFR 2 states what exceptions from, and additions to, IFRS should be made.

Revenues

The Parent Company's revenues consist mainly of dividends from subsidiaries. Dividends are recognized when the right to receive payment is judged to be firm.

Shares in subsidiaries and shares in associates

Shares in subsidiaries and shares in associates are accounted for at cost less any accumulated impairment losses. Acquisition-related transaction costs are included in the cost of the shares. The recoverable amount of shares in subsidiaries or shares in associates is calculated whenever there is an indication of a reduction in value. Impairment is performed if the recoverable amount is lower than the carrying value. Impairment losses are recognized in the financial net in the income statement.

Financial instruments

Derivative financial instruments are accounted for at fair value. Changes in the fair values of derivative financial instruments are reported in the income statement with the exception of exchange differences related to a monetary item that forms part of a net investment in a foreign subsidiary. Such value changes are recognized in equity under other comprehensive income.

Group contributions

Group contributions are reported in accordance wit RFR 2. Group contributions received and paid are recognized as financial inome and finanial expenses respectively in the income statement. The tax effect of group contributions is recognized in the income statement in accordance with IAS 12.

Exchange rates

		Average rate			Closing rate		
Country	Currency	2012/13	2011/12	Change	April 30, 2013	April 30, 2012	Change
Australia	AUD	6.887	6.884	0%	6.791	7.020	–3%
Canada	CAD	6.655	6.631	0%	6.480	6.851	–5%
China	CNY	1.063	1.036	3%	1.064	1.065	0%
Euroland	EUR	8.586	9.019	–5%	8.575	8.900	–4%
United Kingdom	GBP	10.510	10.514	0%	10.162	10.943	–7%
Hong Kong	HKD	0.861	0.849	1%	0.845	0.866	–2%
Japan	JPY	0.080	0.084	–5%	0.067	0.084	–20%
USA	USD	6.676	6.604	1%	6.560	6.721	–2%

NOTE 2 Objectives and policy for management of capital and risk

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.

CAPITAL MANAGEMENT

The primary objective for Elekta's capital management is to maintain high creditworthiness and well balanced capital structure with the aim of generating return to shareholders and benefit for other stakeholders, and to keep the costs of capital down. The capital structure objective is a net debt/equity ratio that does not exceed 0.5. On April 30, 2013 shareholders' equity in Elekta amounted to SEK 5,560 (5,010) M and net debt/equity ratio was 0.36 (0.53).

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, i e transaction exposure, and the translation of foreign subsidiaries' profits and net assets into SEK, i e translation exposure.

Transaction exposure

Transaction exposure is generated mainly through net expenses in SEK and GBP and net revenue in USD, EUR and JPY. The sales companies' mainly have revenues and expenses in local currencies. Invoiced sales in foreign currencies exceed 99 percent (99) 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 in order to reduce the effects of short-term fluctuations in currency markets.

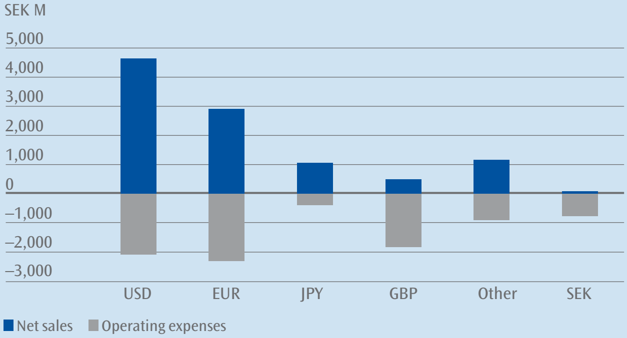
Translation exposure

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.

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 before tax by approximately SEK 27 (27) M. Currency hedging limits the short-term effect of exchange rate movements. The Group's net sales and operating expenses by currency for 2012/13 are shown in the following diagram.

Net sales and operating expenses per currency 2012/13



INTEREST RATE RISK

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

At year-end, cash and cash equivalents accounted for 16 percent (12) of the Group's total assets. Cash and cash equivalents were invested so as to obtain a return equivalent to the short-term market rate for each currency.

On April 30, 2013, interest-bearing liabilities totaled SEK 4,552 M (4,530), of which SEK 3 M (1) pertained to financial leasing. The average fixed interest term was 4.4 years (5.2) and the weighted average interest rate taking interest rate derivatives into account was 3.6 percent (3.7). See Note 25 for more information on interest-bearing loans.

An overall change in interest rate on borrowings and investments by one percentage point would effect Elekta's earnings before tax by approximately SEK 22 M (16).

NOTE 2 Objectives and policy for management of capital and risk, cont.

LIQUIDITY AND FINANCING RISK

The liquidity and financing risk pertains to the risk not to be able to cover payment obligations due to insufficient cash and cash equivalents or difficulties in obtaining external financing.

The table below shows the Group's liquidity risk through a maturity analysis regarding financial liabilities (including interest payments), net settled derivatives that constitute financial liabilities and negative cash flows from gross settled derivatives.

Maturity analysis: financial liabilities

SEK M	< 1 yr	1–5 yrs	> 5 yrs	April 30, 2013 Total	< 1 yr	1–5 yrs	> 5 yrs	April 30, 2012 Total
Loans (Note 25)	382	3,558	1,523	5,463	263	3,726	1,627	5,616
Finance leases (Note 25)	1	2	–	3	1	–	–	1
Accounts payable	1,217	–	–	1,217	842	–	–	842
Derivative financial instruments (Note 27)	28	–	–	28	42	–	–	42
Other liabilities (Note 27)	182	–	–	182	210	–	–	210
Total	**1,810**	**3,560**	**1,523**	**6,893**	**1,358**	**3,726**	**–**	**6,711**

In order to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2013, available cash and cash equivalents amounted to SEK 2,564 M (1,888), or 25 percent (21) of net sales. In addition, Elekta had SEK 1,801 M (2,351) in unutilized credit facilities.

CREDIT RISK

Financial credit risk

Exposure to financial credit risk 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. One objective is that counterparties should have a minimum credit rating from Standard & Poor's of A (long) and A1+ (short). Elekta solely invests its liquidity 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 single customer accounts for 10 percent or more of Elekta's net sales. Elekta's credit losses have historically been low. See Note 21 for an analysis of credit exposure in accounts receivable and provision for bad debts.

FINANCIAL INSTRUMENTS

The table below presents the group's financial assets and financial liabilities by measurement category with carrying amount and fair value per item.

Financial instruments by category

SEK M	Note	April 30, 2013 Carrying amount	April 30, 2013 Fair value	April 30, 2012 Carrying amount	April 30, 2012 Fair value
FINANCIAL ASSETS					
Financial assets measured at fair value through profit or loss:					
Derivative financial instruments – non-hedging	22	23	23	8	8
Loan receivables and accounts receivable:					
Other financial assets	19	211	211	143	143
Accounts receivable	21	3,192	3,192	2,692	2,692
Other receivables	22	205	205	245	245
Cash and cash equivalents	23	2,567	2,567	1,895	1,895
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	22	93	93	83	83
FINANCIAL LIABILITIES					
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments – non-hedging	27	4	4	35	35
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	25	4,340	4,557	4,417	4,612
Short-term interest-bearing liabilities	25	212	212	113	113
Accounts payable		1,217	1,217	842	842
Other liabilities	27	182	182	210	210
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging	27	24	24	7	7

FAIR VALUE

The table below shows how the Group's financial assets and financial liabilities, which have been measured at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows:

- Level 1: Quoted prices on an active market for identical assets or liabilities
- Level 2: Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations)
- Level 3: Data not based on observable market data

Distribution by level when measured at fair value

	April 30, 2013				April 30, 2012			
SEK M	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Financial assets measured at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	23	–	23	–	8	–	8
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	93	–	93	–	83	–	83
Total financial assets	**–**	**116**	**–**	**116**	**–**	**91**	**–**	**91**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through profit or loss:								
Derivative financial instruments – non-hedging	–	4	–	4	–	35	–	35
Derivatives used for hedging purposes:								
Derivative financial instruments – hedging	–	24	–	24	–	7	–	7
Total financial liabilities	**–**	**28**	**–**	**28**	**–**	**42**	**–**	**42**

DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments outstanding at April 30 are presented with nominal amounts and fair values in the table below. The total amount of fair values of assets and liabilities respectively are equivalent to the carrying values reported in the balance sheet.

