

ELEKTA

# This is Elekta

Elekta's mission is to improve, prolong and save lives by providing clinical solutions for treating cancer and brain disorders. The Company develops intelligent and resource-efficient products and solutions and treatment planning systems for radiation therapy and radiosurgery, as well as workflow enhancing software systems across the spectrum of cancer care.

Elekta develops its clinical solutions and information systems through collaborative relationships with the foremost universities and hospitals worldwide. Through these efforts Elekta is addressing the needs of healthcare providers as well as patients, by reducing hospitalization costs and providing better treatment options. All of Elekta's solutions employ non-invasive or minimally invasive techniques and are clinically effective, gentle on the patient and cost-effective.

Elekta is a world leader in clinical solutions for image-guided radiation therapy and stereotactic radiosurgery, giving radiation oncologists and neurosurgeons the capability to aggressively treat tumors and functional diseases with ultra-high precision while sparing healthy tissue.

Elekta was founded in 1972 by the late Lars Leksell, Professor of Neurosurgery at the Karolinska Institute in Stockholm, Sweden. Today, Elekta's clinical solutions and information systems are used in over 5,000 hospitals globally and every day more than 100,000 patients receive diagnosis, treatment or follow-up with the help of an Elekta product.

Elekta has 2,500 employees worldwide. The corporate headquarter is located in Stockholm, Sweden. The Company is listed on the NASDAQ OMX Nordic Exchange under the ticker EKTab. In the fiscal year 2009/10 net sales amounted to SEK 7,392 M (6,689) and net profit reached SEK 833 M (546).

## Elekta's geographic regions

Elekta's products and clinical solutions are sold globally. The reporting of the Group's financial performance is based on three geographical regions:



### North and South America

Order bookings for the region rose 6 percent\*. Net sales increased to SEK 2,792 M. Contribution margin was 35 (35) percent.

### Europe, Middle East and Africa

Order bookings for the region rose 22 percent\*. Net sales increased to SEK 2,735 M. Contribution margin was 35 (37) percent.

### Asia Pacific

Order bookings for the region rose 14 percent\*. Net sales increased to SEK 1,865 M. Contribution margin was 28 (27) percent.

\* For 2009/10, based on unchanged exchange rates compared with the previous fiscal year.

## Elekta's product areas

Each 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 Neuroscience

Elekta Neuroscience provides integrated solutions for stereotactic radio-surgery and minimally invasive neuro-surgery. From the original Leksell Gamma Knife® to the latest Leksell Gamma Knife® Perfexion™, Elekta advances innovations for treating cancer and brain disorders.

Examples of offering: Leksell Gamma Knife, Elekta Axesse™, Leksell Stereotactic System® and Elekta Neuromag®.



### Elekta Oncology

Elekta Oncology has a broad portfolio of clinical solutions for radiation therapy, including linear accelerators, integrated X-ray systems and clinical solutions for patient positioning and fixation. Elekta has a leading position in image-guided radiotherapy (IGRT) with innovations that simplify treatment and improve outcome.

Examples of offering: Elekta Compact™, Precise Treatment System™, Elekta Synergy® and Elekta Infinity™.



### Elekta Software

Elekta Software is the leading world-wide provider of integrated treatment planning systems and information and workflow management systems that streamline clinical and business operations across the entire spectrum of cancer care, from diagnosis and treatment to long-term follow-up.

Examples of offering: MOSAIQ®, XiO®, ERGO++, Focal 4D, Monaco® and Atlas-Based Autosegmentation (ABAS).

