Interim report May – July 2009/10

- Order bookings rose 19* percent.
- Net sales increased by 15* percent.
- Operating profit rose to SEK 89 M (13).
- Profit after taxes increased to SEK 56 M (1).
- Earnings per share after dilution improved to SEK 0.62 (0.02).
- Cash flow from operating activities improved to negative SEK 138 M (neg. 163). Cash flow after investments was negative SEK 164 M (neg. 221).
- Elekta reiterates the outlook of a net sales growth of over 8 percent in local currency and operating profit growth of over 35 percent for the full year 2009/10.

Summary SEK M	May - July 2009/10	May - July 2008/09	Change
Order bookings	1,658	1,151	19%*
Net sales	1,440	1,025	15%*
Operating profit	89	13	
Net profit	56	1	
Cash flow from operating activities	-138	-163	
Earnings per share, after dilution, SEK	0.62	0.02	

* Compared to the first quarter last fiscal year at unchanged exchange rates.

President and CEO Tomas Puusepp comments

Demand for Elekta's clinical solutions, products and services remained strong in the first three months of 2009/10. Order bookings rose by 19 percent in local currency with solid performance in all regions. Net sales grew to SEK 1,440 M and operating result rose to SEK 89 M. Earnings per share improved to SEK 0.62 from SEK 0.02.

Demand increased for aftermarket services and software. Elekta provides services during the lifetime of the product and software for efficient workflow solutions, thereby making it possible for customers to focus on patient care. We continue to grow with our over 5,000 customers - an important element for Elekta's sustainable profitable growth.

Elekta is a leading provider of image guided radiotherapy, stereotactic radiotherapy and radiosurgery and oncology software. This year we are increasing investments in research and development to bring new and refined solutions to market for improved patient care and higher efficiency for healthcare providers.

At the end of July Elekta received FDA-clearance for VMAT in combination with the radiation treatment planning system Monaco. This is expected to lead to growing sales of VMAT towards the end of this year.

We are continuing to execute on our plan for geographical expansion. With a complete portfolio of products and solutions fulfilling the clinical demands, Elekta is in a strong position for future growth from new territories. In the quarter Elekta has added new partners offering financing solutions by signing agreements with Swedish Export Corporation, SEK, and Swedfund International AB. The aim is to improve availability for cancer care worldwide, and to seize the opportunities of growth for Elekta.

The economic downturn has so far had limited effect on investments in cancer care, but the uncertainty remains. It may become more difficult for private customers to obtain financing and future health care investments might be negatively affected.

Elekta's efficiency improvement program is proceeding according to plan. Restructuring costs amounted to SEK 11 M in the quarter. Annual savings from the program are expected at SEK 100 M with full effect next fiscal year. For 2009/10 the operating costs are expected to increase by around 5 percent in local currency.

Currency markets remained volatile in the quarter. We expect positive effect on results for this fiscal year at close to SEK 250 M at present currency rates.

Elekta's financial outlook remains unchanged of an increase in net sales by more than 8 percent in local currency, and operating profit increase in kronor of more than 35 percent. Net sales and operating profit are expected to be significantly higher in the second half of the year compared with the first.

Tomas Puusepp
President and CEO

Order bookings and order backlog

Demand for Elekta's clinical solutions, products and services was strong across all regions in the first quarter. Order bookings rose 44 percent to SEK 1,658 M (1,151). Based on unchanged exchange rates order bookings increased by 19 percent.

Rolling 12 months order bookings rose 38 percent to SEK 8,163 M.

Order backlog on July 31, 2009 was SEK 7,140 M compared to SEK 7,267 M on April 30, 2009. Order backlog is converted at closing exchange rates, which resulted in a negative translation difference of SEK 346 M.

Order bookings SEK M	May - July 2009/10	May - July 2008/09	Change	Rolling 12 months	Change	May-April 2008/09
North and South America	658	478	38%	3,415	31%	3,235
Europe, Middle East, Africa	615	401	53%	2,856	29%	2,642
Asia Pacific	385	272	42%	1,892	78%	1,779
Group	**1,658**	**1,151**	**44%**	**8,163**	**38%**	**7,656**

Market development

North and South America

The North American market is primarily driven by rising cancer incidence and rapid acceptance of new and refined treatment methods. The US is the largest market for Elekta in the region. Following the financial crisis and economic downturn, sales cycles have become longer and there is a need for alternative financing. During the quarter CMS, Centers of Medicare and Medicaid Services, proposed changes in reimbursement rates for radiotherapy. For freestanding clinics major cuts are proposed for certain treatments while hospitals are proposed to receive increased reimbursement rates. It is possible that some freestanding clinics in the US will hold off investment decisions until the reimbursement levels are set in November.