Derivatives outstanding

	April 30, 2013				April 30, 2012			
SEK M	Nominal	Asset	Liability	Hedge reserve after tax	Nominal	Asset	Liability	Hedge reserve after tax
Currency derivatives:								
Cash flow hedges	2,745	93	24	52	1,566	42	7	24
Non-hedging	2,076	23	4	–	2,023	8	35	–
Currency derivatives, total	**4,821**	**116**	**28**	**52**	**3,589**	**50**	**42**	**24**
Interest rate derivatives:								
Fair value hedges	–	–	–	–	269	41	–	–
Non-hedging	–	–	–	–	–	–	–	–
Interest rate derivatives, total	–	–	–	–	**269**	**41**	**–**	**–**
Derivatives, total	**4,821**	**116**	**28**	**52**	**3,858**	**91**	**42**	**24**

The Group's cash flow hedges outstanding at April 30 are presented in the table below by currencies with outstanding nominal amounts, terms and exchange rates.

Cash flow hedges outstanding

	April 30, 2013				April 30, 2012			
Currencies	Currency	Amount	Term	Exchange rate	Currency	Amount	Term	Exchange rate
USD/SEK	USD	58 M	3–24 mån	6.740 USD/SEK	USD	38 M	3–12 mon	6.760 USD/SEK
USD/GBP	USD	110 M	3–23 mån	0.642 USD/GBP	USD	56 M	2–12 mon	0.628 USD/GBP
EUR/SEK	EUR	28 M	3–24 mån	8.908 EUR/SEK	EUR	22 M	5–18 mon	9.212 EUR/SEK
EUR/GBP	EUR	96 M	3–22 mån	0.847 EUR/GBP	EUR	40 M	2–18 mon	0.864 EUR/GBP
JPY/SEK	JPY	2,600 M	3–15 mån	0.086 JPY/SEK	JPY	2,800 M	3–18 mon	0.086 JPY/SEK
JPY/GBP	JPY	1,600 M	3–12 mån	0.008 JPY/GBP	JPY	1,200 M	3–12 mon	0.008 JPY/GBP

NOTE 3 Estimates and assessments

The preparation of financial statements and application of accounting standards require that management use estimates and assessments. Therefore, they make certain assumptions which are considered reasonable under the prevailing circumstances. Thus, estimates and assessments affect the financial reports and they are frequently based on experience as well as other factors, including expectations of future events. Using other assumptions than those actually applied in the preparation of the financial reports the result can be different and the actual outcome seldom complies with the anticipated result. Estimates and assessments are particularly important in revenue recognition, valuation of accounts receivable, calculation of deferred taxes and pension provisions and impairment testing of goodwill. Estimates and assessments are continually reassessed. Amounts below refer to 30 April 2013 (2012) unless otherwise stated.

REVENUE RECOGNITION

One of the conditions for revenue recognition is that revenue from the sale of products is recognized when the risks and rewards of ownership of the goods has been transferred to the buyer. The assessment of when these risks and rewards are transferred requires that each contract is examined of the circumstances affecting the transaction. The risk and rewards related to hardware products are usually taken as transferred to the customer upon shipment or delivery depending on the contracted shipment terms. Thus, the main part of revenue is normally recognized upon either shipment or delivery. The timing of revenue recognition often does not coincide with invoicing and payments from customers. Therefore, the assessment of the conditions for revenue recognition being satisfied often forms the basis for amounts recognized as either accounts receivable or accrued income. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income. Net sales for the year amounted to SEK 10,339 M (9,048). Accrued income amounted to SEK 1,861 M (1,953). Accounts receivable amounted to SEK 3,192 M (2,692). For more information on accounts receivable see below.

VALUATION OF ACCOUNTS RECEIVABLE

Accounts receivable is one of the most significant items in the balance sheet and is carried at nominal value net after provisions for bad debts. Thus, the provision for bad debts is subject to estimates and assessments. The provision is relatively low which is explained by the fact that the Group's credit risk is low and credit losses have historically been low. Accounts receivable amounted to SEK 3,192 M (2,692) including bad debt provisions of SEK 64 M (65). See Note 2 for further information regarding the credit risk in accounts receivable and Note 21 for more information on accounts receivable and the provision for bad debts.

CALCULATION OF DEFERRED TAXES

Deferred tax assets and deferred tax liabilities are balance sheet items which are subject to estimates and assessments. Deferred tax is calculated on temporary differences between the carrying amounts and the tax values of assets and liabilities. Estimates and assessments affect the recognized deferred tax amounts in the determination of the carrying amounts of the different assets and liabilities, and also through forecasts regarding future taxable profits in those cases where a future utilization of deferred tax assets depends on future taxable profits. Deferred taxes amounted to a net liability of SEK 490 M (442), whereof assets SEK 92 M (233) and liabilities SEK 582 M (675). See Note 14 for more information on deferred taxes.

CALCULATION OF PENSION PROVISIONS

Calculations of defined benefit pension provisions normally include several assumptions regarding the future. Actuarial calculations are required since the payment to the employee mostly will occur several years into the future. Such calculations are based on assumptions regarding economic variables such as discount rate, expected return on plan assets, salary increases, inflation rate, pension increases but also on demographic variables such as expected life. The Group has relatively limited obligations regarding defined benefit pension plans. The net provision in the balance sheet amounted to SEK 73 M (61). See Note 26 for more information on pension provisions.

IMPAIRMENT TESTING OF GOODWILL

For the Group, the most significant estimates and assumptions are those relating to impairment testing of goodwill. This means that the effect on the financial reports may be considerable if the estimates and assessments made would prove to deviate significantly from the actual outcome. In connection with impairment testing of goodwill the carrying amount is compared with the recoverable amount. The recoverable amount is determined by the higher of an asset's net realizable value and its value in use. Normally, it is not possible to determine the net realizable value. Therefore, the value in use is normally the value being compared with the carrying amount. Thus, each cash generating unit's value in use is calculated in assessing any impairment of goodwill. Calculations are performed through discounting future estimated cash flows. In order to perform the calculations a number of assumptions concerning future circumstances and estimates of parameters are made, e g growth and discount rate. Any adjustments of the assumptions made could have an effect on the carrying amount of the goodwill. Assuming a lower growth rate would lead to a lower recoverable amount. A higher discount rate would also lead to a lower recoverable amount. Goodwill amounted to SEK 4,411 M (4,482). Refer to Note 15 for more information on goodwill and for a description of the impairment test performed, major assumptions made as well as the effects of likely changes to them.