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### Financial calendar

3-month interim report,	
May-July 2010/11	September 21, 2010
Annual General Meeting	September 21, 2010
6-month interim report,	
May-October 2010/11	December 7, 2010
9-month interim report,	
May-January 2010/11	March, 2011
Fiscal year-end report, 2010/11	June, 2011

### Regulatory status of products

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

### Further information

For more information about Elekta, visit [www.elekta.com](http://www.elekta.com)  
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 phone: +46 8 587 254 00, e-mail: [ir@elekta.com](mailto:ir@elekta.com)

# Elekta's operations

## Results from operations

- Order bookings increased 13 percent\*.
- Net sales rose 9 percent\* to SEK 7,392 M (6,689).
- Operating profit increased to SEK 1,232 M (830).
- Profit after tax rose to SEK 833 M (546).
- Earnings per share after dilution improved to SEK 9.01 (6.00).
- Cash flow from operating activities improved to SEK 1,056 M (740). Cash flow after investments was SEK 968 M (580).
- The Board proposes a dividend of SEK 3.00 (2.00) per share, corresponding to around SEK 280 M.
- In fiscal year 2010/11, net sales are expected to grow by more than 10 percent in local currency. Operating profit in SEK is expected to grow by more than 15 percent.

\* Compared to last fiscal year at unchanged exchange rates.

## Significant events during the fiscal year

### First quarter, May-July 2009:

- In May, Elekta and The Ottawa Hospital Cancer Centre (Ontario, Canada) have embarked on a decade-long mutual support project that will create an advanced cancer treatment centre. The centre will be equipped with radiation therapy systems, as well as workflow enhancing software and treatment planning systems, enabling sophisticated therapeutic services in a chartless, paperless clinical environment.
- In June, CentraState Medical Center (Freehold, New Jersey, USA) purchased two new state-of-the-art Elekta radiation therapy treatment systems, both with Volumetric Modulated Arc Therapy (VMAT) making it the first site in the world to have both Elekta Axesse™ and Elekta Infinity™.



### Second quarter, August-October 2009:

- In August, Elekta received a multiple order of six radiation therapy systems from the Cancer Institute of the State of São Paulo, Brasil. The order encompasses two Elekta Synergy® Platform, three Elekta Synergy® and one Elekta Axesse. The institute will become Elekta's training and development center for South America.

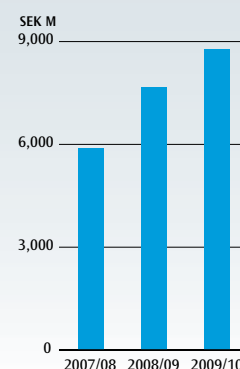


- In September, Elekta supplied treatment planning and information management systems for a major proton therapy facility in Prague, Czech Republic. The software solutions will facilitate the highest quality of patient care and lead to improved clinical efficiency.
- Elekta won seven out of nine tenders for the new Russian national oncology program. The program, initiated under the auspices of Prime Minister Vladimir

## Key figures

12 months, May-April	2006/07	2007/08	2008/09	2009/10
Order bookings, SEK M	5,102	5,882	7,656	8,757
Net sales, SEK M	4,525	5,081	6,689	7,392
Operating result, SEK M	509	650	830	1,232
Operating margin, %	11	13	12	17
Shareholders' equity, SEK M	1,863	1,813	2,555	3,244
Capital employed, SEK M	2,850	3,262	4,182	4,283
Equity/assets ratio, %	35	29	32	38
Net debt/equity ratio, times	0.27	0.58	0.31	-0.04
Return on shareholders' equity, %	19	23	27	30
Return on capital employed, %	20	24	24	30

## Order bookings





Putin in early 2009, aims to improve as well as expand cancer care. Elekta will deliver clinical solutions, services and training to cancer clinics throughout Russia.

Third quarter, November-January 2009/10:

- At Elekta's Capital Markets Day held in connection with the 51st annual meeting of the American Society for Radiation Oncology (ASTRO), in Chicago, USA, Elekta presented new tools for improved clinical precision, workflow efficiency and patient comfort. Highlights included Intuity™ and Symmetry™ advanced image-guidance solutions that is built upon Elekta's existing expertise.
- In April, Karolinska University Hospital in Stockholm, Sweden, treated its first patient with the new Leksell Gamma Knife® Perfexion™. Professor Lars Leksell

(1907-1986), inventor of Leksell Gamma Knife® and a faculty member of Karolinska University Hospital performed the world's first Gamma Knife® surgery at nearby Sophiahemmet Hospital.