Order bookings for the region rose 8 percent based on unchanged exchange rates during the first quarter compared to the same period last year. The growth was attributable to South America.

In the South American market there is a shortage of treatment capacity and lack of radiotherapists, oncologists and neurosurgeons. In the quarter Elekta received an order in Brazil of six linear accelerators and software for workflow solutions and radiation treatment planning.

CentraState Medical Center in the US became the first customer in the world to be equipped with both the two radiation treatment systems Elekta Axesse™ and Elekta Infinity. Both systems include the Elekta VMAT (Volumetric Modulated Arc Therapy) capability.

The contribution margin for region North and South America rose to 33 (30) percent. The improvement was mainly an effect of higher volume and positive currency effects.

Europe including Middle East and Africa

The market development in Europe is to a large extent driven by national and regional initiatives to remedy the lack of radiation treatment capacity. The majority of treatment systems in Europe is procured through public tenders, facilitating transparent, yet relatively long sales processes. Elekta's ability to provide comprehensive and integrated solutions, based on open connectivity, makes the company an attractive partner. There is demand for modern information systems for cancer care, particularly for the purpose of improving productivity and multi-site connectivity, along with a high standard of patient care.

Order bookings for Region Europe including Middle East and Africa increased based on unchanged exchange rates by 34 percent compared to the same period last year. Demand was strong across the region.

The contribution margin rose to 30 (27) percent for the region. The improvement is due to product mix and positive currency effects.

Asia Pacific

There is a solid rationale for a continued long-term market growth in Asia. There is a lack of treatment capacity and the number of linear accelerators per capita is low by international comparison. Elekta is well positioned in the region to support health care providers.

China is an important growth market in the region and Elekta is the market leader for advanced radiation therapy solutions. The launch of Elekta Compact™ will provide means for improving availability of cancer care. The Chinese government has announced plans of investing USD 125 B in the healthcare sector. This is expected to have a positive impact on the availability of radiation treatment capacity.

Order bookings for Region Asia Pacific increased based on unchanged exchange rates by 14 percent. Demand was strong in most markets while order bookings in Japan were lower due to seasonality.

Product mix in Asia Pacific led to a lower contribution margin of 17 (24) percent.

Net sales

Net sales rose 40 percent to SEK 1,440 M (1,025). Based on unchanged exchange rates net sales rose 15 percent.

Net sales SEK M	May - July 2009/10	May - July 2008/09	Change	Rolling 12 months	Change	May-April 2008/09
North and South America	630	420	50%	2,919	38%	2,709
Europe, Middle East, Africa	461	352	31%	2,627	32%	2,518
Asia Pacific	349	253	38%	1,558	52%	1,462
Group	**1,440**	**1,025**	**40%**	**7,104**	**38%**	**6,689**

Earnings

Operating profit rose to SEK 89 M (13), positively impacted by higher volumes and positive currency effects.

Gross margin amounted to 45 percent (43). Operating margin was 6 percent (1).

Investments in research and development rose 30 percent to SEK 138 M (106) equal to 10 percent (10) of net sales. Capitalization of development costs and amortization of capitalized development costs affected earnings positively by SEK 7 M (pos. 7). Capitalization amounted to SEK 18 M (13) and amortization to SEK 11 M (6).

Elekta's efficiency improvement program is proceeding according to plan. Restructuring costs amounted to SEK 11 M in the quarter. Annual savings from the program are expected at SEK 100 M with full effect in 2010/11.

Calculated IFRS 2 costs for Elekta's outstanding option program amounted to SEK 9 M (13).

Currency exchange rate effects on operating profit compared with previous year

In total, exchange fluctuations affected operating profit compared with previous year positively with approximately SEK 53 M.

- Exchange rate movements affected operating profit positively by approximately SEK 67 M excluding recorded exchange differences.
- Recorded exchange losses in operations amounted to SEK 3 M.
- The preceding year recorded exchange gains in operations was SEK 11 M.

Exchange rate gains from forward contracts in operating profit were SEK 54 M (gains 7). Unrealized exchange rate gains from cash flow hedges amounted to SEK 128 M and are reported in shareholders' equity taking into account the tax impact. Elekta's currency hedging policy is based on anticipated sales in foreign currency up to 24 months.

Net financial items amounted to an expense of SEK 6 M (expense 11). Net interest expenses improved to SEK 11 M (18), impacted by a decreased average interest rate and a lower net debt.

Profit after financial items amounted to SEK 83 M (2). Tax expense amounted to SEK 27 M or 32 percent. Profit after taxes amounted to SEK 56 M (1).