NOTE 4 Segment reporting

2012/13 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	Percent of net sales
Net sales	3,521	3,561	3,257	10,339	
Operating expenses	–2,277	–2,266	–2,210	–6,753	65%
Contribution margin	**1,244**	**1,295**	**1,047**	**3,586**	**35%**
Contribution margin, %	35%	36%	32%	35%	
Non-recurring items				–46	
Global costs				–1,528	15%
Operating result				**2,012**	**20%**
Income from participations in associated companies				–29	
Interest income and similar items				32	
Interest expenses and similar items				–223	
Exchange rate differences				8	
Income before tax				**1,800**	
Income tax				–449	
Profit for the year				**1,351**	
Net sales per product type					
Hardware	1,640	2,033	2,217	5,890	
Software/Service	1,881	1,528	1,040	4,449	
Total	**3,521**	**3,561**	**3,257**	**10,339**	
Depreciation/Amortization	–127	–202	–20	–349	
Investments	213	278	53	544	

2011/12 SEK M	North and South America	Europe, Middle East and Africa	Asia Pacific	Group total	Percent of net sales
Net sales	3,122	3,206	2,720	9,048	
Operating expenses	–1,981	–2,095	–1,854	–5,930	66%
Contribution margin	**1,141**	**1,111**	**866**	**3,118**	**34%**
Contribution margin, %	37%	35%	32%	34%	
Non-recurring items				12	
Global costs				–1,281	14%
Operating result				**1,849**	**20%**
Income from participations in associated companies				–1	
Interest income and similar items				45	
Interest expenses and similar items				–200	
Exchange rate differences				15	
Income before tax				**1,708**	
Income tax				–480	
Profit for the year				**1,228**	
Net sales per product type					
Hardware	1,441	1,867	1,846	5,154	
Software/Service	1,681	1,339	874	3,894	
Total	**3,122**	**3,206**	**2,720**	**9,048**	
Depreciation/Amortization	–124	–148	–23	–295	
Investments	139	260	33	432	

NOTE 4 Segment reporting, cont.

Net sales per country

SEK M	2012/13	2011/12
Sweden	74	56
USA	2,605	2,477
Japan	1,057	962
China	1,057	799
Germany	562	488
United Kingdom	445	348
Australia	402	345
Italy	366	370
Canada	358	308
Russia	296	219
France	272	324
India	250	271
Other countries	2,595	2,081
Total	**10,339**	**9,048**

The accounting principles applied in the segment reporting are the same as in the Group accounts. Net sales per country is based on sales to customers in the respective country. There is no individual customer representing more than 10 percent of net sales.

NOTE 5 Salaries, wages, other remuneration and social security costs

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Salaries, wages and other remuneration:				
Board of Directors and CEO	89	92	9	10
Other employees	2,050	1,869	27	25
Total salaries, wages and other remuneration	**2,139**	**1,961**	**36**	**35**
Pensions costs	174	120	10	7
Other social security costs	317	306	21	18
Total social security costs	**491**	**426**	**31**	**25**
Total salaries, wages, other remuneration and social security costs	**2,630**	**2,387**	**67**	**60**

Bonuses included in the above wages, salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 19 M (17), and SEK 1 M (2) in the Parent Company. Total pension costs in the Group amounted to SEK 174 M (120) of which SEK 22 M (12) concern defined benefit pension plans. Total pension costs in the Parent Company amounted to SEK 10 M (7) of which SEK 4 M (1) concern defined benefit pension plans. For further information regarding the defined benefit pension plans see Note 26.

REMUNERATION TO THE BOARD OF DIRECTORS

According to the resolution by the AGM, fees totaling SEK 3,220,000 (3,465,000) were paid, of which SEK 750,000 (725,000) to the Chairman of the Board, SEK 2,040,000 (1,980,000) to external Board members, committee fees of SEK 70,000 (70,000) to the Chairman of the Remuneration Committee and SEK 35,000 (35,000) to the other external Board members in the Remuneration Committee, as well as SEK 150,000 (150,000) to the Chairman and SEK 140,000 (140,000) distributed among the two remaining members of the Audit Committee. See also 'Attendance and remuneration for the Board of Directors in Elekta AB' on page 77.

REMUNERATION TO EXECUTIVE MANAGEMENT

The guidelines for remuneration to Executive Management, which are proposed by the Board of Directors for the AGM on September 3, 2013, are presented on pages 74–75. The proposed guidelines are unchanged compared to those proposed by the Board of Directors and approved by the AGM on September 4, 2012. The Executive Management for 2012/2013 was comprised of a total of ten people, of whom three are located in Sweden and the other seven in China, the Netherlands, the UK and the US. The tables below display remunerations and other benefits to the Executive Management in 2012/13 and 2011/12 respectively.

Remuneration and other benefits during the year 2012/13

Thousands	Fixed salary	Variable remuneration	Share-based compensation	Other benefits	Pension costs	Total
President and CEO	4,311	1,379	–458	82	1,544	**6,859**
Other senior executives resident in Sweden (2)	4,197	1,639	–526	1,388	1,012	**7,711**
Other senior executives resident abroad (7)	20,588	7,696	–1,174	3,208	1,218	**31,537**
Total senior executives	**29,096**	**10,715**	**–2,158**	**4,678**	**3,774**	**46,106**
Executive Director of the Board/Previous President and CEO	3,493	1,461	–	73	415	**5,442**

Remuneration and other benefits during the year 2011/12

Thousands	Fixed salary	Variable remuneration	Share-based compensation	Other benefits	Pension costs	Total
President and CEO	4,273	2,289	805	63	5,542	**12,972**
Other senior executives resident in Sweden (3)	5,265	1,887	1,436	244	1,287	**10,119**
Other senior executives resident abroad (5)	9,743	4,426	1,661	1,628	851	**18,309**
Total senior executives	**19,281**	**8,602**	**3,902**	**1,935**	**7,680**	**41,400**
Executive Director of the Board/Previous President and CEO	3,519	1,736	261	94	631	**6,241**

Variable remuneration pertains to the bonus for the 2012/13 and 2011/12 fiscal years respectively, partly paid quarterly during each fiscal year and partly paid in the year after.

SHARE BASED PAYMENT

As per 30 April 2013, Elekta has three outstanding share programs. The employee stock option program Elekta AB 2007 Share Unit Plan and the share program Performance Share Program 2009/12, which was outstanding as per 30 April 2012, have been concluded during the year.

The total number of shares that may be allotted under the share programs is 2,444,220 (608,700) B-shares. There is no dilutive effect from the share programs since they are secured by delivery of shares already held or repurchased by Elekta and, consequently, no new shares will be issued under the share programs.

The share-related incentive programs are reported in accordance with IFRS 2 Share-based payments. The recognized amounts related to the employee stock option program amounted to SEK – M (–6), whereof social security costs amounted to SEK – M (–5). The recognized amounts related to the share programs amounted to SEK 15 M (–29), whereof social security costs amounted to SEK 6 M (–5).

EMPLOYEE STOCK OPTION PROGRAM

Employee stock options granted under the Elekta AB 2007 Share Unit Plan, series 2007/12 and 2008/12, expired July 31, 2012. A total of 451,854 new B-shares were subscribed during the period May 1– July 31, 2012. For more information on the employee stock option program see the annual report 2011/12 pages 109–110.