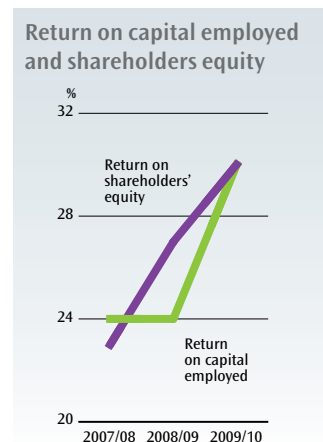
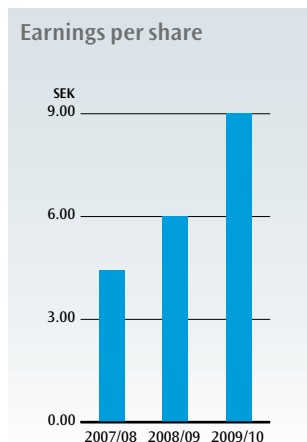
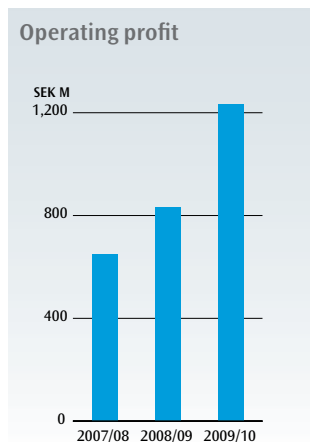
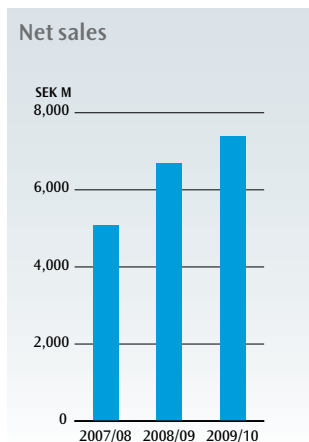


Fourth quarter, February-April 2010:

- Swedish Cancer Institute (Seattle, USA) and Elekta finalized a strategic partnership to launch a major new cancer-care initiative to transform radiation oncology delivery for cancer patients. This unique, multi-year, multi-product collaboration covers the spectrum of cancer management – from treatment planning and delivery to workflow and connectivity – and enhances the Swedish Cancer Institute's ability to provide patient access to state-of-the-art technology early in the product introduction cycle.

### Significant events after the end of the fiscal year

- In June 2010, Elekta announced the acquisition of Resonant Medical Inc., Montreal, Canada. Through this acquisition, Elekta adds groundbreaking non-invasive, non-ionizing image-guidance technology that enables exquisite visualization of soft tissue like the breast and prostate. This provides a promising platform for next generation motion management and adds highly skilled R&D resources in the field of oncology imaging and motion management.



# Stronger than ever

Elekta is stronger than ever following the 2009/10 fiscal year. Despite the financial crisis and recession, demand for Elekta's clinical solutions and services remained buoyant. We strengthened our market position in all product areas and order bookings increased in all regions.

Earnings and cash flow improved significantly. A sharper focus on productivity, more balanced geographic diversification and robust aftermarket and software sales, resulted in improved seasonal stability of earnings and cash flow.

## Long-term customer relations

Our success derives from long-term customer relations and our innovative ability to create comprehensive and effective clinical solutions and services for the treatment of cancer and brain disease.

Elekta's mission is to develop clinical solutions that save, extend and enhance life for those suffering from cancer and brain diseases. The need for cancer care is growing worldwide. More than 12 million people are diagnosed with cancer each year. The World Health Organization forecasts that more than 16 million new cancer cases will be identified annually in ten years time. Cancer is also increasingly becoming a chronic illness. People live longer with their illnesses, thus requiring long-term treatment. As a result, the number of treated cases is set to rise dramatically.