Earnings per share amounted to SEK 0.62 (0.02) before dilution and SEK 0.62 (0.02) after dilution.

Return on shareholders' equity amounted to 27 percent (22) and return on capital employed was 25 percent (24).

Investments and depreciation

Investment in intangible and tangible fixed assets amounted to SEK 49 M (22). Amortization of intangible and depreciation of tangible fixed assets amounted to SEK 56 M (47).

Liquidity and financial position

Due to the seasonal build-up of working capital as well as the high level of paid tax, cash flow from operating activities was negative SEK 138 M (neg. 163). Cash flow after investments was negative SEK 164 M (neg. 221).

As a consequence of debt repayment and negative cash flow liquid funds decreased to SEK 477 M compared to SEK 828 M on April 30, 2009, and interest bearing liabilities decreased to SEK 1,371 M compared with SEK 1,627 M on April 30, 2009. Net debt amounted to SEK 894 M compared with SEK 799 M on April 30, 2009. Net debt/equity ratio was 0.33.

Shares

Total number of shares on August 31, 2009 was 92,124,563 divided between 3,562,500 A-shares and 88,562,063 B-shares.

Employees

The average number of employees was 2,461 (2,390). The average number of employees in the Parent Company was 23 (20).

The number of employees on July 31, 2009 totaled 2,471 compared with 2,509 on April 30, 2009.

Risks and uncertainties

The global financial crisis and economic downturn constitute a risk. The worldwide recession might mean less availability of finance for private customers and reduced future health care spending. Elekta's ability to deliver treatment equipment is, to a large extent, dependent on customers being able to accept delivery in the agreed timeframe, which results in a risk of delayed deliveries and corresponding delayed revenue recognition. In its operations, Elekta is subject to a number of financial risks, primarily related to exchange rate fluctuations.

Description of risks and uncertainties in Elekta's business can be found in the annual report 2008/09 on page 36 and in note 2. Nothing essential has happened to change the risks described therein.

Outlook for fiscal year 2009/10 – remains unchanged

In fiscal year 2009/10, Elekta's net sales are expected to grow by more than 8 percent in local currency. Elekta's operating profit in SEK is expected to grow by more than 35 percent.

Net sales and operating profit are also for fiscal year 2009/10 expected to be significantly higher in the second half of the year compared with the first.

Stockholm, September 15, 2009

Elekta AB (publ)

Tomas Puusepp
President and CEO

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

Financial information

6 month interim report May-October 2009/10 December 10, 2009

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Accounting principles

This interim report is prepared according to IAS 34 and recommendation RFR 1.1 of the Swedish Financial Reporting Board, and with regard to the Parent Company, also according to RFR 1.2. The accounting principles applied correspond to those presented in the 2008/09 Annual Report. These include:

- Introduction of changes in IAS 1 Presentation of financial statements. Format and design of the financial statements have been changed.
- IFRS 8 Operating segments that replaces IAS 14. According to IFRS 8 segment information must be reported on the basis of how management internally follows up operations.

Exchange rates		**Average rate**			**Closing rate**		
Country	Currency	May-Jul. 2009/10	May-Jul. 2008/09	Change	Jul. 31, 2009	Apr. 30, 2009	Change
Euro	1 EUR	10.765	9.384	15%	10.398	10.663	-2%
Great Britain	1 GBP	12.412	11.841	5%	12.205	11.880	3%
Japan	100 JPY	8.071	5.668	42%	7.735	8.175	-5%
United States	1 USD	7.738	6.004	29%	7.370	7.985	-8%

Order bookings and net sales are accounted at average exchange rates for the reporting period while order backlog and balance sheet items are accounted at closing exchange rates.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	3 months May - July 2009/10	3 months May - July 2008/09	12 months Aug. - July 2008/09	12 months May - Apr. 2008/09
Net sales	1,440	1,025	7,104	6,689
Cost of products sold	-798	-587	-3,869	-3,658
Gross income	642	438	3,235	3,031
Selling expenses	-248	-197	-984	-933
Administrative expenses	-171	-140	-673	-642
R&D expenses	-131	-99	-517	-485
Exchange differences in operations	-3	11	-155	-141
Operating profit	**89**	**13**	**906**	**830**
Result from participations in associated companies	2	-2	5	1
Interest income	3	5	21	23
Interest expenses	-14	-23	-98	-107
Financial exchange differences	3	9	21	27
Income after financial items	**83**	**2**	**855**	**774**
Taxes	-27	-1	-254	-228
Net income	**56**	**1**	**601**	**546**
Attributable to				
Parent Company shareholders	58	2	608	552
Minority shareholders	- 2	- 1	- 7	- 6
Earnings per share before dilution	0.62	0.02	6.60	6.00
Earnings per share after dilution	0.62	0.02	6.60	6.00
Income/costs reported directly against shareholders' equity				
IFRS 2 cost	7	8	24	25
IAS 39 unrealized cash flow hedges	173	- 7	129	- 51
Translation of subsidiaries and associated companies	- 58	9	232	299
Translation of loans for equity hedge	0	6	53	59
Income tax relating to components of other comprehensive income	- 48	- 6	- 51	- 9
Other comprehensive income for the period	**74**	**10**	**387**	**323**
Comprehensive income for the period	**130**	**11**	**988**	**869**
Attributable to				
Parent Company shareholders	132	12	992	872
Minority shareholders	- 2	- 1	- 4	- 3