SHARE PROGRAMS

The AGM in the years 2009–2012 have resolved to adopt share programs, called Performance Share Plans. Performance Share Plan 2009/12, resolved by the AGM in 2009, was concluded during the year. For information on the program see the annual report 2011/12 page 110. Outstanding programs as per 30 April 2013 were Performance Share Plan 2010/13, 2011/14 and 2012/15 respectively. The Performance Share Plans cover approximately 100, 120 and 150 key employees of the Group respectively. The Performance Share Plans entitle the participants to obtain, free of charge, B-shares in Elekta upon fulfillment of certain performance requirements. The main terms of the Performance Share Programs are that (i) a performance share award shall entitle a participant to receive, subject to the terms and conditions set forth in the Performance Share Plans 2010, 2011 and 2012 and applicable award agreements, a number of B-shares based upon the attainment of performance targets over a three year performance period, (ii) each performance share award shall be subject to forfeiture in the event of termination of employment due to a reason other than death, disability or retirement or failure to attain performance targets over the applicable performance period, (iii) performance share awards shall be settled through the delivery of shares unless otherwise decided by the Board, (iv) the number of shares to be allotted will depend on the degree of fulfillment of financial targets defined as average annual percentage growth rate in earnings per share (EPS) during the fiscal years 2010/11, 2011/12 and 2012/12 respectively, until the fiscal years 2012/13, 2013/14 and 2014/15 respectively, versus EPS for the fiscal years 2009/10, 2010/11 and 2011/12 respectively, (v) under Performance Share Plan 2010/13 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 25 percent, no allotment of shares will occur if the annual average EPS growth is below 16 percent and allotment of shares between annual average EPS growth 16 and 25 percent is linear. Under Performance Share Plan 2011/14 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 18 percent, no allotment of shares will occur if the annual average EPS growth is below 13 percent and allotment of shares between annual average EPS growth 13 and 18 percent is linear. Under Performance Share Plan 2012/15 the maximum number of shares will be allotted if the annual average EPS growth is or exceeds 22 percent, no allotment of shares will occur if the annual average EPS growth is below 15 percent and allotment of shares between annual average EPS growth 15 and 22 percent is linear, (vi) the performance targets may be adjusted should an event occur that affects the operations of the Company or the number of outstanding Elekta shares or otherwise affecting the performance targets and deemed relevant by the Board, (vii) the performance targets will be finally evaluated at the end of the applicable performance period and each participant will receive the number of shares he/she is entitled to according to participant's award agreement depending on the

NOTE 5 Salaries, wages, other remuneration and social security costs, cont.

attainment of the applicable performance targets over the performance period, (viii) the value that a participant can receive in settlement of the performance share award is maximized at 400 percent of the value of the shares at the date of grant of the performance share award. Potential allotments of shares will take place October 1, 2013, November 14, 2014 and September 4, 2015 respectively. Participants shall at allotment of shares receive compensation for any cash dividends paid during the respective three year performance period.

Before the number of shares to be allotted is finally determined, the Board shall examine whether the allotment is reasonable, taking into consideration the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the Board, reduce the number of shares to be allotted to the lower number of shares deemed appropriate by the Board. Delivery of shares and dividend compensation in settlement of the Performance Share Award shall be made as soon as practicable following the lapse of the performance period.

The conditions of the share programs state that the right to Performance Share Awards may be settled in other ways than through the delivery of shares. As per April 30, 2013, there were no material obligations to settle in any other way than through shares.

Share programs

SEK M	2009/12	2010/13	2011/14	2012/15
Originally designated number of shares	534,408	332,264	219,304	1,043,040
Theoretical value at time of issue, SEK	21,510,000	21,475,000	66,306,468	78,228,000
Allotment of shares	Dec. 10, 2012	Oct. 1, 2013	Nov. 14, 2014	Sep. 4, 2015
Number of shares as of April 30, 2012	503,896	318,340	217,327	–
Granted during the year	–	–	3,441	1,043,040
Cancelled/Expired during the year	−23,352	−13,156	−11,273	–
Released during the year	–480,544	–	–	–
Number of share as of April 30, 2013	**0**	**305,184**	**861,476**	**1,043,040**

NOTE 6 Depreciation/amortization

	Group	
SEK M	2012/13	2011/12
Cost of products sold	80	82
Selling expenses	89	74
Administrative expenses	52	60
R&D expenses	128	79
Total	**349**	**295**

NOTE 7 Operating leases

	Group	
SEK M	2012/13	2011/12
Leasing fees paid during the year	138	119
Nominal value of agreed future leasing fees:		
Due for payment within 1 year	128	125
Due for payment after 1 year but within 5 years	275	276
Due for payment after more than 5 years	203	209
Total	**606**	**610**

Leasing fees paid by the Parent Company during the year amounted to SEK 237 K (248). Future leasing fees due for payment within one year amount to SEK 157 K (248), after 1 year but within 5 years SEK 157 K (44).

NOTE 8 Remunerations to auditors

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Group auditor	**PwC**	**Deloitte**	**PwC**	**Deloitte**
Audit engagements	9	13	4	3
Audit-related services	0	1	0	1
Tax consultancy	12	1	4	–
Other services	2	8	1	8
Total group auditor	**23**	**23**	**9**	**12**
Other auditors				
Audit engagements	0	0	–	–
Audit-related services	0	0	–	–
Tax consultancy	0	0	–	–
Other services	0	0	–	–
Total other auditors	**1**	**0**	**–**	**–**
Total	**24**	**23**	**9**	**12**

Audit engagements refers to remuneration to auditors for work related to the statutory audit, including audit of the annual report and the accounting records, the administration of the Board of Directors and the CEO as well as audit consultancy work directly linked to the audit assignment. Audit-related services comprises quality assurance services, including consultancy work driven by observations made in the audit engagement. Other services refers to other services/consultancy work which are not covered by any of the other categories above, e g consultancy work related to acquisitions and other legal services.

NOTE 9 Expenses by nature

In the income statement costs are broken down by function. The sum of cost of goods sold, selling expenses, administrative expenses and R&D costs amounts in total to SEK 8,297 M (7,273). Below, these costs are broken down by nature:

	Group	
SEK M	2012/13	2011/12
Purchase of products, materials and consumables	3,770	3,208
Salaries, wages and other remuneration (Note 5)	2,139	1,961
Social security costs (Note 5)	491	426
Depreciation and amortization (Notes 6, 15 and 16)	349	295
Operating leasing fees (Note 7)	138	119
Other expenses	1,410	1,264
Total	**8,297**	**7,273**

NOTE 10 Income from participations in Group companies

	Parent Company	
SEK M	2012/13	2011/12
Dividends from subsidiaries	705	180
Group contribution received	160	160
Divestment of shares in subsidaries	–	428
Total	**865**	**768**

NOTE 11 Income from participations in associates

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Income from participations in associates	–29	–1	–	–
Total	**–29**	**–1**	**–**	**–**

NOTE 12 Interest income, interest expense and similar items

SEK 163 M (91) of the Parent Company's interest income of SEK 176 M (112) was received from Group companies. SEK 17 M (17) of the Parent Company's interest expense and similar items of SEK 194 M (179) relates to Group companies.

NOTE 13 Appropriations and untaxed reserves

Parent Company	Appropriations		Untaxed reserves	
SEK M	2012/13	2011/12	April 30, 2013	April 30, 2012
Tax allocation reserve	3	0	27	30
Total	**3**	**0**	**27**	**30**

NOTE 14 Taxes

INCOME TAXES

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Current taxes	–444	–407	–2	–3
Adjustments for prior years	22	20	0	0
Deferred taxes	–28	–93	0	–1
Participations in taxes of associates	1	0	–	–
Total	**449**	**–480**	**–2**	**–4**
Swedish tax	26%	26%		
Effect of other tax rates for foreign companies	1%	3%		
Changes in tax legislation	–1%	0%		
Tax related to prior years	–1%	–1%		
Other	0%	0%		
Tax rate	**25%**	**28%**		

NOTE 14 Taxes, cont.