By providing world leading clinical solutions for image-guided radiation therapy, stereotactic radiation therapy and Gamma Knife® surgery, Elekta makes it possible for oncologists and neurosurgeons to effectively treat tumors, blood vessel deformations and functional illnesses with maximum precision, while sparing healthy tissue. We are also the world leader in software systems for cancer care.

## Innovation through collaboration

Elekta has developed as a company through clinical research and we remain at the cutting edge of R&D in our efforts to develop new clinical solutions and information systems. We achieve this by pursuing clinical research in close cooperation with the foremost universities and hospitals worldwide. Research collaboration is the key to our success. Our aim is that we, together with our customers, continue to develop the optimal solutions for each type of cancer. Thereby we will continue to help hundreds of thousands of patients to a better quality of life.

*“Research collaboration is the key to our success. Our aim is that we continue to develop the optimal solutions for each type of cancer.”*

In an effort to offer increasingly enhanced patient care, Elekta is supporting a range of research cooperation projects to evaluate the deployment of our technology. These include Leksell Gamma Knife® Society, Elekta Synergy Research Group, Elekta VMAT Group, Elekta Head and Neck Research Group and Elekta Lung Research Group.

Elekta Lung Research Group (ELRG) is the latest newcomer to our cooperative clinical programs. ELRG is an international group composed of physicians and physicists who are evaluating treatment and clinical results from more than 400 patients with non-small cell lung cancer at an early stage. The group has been highly productive to date. First and foremost it has made a number of significant clinical discoveries, some of which are likely to lead to new practices in radiation oncology worldwide.

Parallel with Elekta's ongoing collaborative research programs with leading universities and hospitals, we also gather oncologists, neurosurgeons and physicists at various major meetings to discuss future solutions. At the ASTRO conference held in November 2009 in Chicago, 600 participants attended Elekta's meeting, while in May 2010, 350 users gathered for the Leksell Gamma Knife Society meeting in Athens.

The benefits of stereotactic radiosurgery in the treatment



of brain metastases are attracting greater attention and were one of the key topics at the Athens meeting. The need for effective and minimally invasive solutions in this area along with increasing awareness of the excellent clinical results has led to a higher demand for Leksell Gamma Knife® Perfexion™, resulting in a record year for Elekta Neuroscience.

### Greater significance of software

Since cancer is extremely complex, numerous factors affecting each treatment must be considered. Each assignment involves adding greater simplicity to the complex environment of patient treatment. Software solutions play a key role in this respect. In the future, such programs will gain increasing significance for each requirement and treatment. Thanks to open interfaces and industry standards, Elekta's software solutions interact with components from several manufacturers to provide benefits for patients and care providers alike.

The MOSAIQ® electronic oncology information system provides to hospital personnel a key resource in building up a coherent information and communications base for each patient throughout the care cycle. In the enhanced MOSAIQ® RTP Suite, with initial deployment expected in 2011, Elekta will take integration a step further by creating a coherent platform for a range of services and tools, using the electronic medical records as its foundation.

### More than 500,000 people receive radiation therapy from Elekta's solutions

Thanks to our new solutions, we increase precision and hence can offer treatment that is increasingly gentle for patients. It is also important that we offer methods and products that are efficient in terms of medical care costs, especially in times of worldwide cost containment efforts and with the growing need for cancer care. By enhancing efficiency in care and expanding geographically, more patients can gain access to advanced cancer care.

Many countries have become aware of the need for improved cancer care. In recent years, nationwide programs for expanding cancer care have been launched in many locations. We are taking part in this effort in Asia, Eastern Europe, Middle East and Latin America.

We now have more than 5,000 hospitals as our customers – a key source for Elekta's sustained profitable growth. Each year, more than half a million people are treated using Elekta's radiation therapy equipment and every day more than 100,000 patients receive diagnoses, treatment or follow-up with the help of an Elekta solution.