CASH FLOW

Operating cash flow	27	-18	782	737
Change in working capital	-165	-145	-17	3
Cash flow from operating activities	**-138**	**-163**	**765**	**740**
Investments and disposals	-26	-58	-128	-160
Cash flow after investments	**-164**	**-221**	**637**	**580**
External financing	-171	15	-425	-239
Change in liquid funds	-351	-205	280	426

CONSOLIDATED BALANCE SHEET

SEK M	July 31, 2009	July 31, 2008	April 30, 2009
Intangible assets	2,977	2,658	3,150
Tangible fixed assets	252	219	265
Shares and long-term receivables	53	35	59
Deferred tax assets	30	14	34
Inventories	584	593	553
Receivables	3,180	2,422	3,062
Liquid funds	477	197	828
Total assets	**7,553**	**6,138**	**7,951**
Elektas owners' equity	2,681	1,846	2,549
Minority interest	4	8	6
Shareholders' equity	**2,685**	**1854**	**2,555**
Interest-bearing liabilities	1,371	1,434	1,627
Interest-free liabilities	3,497	2,850	3,769
Total shareholders' equity and liabilities	**7,553**	**6,138**	**7,951**
Assets pledged	1	1	1
Contingent liabilities	88	66	75

CHANGES IN SHAREHOLDERS' EQUITY

SEK M	July 31, 2009	July 31, 2008	April 30, 2009
Attributable to Elekta's owners			
Opening balance	2,549	1,804	1,804
Comprehensive earnings for the period	132	12	872
Exercise of warrants		30	34
Dividend			-161
Closing balance	2,681	1,846	2,549
Minority intrest			
Opening balance	6	9	9
Comprehensive earnings for the period	-2	-1	-3
Closing balance	4	8	6
Closing balance	**2,685**	**1,854**	**2,555**

KEY FIGURES	12 months May - Apr. 2004/05*	12 months May - Apr. 2005/06	12 months May - Apr. 2006/07	12 months May - Apr. 2007/08	12 months May - Apr. 2008/09	3 months May - July 2008/09	3 months May - July 2009/10
Order bookings, SEK M	3,558	4,705	5,102	5,882	7,656	1,151	1,658
Net sales, SEK M	3,152	4,421	4,525	5,081	6,689	1,025	1,440
Operating result, SEK M	364	453	509	650	830	13	89
Operating margin	12%	10%	11%	13%	12%	1%	6%
Profit margin	12%	10%	11%	12%	12%	0%	6%
Shareholders' equity, SEK M	1,694	1,868	1,863	1,813	2,555	1,854	2,685
Capital employed, SEK M	2,527	2,959	2,850	3,262	4,182	3,288	4,056
Equity/assets ratio	38%	35%	35%	29%	32%	30%	36%
Net debt/equity ratio	0.05	0.06	0.27	0,58	0,31	0,67	0,33
Return on shareholders' equity	16%	17%	19%	23%	27%	22%	27%
Return on capital employed	21%	18%	20%	24%	24%	24%	25%

* Restated according to IFRS.
** Based on rolling 12 months.

DATA PER SHARE	12 months May - Apr. 2004/05*	12 months May - Apr. 2005/06	12 months May - Apr. 2006/07	12 months May - Apr. 2007/08	12 months May - Apr. 2008/09	3 months May - July 2008/09	3 months May - July 2009/10
Earnings per share							
before dilution, SEK	2.69	3.23	3.72	4.46	6.00	0.02	0,62
after dilution, SEK	2.69	3.21	3.70	4.44	6.00	0.02	0,62
Cash flow per share							
before dilution, SEK	-11.09	1.68	-1.14	-3.04	6.30	-2.41	-1,78
after dilution, SEK	-11.06	1.67	-1.14	-3.03	6.30	-2.41	-1,78
Shareholders' equity per share							
before dilution, SEK	18.02	19.80	19.96	19.70	27.67	20.04	29,10
after dilution, SEK	18.84	20.45	20.46	20.03	27.67	22.04	29,10
Average number of shares							
before dilution, 000s	93,991	94,136	93,698	92,199	92,029	91,747	92,125
after dilution, 000s	94,182	94,785	94,249	92,479	92,029	91,763	92,125
Number of shares at closing							
before dilution, 000s	94,028	94,332	93,036	91,570	92,125	92,125	92,125
after dilution, 000s	95,703	95,703	94,072	92,245	92,125	93,933	92,125