Current tax (liability +/receivable –)

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Opening balance, May 1	143	194	–1	–1
Business combinations	0	–3	–	–
Reclassifications	1	8	–	–
Adjustment for prior years	–22	–20	0	0
Current tax for the year	444	407	2	3
Paid taxes	–338	–462	–6	–3
Translation differences	–9	19	–	–
Closing balance, April 30	**219**	**143**	**–5**	**–1**

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

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

Group	Assets (+)		Liabilities (–)		Net	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Loss carry-forwards	39	47	–	–	39	47
Untaxed reserves	–	–	–76	–93	–76	–93
Intangible assets	–	3	–562	–581	–562	–578
Tangible fixed assets	11	12	–24	–15	–13	–3
Financial assets	–	–	–14	–13	–14	–13
Other assets	73	76	–8	–14	65	62
Operating liabilities/Provisions	73	137	–2	–1	71	136
Deferred tax assets/liabilities	**196**	**275**	**–686**	**–717**	**–490**	**–442**
Offsetting	–104	–42	104	42	–	–
Deferred tax assets/liabilities, net	**92**	**233**	**–582**	**–675**	**–490**	**–442**

Deferred tax assets (+)/liabilities (–), net

SEK M	Group, net	Parent Company, net
Opening balance May 1, 2011	–94	17
Business combinations	–241	–
Divested business	–12	–
Adjustment for prior years	4	–
Deferred taxes for the year	–93	–1
Deferred taxes charged against shareholders' equity	–4	–2
Translation differences	–2	–
Closing balance April 30, 2012	**–442**	**15**
Deferred taxes for the year	–28	0
Deferred taxes charged against shareholders' equity	–35	1
Translation differences	15	–
Closing balance April 30, 2013	**–490**	**15**

Tax relating to components of other comprehensive income

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Revaluation of cash-flow hedges	–6	24	–	–
Exchange difference/Net investment in foreign operations	1	–2	1	–2
Total	**–5**	**22**	**1**	**–2**

NOTE 15 Intangible assets

SEK M	Goodwill	Capitalized development costs	Customer relationships	Other intangible assets	Total
Accumulated acquisition value May 1, 2012	4,482	845	1,171	764	7,262
Reclassifications	–	–	–	3	3
Business combinations	66	–	20	–	86
Adjustment of business combinations in previous year	4	–	–	–	4
Purchases/Capitalization	–	320	–	5	325
Translation differences	–141	–29	–40	–25	–235
Accumulated acquisition value April 30, 2013	**4,411**	**1,136**	**1,151**	**747**	**7,445**
Accumulated amortization May 1, 2012	–	–357	–100	–348	–805
Reclassifications	–	–	–	0	0
Amortization for the year	–	–109	–60	–70	–239
Translation differences	–	9	3	11	23
Accumulated amortization April 30, 2013	**–**	**–457**	**–157**	**–407**	**–1,021**
Carrying amount April 30, 2013	**4,411**	**679**	**994**	**340**	**6,424**
Accumulated acquisition value May 1, 2011	2,047	494	191	548	3,280
Reclassifications	–	20	–	–20	0
Business combinations	2,295	–	977	240	3,512
Divested business	–	–	–	–46	–46
Purchases/Capitalization	–	300	–	4	304
Divestments/Disposals	–	–1	–	–6	–7
Translation differences	140	32	3	44	219
Accumulated acquisition value April 30, 2012	**4,482**	**845**	**1,171**	**764**	**7,262**
Accumulated amortization May 1, 2011	–	–234	–54	–300	–588
Reclassifications	–	–16	–	16	0
Divested business	–	–	–	27	27
Divestments/Disposals	–	0	–	6	6
Amortization for the year	–	–95	–40	–70	–205
Translation differences	–	–12	–6	–27	–45
Accumulated amortization April 30, 2012	**–**	**–357**	**–100**	**–348**	**–805**
Carrying amount April 30, 2012	**4,482**	**488**	**1,071**	**416**	**6,457**

Capitalized development costs comprise capitalized expenditure for research and development as well as other capitalized development costs such as Software. Of total capitalized development costs of SEK 320 M (300) capitalization of development costs within R&D amounted to SEK 286 M (246). Other intangible assets mainly relates to technology acquired through business combinations.

IMPAIRMENT TESTING

Goodwill is tested for impairment every year. The recoverable amounts for the Group's cash-generating units with goodwill are tested annually by calculating the value in use for each unit. The model used for impairment testing has been revised in 2012/13 and the testing is based on Elekta's segments. Allocation of goodwill to segments have been performed based on each segment's share of total sales.

Impairment testing goodwill 2013

The 2013 test showed that there is no impairment.

The calculation of the value in use for each unit was conducted by estimating future cash flows based on assumptions such as growth and margin development. These estimates are based on financial budgets for the next fiscal year, expected future growth up to five years. For periods after five years, the extrapolation of expected cash flow has been assumed to be a prudent 2 percent, which is 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 (9 percent). Discounted cash flow is compared with capital employed for each cash-generating unit. The impairment test is performed in April/May after the budget and business plans have been set by management. Sensitivity analyses have been carried out with regard to the discount rate (risk) and long-term growth with a general reduction in the growth rate after five years of 1 percentage point and a general increase in the weighted capital cost of 2 percentage points. The sensitivity analyses did not demonstrate any impairment.

SEK M	April 30, 2013
North and South America	1,543
Europe, Middle East and Africa	1,478
Asia Pacific	1,390
Total	**4,411**

NOTE 15 Intangible assets, cont.

Impairment testing goodwill 2012

The 2012 impairment test showed that there is no impairment.

The calculation of the value in use for each unit was conducted by estimating future cash flows based on assumptions of e g growth and margin development. 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. The impairment test is performed in April/May after the budget and business plans have been set by management.

Sensitivity analyses have been carried out with regard to the discount rate (risk) and long-term growth with a general reduction in the long-term (>10 years) growth rate of 1 percentage point and a general increase in the weighted capital cost of 2 percentage points. The sensitivity analyses did not demonstrate any impairment.