* Restated according to IFRS.
Dilution in 2004/05-2007/08 refers to warrants program 2004/2008.
All historical data restated for split 3:1 October 2005.

Data per quarter SEK M	Q1 2007/08	Q2 2007/08	Q3 2007/08	Q4 2007/08	Q1 2008/09	Q2 2008/09	Q3 2008/09	Q4 2008/09	Q1 2009/10
Order bookings	1,136	1,336	1,229	2,181	1,151	1,672	1,661	3,172	1,658
Net sales	975	1,213	1,097	1,796	1,025	1,467	1,664	2,533	1,440
Operating profit	36	159	72	383	13	105	191	521	89
Cash flow from operating activities	-28	168	-51	230	-163	68	2	833	-138

Elekta applies geographical segmentation. Order bookings, net sales and contribution margin for respective region are reported to Elekta's CEO and CFO (chief operating decision makers). In the regions operating expenses are cost of products sold and expenses directly attributable to the respective region reported. Global costs for R&D, marketing, management of product supply centers and Parent Company are not allocated per region. Currency exposure is concentrated to product supply centers. The majority of currency exchange differences are reported in global costs.

Segment reporting May-July 2009/10

SEK M	North and South America	Europe, Africa and Middle East	Asia Pacific	Total	% of net sales
Net sales	630	461	349	1,440	
Operating expenses	-420	-325	-290	-1,035	-72%
Contribution margin	210	136	59	405	28%
Global costs				-316	-22%
Operating result				89	6%
Contribution margin	33%	30%	17%		

Segment reporting May-July 2008/09

SEK M	North and South America	Europe, Africa and Middle East	Asia Pacific	Total	% of net sales
Net sales	420	352	253	1,025	
Operating expenses	-296	-257	-193	-746	-73%
Contribution margin	124	95	60	279	27%
Global costs				-266	-26%
Operating result				13	1%
Contribution margin	30%	27%	24%		

Segment reporting May-April 2008/09

SEK M	North and South America	Europe, Africa and Middle East	Asia Pacific	Total	% of net sales
Net sales	2,709	2,518	1,462	6,689	
Operating expenses	-1,749	-1,590	-1,069	-4,408	-66%
Contribution margin	960	928	393	2,281	34%
Global costs				-1,451	-22%
Operating result				830	12%
Contribution margin	35%	37%	27%		

Segment reporting rolling 12 months August-July 2008/09

SEK M	North and South America	Europe, Africa and Middle East	Asia Pacific	Total	% of net sales
Net sales	2,919	2,627	1,558	7,104	
Operating expenses	-1,873	-1,658	-1,166	-4,697	-70%
Contribution margin	1,046	969	392	2,407	36%
Global costs				-1,501	-22%
Operating result				906	14%
Contribution margin	36%	37%	25%		

Elekta's operations are characterized by significant quarterly variations in delivery volumes, which have a direct impact on net sales and profits. This is accentuated when the operation is split into segments as is the impact of currency fluctuations between the years.

Improvement in contribution margin during the first quarter in region North and South America is primarily driven by the strengthening of the US-dollar against Swedish kronor and British pounds as well as higher volume. For region Europe, Middle East and Africa the improvement is a result of product mix and the strengthening of the Euro against Swedish kronor and British pounds. Product mix in Asia Pacific reduced the contribution margin despite a favorable currency impact.

INCOME STATEMENT PARENT COMPANY

SEK M	May - July 2009/10	May - July 2008/09
Administrative expenses	-20	-19
Financial items	-1	-8
Income after financial items	**-21**	**-27**
Taxes	6	8
Net income	**-15**	**-19**

BALANCE SHEET PARENT COMPANY

SEK M	July 31, 2009	April 30, 2009
Financial fixed assets	1,543	1,541
Current assets	1,556	1,840
Total assets	**3,099**	**3,381**
Shareholders' equity	1,191	1,205
Untaxed reserve	37	37
Long-term liabilities	1,290	1,530
Short-term liabilities	581	609
Total shareholders' equity and liabilities	**3,099**	**3,381**