SEK M	April 30, 2012
Brachytherapy	2,253
IMPAC	995
Radiation Therapy	419
CMS	413
Medical Intelligence	176
BMEI	136
RMI Resonant	78
Other	12
Total	**4,482**

NOTE 16 Tangible fixed assets

SEK M	Machinery etc for production	Equipment, tools and installations	Finance lease equipment	Buildings	Total
Accumulated acquisition value May 1, 2012	141	854	6	120	1,121
Reclassifications	–2	2	0	0	0
Business combinations	–	0	1	–	1
Adjustment of business combinations in previous year	–	–4	–	–	–4
Purchases	3	200	3	13	219
Divestments/Disposals	–1	–26	0	–1	–28
Translation differences	–7	–42	–1	–3	–53
Accumulated acquisition value April 30, 2013	**134**	**984**	**9**	**129**	**1,256**
Accumulated depreciation May 1, 2012	–91	–610	–4	–9	–714
Reclassifications	1	0	0	0	1
Divestments/Disposals	1	19	0	0	20
Depreciation for the year	–7	–97	–1	–5	–110
Translation differences	5	28	0	1	34
Accumulated depreciation April 30, 2013	**–91**	**–660**	**–5**	**–13**	**–769**
Carrying amount April 30, 2013	**43**	**324**	**4**	**116**	**487**
Accumulated acquisition value May 1, 2011	120	668	7	32	827
Reclassifications	4	–1	–3	–	0
Business combinations	1	42	–	80	123
Purchases	4	116	1	7	128
Divestments/Disposals	–	–16	0	–3	–19
Translation differences	12	45	1	4	62
Accumulated acquisition value April 30, 2012	**141**	**854**	**6**	**120**	**1 121**
Accumulated depreciation May 1, 2011	–76	–508	–3	–4	–591
Reclassifications	0	0	0	–	0
Divestments/Disposals	–	10	–	–	10
Depreciation for the year	–6	–79	–1	–4	–90
Translation differences	–9	–33	0	–1	–43
Accumulated depreciation April 30, 2012	**–91**	**–610**	**–4**	**–9**	**–714**
Carrying amount April 30, 2012	**50**	**244**	**2**	**111**	**407**

NOTE 17 Shares in subsidiaries

SEK M	Parent Company
Opening balance May 1, 2011	1,729
Investments	40
Divestments	–5
Closing balance April 30, 2012	**1,764**
Investments	73
Closing balance April 30, 2013	**1,837**

Company	Corp. id. no	Domicile	No. of shares	Interest, %	Carrying amount, 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	Tokyo, Japan	2,000	100.0	36
Elekta Holding Limited	2699176	Crawley, England	22,810,695	100.0	495
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	433
Elekta Canada Inc.	R889657862	Toronto, Canada	1	100.0	229
Elekta Asia Ltd	502 493	Hongkong, S.A.R.	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	24
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	0
Medical Intelligence Medizintechnik GmbH	HRB 14835	Schwabmünchen, Germany		100.0	145
Elekta Kft.		Budapest, Hungary		100.0	3
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3
Elekta Hellas EPE	998 569 196	Aten, 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 S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	34
3D Line Research and Development S.r.l.		Milan, Italy		100.0	32
Elekta Medical Systems Comercio e Prestacao de Servicos para Radiologia, Radiocirurgia e Radioterapia Ltda		Sao Paolo, Brazil		100.0	73
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0
Elekta Pte Ltd	20090927AZ	Singapore, Singapore	10,000	100.0	0
Elekta Limited, Korea	1311111-0259	Seongnam-si, South Korea	473,879	100.0	15
Elekta Services S.R.O	292 80 095	Brno, Czech Republik		100.0	0
Elekta Finance Belgium	0843.972.353	Zaventem, Belgium	600,000	100.0	1
Total					**1,837**

NOTE 18 Shares in associates

SEK M	Group April 30, 2013	Group April 30, 2012	Parent Company April 30, 2013	Parent Company April 30, 2012
Opening balance, May 1	4	3	15	12
Conversion of loan receivable	35	–	35	–
Investments	17	4	17	4
Divestments	–	–	–	–
Participations in income of associates (Note 11)	–29	–1	–	–
Dividends etcetera	0	–5	–	–
Write-down	–	–	–40	–
Translation differences	–2	4	–	–
Closing balance, April 30	**25**	**4**	**27**	**15**

The Parent Company's 2012/13 investment of M 17 SEK and 2011/12 M 4 SEK relates to Global Medical Investments GMI AB. In 2012/13 a long-term receivable of SEK 35 M was converted to a shareholder contribution in GMI AB.

As of 30 April, 2013, the carrying amount of the Parent Company's holding in Global Medical Investments GMI AB was SEK 27 M and the Group's holding in Global Medical investments GMI AB was SEK 22 M.

NOTE 19 Other financial assets

SEK M	Group April 30, 2013	Group April 30, 2012	Parent Company April 30, 2013	Parent Company April 30, 2012
Participations in other companies	6	6	–	–
Other non-current receivables	205	137	37	38
Total	**211**	**143**	**37**	**38**

NOTE 20 Inventories

SEK M	Group April 30, 2013	Group April 30, 2012
Components	213	222
Work in progress	138	103
Finished goods	499	430
Total	**850**	**755**

NOTE 21 Accounts receivable

SEK M	Group April 30, 2013	Group April 30, 2012
Accounts receivable, gross	3,256	2,757
Provision for bad debts	–64	–65
Carrying amount	**3,192**	**2,692**

Credit risk analysis of accounts receivable	April 30, 2013	April 30, 2012
Not due	2,080	1,478
Overdue 1–30 days	304	244
Overdue 31–60 days	146	304
Overdue 61–90 days	140	147
Overdue > 90 days	522	519
Total accounts receivables, net	**3,192**	**2,692**

Provision for bad debts	April 30, 2013	April 30, 2012
Opening balance, May 1	–65	–40
Increase through business combinations	–	–18
Provisions	–20	–12
Reversals	9	7
Realized loss	10	1
Translation differences	2	–3
Closing balance, April 30	**–64**	**–65**

The relatively low bad debt provision is due to the fact that Elekta's credit risks are limited and that credit losses historically have been low. See Note 2 for more information on the Group's credit risks.

NOTE 22 Other current assets

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Derivative financial instruments (Note 2)	116	91	7	41
Prepayments to suppliers	35	32	–	–
Current tax assets	21	38	5	1
Other receivables	205	245	2	25
Prepaid expenses	221	290	13	45
Total	**598**	**696**	**27**	**112**

NOTE 23 Cash and cash equivalents

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Current investments	1,313	–	1,313	–
Cash and bank	1,254	1,895	812	1,347
Total	**2,567**	**1,895**	**2,125**	**1,347**

NOTE 24 Share capital

Number of shares in Elekta AB (publ)	Series A	Series B	Total	Share capital
Number of shares May 1, 2011	3,562,500	90,677,169	94,239,669	188,479,338
Exercise of warrants	–	1,010,147	1,010,147	2,020,294
Number of shares April 30, 2012	**3,562,500**	**91,687,316**	**95,249,816**	**190,499,632**
of which treasury shares	–	502,000	502,000	
Number of shares May 1, 2012	3,562,500	91,687,316	95,249,816	190,499,632
Exercise of warrants	–	451,854	451,854	903,708
Share split 4:1	10,687,500	276,417,510	287,105,010	–
Conversion of convertible loan	–	17,336	17,336	8,668
Number of shares April 30, 2013	**14,250,000**	**368,574,016**	**382,824,016**	**191,412,008**
of which treasury shares	–	1,554,288	1,554,288	

In September 2012 a 4:1 share split was conducted and comparative information has therefore been restated proforma.

All shares have a par value of SEK 0.50 and provide the holders with equal rights to the Company's assets and earnings. All shares are entitled to dividends subsequently issued. 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 dividend paid out during the financial year amounted to a total sum of SEK 476 M, corresponding to SEK 1.25 per share after split. At the AGM on 3 September, 2013, a dividend of SEK 2.00 per share for the year 2012/13 – a total sum of approximately SEK 763 M will be proposed. The proposed dividend consists of an ordinary dividend of SEK 1.50 per share and an extraordinary dividend of SEK 0.50 per share.

The average number of shares during the year, to the nearest thousand, was 380,672 thousand (376,431). The average number of shares after full conversion of outstanding warrants, similarly rounded, was 380,172 thousand (380,125). The number of repurchased shares on April 30, 2013, totaled 1,554,288 (2,008,000) B-shares. For more information on the Elekta share, see pages 65–67.

NOTE 25 Interest-bearing liabilities

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Bond loan	2,123	2,213	2,123	2,213
Convertible loan	1,813	1,804	1,813	1,804
Liabilities to credit institutions	613	512	400	400
Liabilities to Group companies	–	–	2,521	1,755
Finance lease liabilities	3	1	–	–
Total	**4,552**	**4,530**	**6,857**	**6,172**
Maturity term structure, external loans				
< 1 year	212	113	–	–
> 1 year < 3 years	1,223	400	400	400
> 3 year < 5 years	1,813	2,681	2,632	2,681
> 5 years	1,304	1,336	1,304	1,336
Total	**4,552**	**4,530**	**4,336**	**4,417**

Specification by currency

	Amount		SEK M	
Currency	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Swedish kronor, SEK M	2,213	2,204	2,213	2,204
US dollars, USD M	325	329	2,126	2,214
Japanese yen, JPY M	1,508	–	101	–
Chinese yuan, CNY M	105	105	112	112
Total			**4,552**	**4,530**

Fixed interest term including effects of derivatives

	April 30, 2013	April 30, 2012
< 1 year	614	513
> 1 year < 5 years	2,634	2,681
> 5 years	1,304	1,336
Total	**4,552**	**4,530**

NOTE 26 Provisions

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Warranty provisions	68	63	–	–
Short-term provisions	**68**	**63**	**–**	**–**
Provision for pensions	73	61	18	14
Other provisions	48	120	8	8
Long-term provisions	**121**	**181**	**26**	**22**

PENSION PLANS

Elekta 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

	Group		Parent Company	
SEK M	2012/13	2011/12	2012/13	2011/12
Current service cost	–8	–8	–1	–2
Interest expense	–4	–4	–2	–2
Return on plan assets	2	2	1	2
Actuarial gains (+) and losses (–)	–11	–2	–2	1
Past service cost	–1	–	–	–
Curtailments/Settlements	–	0	–	–
Total pension costs defined benefit plans	**–22**	**–12**	**–4**	**–1**

Defined benefit pension plans

SEK M	Group April 30, 2013	Group April 30, 2012	Parent Company April 30, 2013	Parent Company April 30, 2012
Defined benefit obligation, funded plans	115	104	51	46
Fair value of plan assets	–75	–69	–33	–32
Provision for pensions, funded plans	**40**	**35**	**18**	**14**
Defined benefit obligation, unfunded plans	33	26	–	–
Provision for pensions, unfunded plans	**33**	**26**	**–**	**–**
Pension provision for defined benefit plans, net	**73**	**61**	**18**	**14**

Movement in provision for pensions, net

SEK M	Group April 30, 2013	Group April 30, 2012	Parent Company April 30, 2013	Parent Company April 30, 2012
Opening balance, May 1	61	48	14	14
Pension costs	22	12	4	1
Contributions	–3	–3	0	–1
Benefit payments	–2	–1	–	–
Business combinations	–	4	–	–
Translation differences	–5	1	–	–
Closing balance, April 30	**73**	**61**	**18**	**14**

Main actuarial assumptions (weighted average)

	Group April 30, 2013	Group April 30, 2012
Discount rate	2.9%	3.6%
Expected return on plan assets	3.0%	3.8%
Future salary increases	2.2%	2.3%

Warranty provisions and other provisions

SEK M	Group Warranty provisions	Group Other provisions	Parent Company Other provisions
Opening balance May 1, 2011	63	61	8
Company acquisition	5	4	–
Provisions	64	69	0
Reversals	–16	–1	–
Provisions released during the year	–59	–21	–
Reclassification	1	7	–
Translation differences	5	1	–
Closing balance April 30, 2012	**63**	**120**	**8**
Company acquisition	–	–	–
Provisions	55	36	0
Reversals	–28	–25	–
Provisions released during the year	–20	–83	–
Translation differences	–2	0	–
Closing balance April 30, 2013	**68**	**48**	**8**

NOTE 27 Other current liabilities

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Accrued expenses and prepaid income (see below)	2,438	2,404	106	77
Derivative financial instruments (Note 2)	28	42	0	34
Other liabilities	182	210	4	3
Total	**2,648**	**2,656**	**111**	**114**
Accrued expenses and prepaid income				
Prepaid service income	959	900	–	–
Other prepaid income	74	81	–	–
Reserve for additional project costs	529	443	–	–
Accrued commission costs	121	153	–	–
Accrued vacation pay liability	133	121	6	6
Accrued social costs	25	43	0	11
Accrued interest expenses	79	46	76	44
Other items	518	617	24	16
Total	**2,438**	**2,404**	**106**	**77**

NOTE 28 Assets pledged

Collateral pledged for contingent liabilities

	Group	
SEK M	April 30, 2013	April 30, 2012
Bank balances	3	7
Total	**3**	**7**

NOTE 29 Contingent liabilities

	Group		Parent Company	
SEK M	April 30, 2013	April 30, 2012	April 30, 2013	April 30, 2012
Guarantees	178	68	956	1,043
Total	**178**	**68**	**956**	**1,043**

NOTE 30 Cash flow statement

SEK M	Group 2012/13	Group 2011/12	Parent Company 2012/13	Parent Company 2011/12
Adjustments for non-cash items				
Participation in profit/loss of associates, after tax (Note 11)	29	1	–	–
Write-down of shares in associates	–	–	40	–
Result from divestments/disposals of fixed assets	8	–2	–	–
Net gain from divested business	–	–180	–	–
Net gain from divested subsidiaries	–	–	–	–428
Cost of incentive programs	–38	11	–	–
Appropriations	–	–	–3	0
Interest income	–29	–35	–175	–21
Interest expenses	188	170	187	155
Unrealized exchange rate effects etc	110	186	2	240
Other items	–43	–19	–1	0
Total	**225**	**132**	**50**	**–54**
Change in working capital				
Increase (–)/decrease (+) in inventories	–143	–70	–	–
Increase (–)/decrease (+) in operating receivables	–673	–754	–157	–1,654
Increase (+)/decrease (–) in operating liabilities	792	183	–34	89
Total	**–24**	**–641**	**–191**	**–1,565**
Business combinations				
Purchase price	89	3,385		
Acquired cash and cash equivalents	–1	–55		
Unpaid part of purchase price	–20	–		
Payments related to acquisitions in prior years	–	32		
Total	**67**	**3,363**		

More information on business combinations is presented in Note 32.

NOTE 31 Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in notes 10, 12, 19 and 25. These transactions are eliminated upon consolidation. Sales to associated companies amounted to SEK 49 M (129) and receivables from associated companies amounted to SEK 12 M (58).

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. In addition to this, no other transactions with related parties have occurred. Remunerations and benefits to key personnel in management positions are presented in Note 5.

NOTE 32 Business combinations

2012/13

In 2012/13 the acquisition of Radon, Brazil, was performed.

Radon

On June 19, 2012, Elekta acquired 100 percent of shares and votes Radon Ltda, the leading linear accelerator (linac) service company in Brazil. Most of the service contracts held by the Company are with clinics that use equipment delivered by Siemens. The acquisition significantly strengthens Elekta's market position, making it the leading organization for installation, service and aftermarket services. Through the acquisition, Elekta's customer base has increased with 25 percent in Brazil. The acquisition price consists of one fixed amount of SEK 69 M (BRL 21 M) and one variable amount of SEK 20 M (BRL 6 M). Elekta has consolidated Radon from June 19, 2012. Goodwill and identifiable intangible assets amount to approximately SEK 86 M (BRL 26 M). Recognized goodwill is mainly related to synergies and other intangible assets not qualifying for separate recognition. Transaction costs related to the acquisition have been expensed as incurred and amount to less than SEK 1 M. Radon Ltda has added to Elekta's net sales by approximately SEK 15 M during the fiscal year. From the date of acquisition Radon Ltda has contributed with an operating result of SEK –1 M.

2011/12

In 2011/12 the acquisition of Nucletron was performed.

Nucletron

On September 15, 2011, Elekta acquired 100 percent of the shares as well as votes in Nucletron (New Nucletron Company B.V.), with registered office in Veenendaal, the Netherlands. Nucletron is world leading in brachytherapy, treatment planning and delivery. The acquisition cost amounted to SEK 3,385 M. According to the purchase price allocation goodwill amounted to SEK 2,297 M and identifiable intangible assets, mainly customer relationships and certain technology, amounted to SEK 1,216 M. Recognized goodwill is mainly related to synergies and other intangible assets not qualifying for separate recognition. The goodwill is not expected to be tax deductable. Elekta has consolidated Nucletron from September 15, 2011. From the date of acquisition Nucletron has contributed with order bookings of SEK 1,182 M, net sales of SEK 873 M and operating result of SEK 189 M. Transaction costs related to the acquisition have been expensed when incurred and amount to SEK 40 M. Restructuring costs are expected to amount to SEK 130 M of which SEK 128 M have been expensed in the post-acquisition period. Elekta expects the integrated businesses to generate both revenue and cost synergies. Annual cost synergies have been estimated to approximately SEK 75 M.

SEK M	2012/13	2011/12
Purchase price and goodwill		
Cash paid	69	3,385
Unpaid part of purchase price	20	–
Total purchase price	**89**	**3,385**
Fair value of acquired net assets	–23	–1,088
Goodwill	**66**	**2,297**

SEK M	2012/13	2011/12
Acquired assets and liabilities according to purchase price allocations		
Intangible assets	20	1,216
Other non-current assets	1	157
Inventories	1	94
Receivables	2	438
Cash and cash equivalents	1	55
Provisions	–	–319
Other liabilities	–2	–543
Non-controlling interests	–	–10
Fair value of acquired net assets	**23**	**1,088**

Non-controlling interest for 2011/12 was related to a minority shareholding in one of Nucletron's subsidiaries.

The fair value of acquired receivables was at the time of acquisition SEK 2 M (438) inclusive of trade receviables amounting to SEK 1 M (410). The gross amount of overdue trade receivables was SEK 0 M (36), of which SEK 0 M (2) were not expected to be collected.

SEK M	2012/13	2011/12
Effect on cash and cash equivalents		
Purchase price settled in cash	–69	–3,386
Cash and cash equivalents in acquired operations	1	55
Total effect on Group cash and cash equivalents	**–68**	**–3,331**

Payments related to deferred considerations regarding acquisition in previous years amounted to SEK – M (32). Transaction costs for the year amounted to SEK 0 M (40) and are reported as administrative expenses in the Group's income statement.

SEK M	2012/13	2011/12
Sales and income in acquired entities		
Net sales for the full year	18	1,275
Net income for the full year	–2	214
Net sales from time of acquisition	15	873
EBIT from time of acquisition	–1	189
Net income from time of acquisition	–1	47

NOTE 33 Average number of employees

	Men		Women		Total	
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
Parent Company	14	12	11	10	25	22
Subsidiaries:						
Sweden	152	154	81	74	233	228
Australia	30	30	11	10	41	40
Belgium	7	7	1	1	8	8
Brazil	53	25	15	10	68	35
Finland	25	25	6	5	31	30
France	49	52	14	13	63	65
Greece	11	10	3	3	14	13
Hong Kong	23	23	12	10	35	33
India	92	74	5	3	97	77
Italy	56	56	19	17	75	73
Japan	83	81	26	22	109	103
Canada	56	55	14	13	70	68
China	319	292	132	111	451	403
The Netherlands	181	202	46	49	227	251
New Zealand (branch)	3	3	–	–	3	3
Poland	1	–	1	–	2	–
Switzerland (branch)	3	3	–	–	3	3
Singapore	9	9	3	2	12	11
Spain	33	29	10	6	43	35
United Kingdom	469	447	115	90	584	537
South Africa	6	5	2	2	8	7
South Korea	7	8	3	2	10	10
Czech Republic	10	9	3	3	13	12
Germany	141	131	43	53	184	184
USA	588	566	318	324	906	890
Austria	16	16	5	5	21	21
Total average number of employees	**2,437**	**2,324**	**899**	**838**	**3,336**	**3,162**

SPECIFICATION MEN/WOMEN AMONG BOARD OF DIRECTORS AND EXECUTIVE MANANGEMENT

During the financial year, the Board of Directors of Elekta AB consisted of 75 percent (75) men. The Executive Managment consisted of 90 percent (88) men.

The Board of Directors and the CEO 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 Parent 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 Parent Company and the Group, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

Stockholm, August 1, 2013

Akbar Seddigh
Chairman of the Board

Hans Barella
Member of the Board

Luciano Cattani
Member of the Board

Laurent Leksell
Member of the Board

Siaou-Sze Lien
Member of the Board

Wolfgang Reim
Member of the Board

Jan Secher
Member of the Board

Birgitta Stymne Göransson
Member of the Board

Tomas Puusepp
CEO and President

Our audit report was submitted on August 1, 2013

PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant

Auditor's report

To the annual meeting of the shareholders of Elekta AB (publ), corporate identity number 556170-4015

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Elekta AB (publ) for the financial year May 1, 2012–April 30, 2013. The annual accounts and consolidated accounts of the Company are included in the printed version of this document on pages 70–118.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of April 20, 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of April 30, 2013 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Other matters

The audit of the annual accounts for the financial year May 1, 2011–April 30, 2012 were performed by another auditor who submitted an auditor's report dated August 2, 2012, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the Company's profit or loss and the administration of the Board of Directors and the Managing Director of Elekta AB (publ) for the financial year May 1, 2012–April 30, 2013.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the Company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the Company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the Company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm August 1, 2013

PricewaterhouseCoopers AB

Johan Engstam
Authorized Public Accountant

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
Brachytherapy	Is also called internal radiation treatment and involves placing a radiation source in or near the treatment area. It allows very high tumor doses to be achieved while limiting the impact on the surrounding organs
Cancer	Uncontrolled, abnormal growth of 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® radiosurgery	Stereotactic radiosurgery with Leksell Gamma Knife®
Image Guided Radiation Therapy (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
Intensity Modulated Radiation Therapy (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, etcetera. 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
Magnetic resonance imaging (MRI)	Technology used to visualize and differentiate organs and anatomical structures inside the body. It uses non-ionizing radiation and is thus harmless to the patient.
Malignant	Refers to cancerous cells that usually have the ability to aggressively spread, invade and destroy tissue. Opposite to benign
Metastases	Secondary malignant tumors originating from primary cancer tumors in other parts of the body
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
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 in which a high, single dose of precise ionizing radiation replaces surgical instruments
Stereotactic Body Radiation Therapy (SBRT)	Is a technique that enables a beam to precisely target a tumor in the body and minimizes radiation to normal surrounding tissue
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 Modulated Arc Therapy (VMAT)	Dynamic conformal delivery technique in which both collimator leaves and gantry move during radiotherapy

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