Since major global regions lack not only the equipment but also trained personnel who can use the equipment, Elekta also offers training. Each year, thousands of people undergo clinical and technical training in our specialized equipment.

### New solutions for more effective treatment

During the year, Elekta unveiled two advanced image-guidance solutions – Intuity™ and Symmetry™ – that offer higher clinical precision and conformity, plus superior software for more effective treatment planning.

We launched a new platform for Elekta Neuromag® – a product that permits researchers and clinicians to map brain activity with precise millisecond resolution and localization. During the past year, a number of major research institutions, including the Massachusetts Institute of Technology (MIT), decided to use Elekta Neuromag® in their brain function research projects.

The acquisition of Resonant Medical, with its pioneering image-guiding technology, permitted an expansion of our product portfolio in the form of outstanding visualization of soft tissue. This is an excellent platform for the next generation of motion management.

During the fiscal year, the U.S. Food and Drug Administration (FDA) also cleared Extend™ as well as Elekta VMAT,

combined with Monaco®, for sale in the U.S.. Extend™ opens up new potential for the fractionated treatment of tumors in the head and neck region. Elekta VMAT, combined with Monaco, improves precision in dose calculation and offers faster treatment and superior results for more patients. We opted for the proprietary development of the algorithm that permits extremely precise dose calculation. Although this required a longer development period than if we had chosen an algorithm provided through a third-party solution, I believe we definitely adopted the right approach. We must always own the components that are at the core of our systems and are critical to our business success.

### Sustained profitable growth

Elekta's objective is to show sustained profitable growth. We have now put a strong year behind us and our goal is to further boost our performance significantly. For the 2010/11 fiscal year, we expect net sales to rise more than 10 percent in local currency, with an increase in operating profit of more than 15 percent in SEK. Exchange rates are expected to have a positive impact of some SEK 50 M, including the currency hedging effect on earnings for fiscal year 2010/11.

Our longer-term objective is to attain organic sales growth exceeding 10 percent in local currency. Another aim is that our operating earnings will increase at a higher pace than sales growth in SEK. The return on capital employed shall exceed 20 percent and the net debt/equity ratio must not exceed 0.50.

As a result of Elekta's strong financial position, earnings trend, growth potential and investment requirements, the Board of Directors has decided to raise the minimum level for the return of capital to shareholders to at least 30 percent, from the previous minimum of 20 percent, of net earnings. In line with the policy for shareholder distribution, the Board proposes a dividend of SEK 3.00 (2.00) per share, or approximately SEK 280 M.

### Higher capital investment for future innovations

Elekta is now stronger than ever, and I am convinced that in the years ahead Elekta will play an ever-greater role in cancer care and the treatment of brain diseases, with increased access to treatment for more people worldwide. We will continue to make substantial investments in research and development, along with further developing cooperation with leading universities and hospitals as part of efforts to create innovations for the market. By means of innovative solutions, we will continue to enhance our product portfolio and, thus, improve efficiency, quality and safety in the care of patients around the globe.

STOCKHOLM, AUGUST 16, 2010

Tomas Puusepp, President and CEO

## Outlook for fiscal year 2010/11

- In fiscal year 2010/11, Elekta's net sales are expected to grow by more than 10 percent in local currency.
- Elekta's operating profit in SEK is expected to grow by more than 15 percent.
- Currency is estimated to have a positive effect of about SEK 50 M including hedging effect on earnings for fiscal year 2010/11.

## 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 form the base in the long term planning:

- Organic sales growth on average 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.





Elekta Axesse™



# Mission, vision and values

We have a clear foundation that underlies all aspects of our business. By consistent application of Elekta's mission, vision and values, we can reach our strategic goal – the continuous enhancement of customer value with the patient in focus.

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## Elekta's mission

### We care for life

Everything that Elekta does and represents is about improving, prolonging and saving lives. From the devices we produce for delivering treatment in a precise and adaptive way, to the systems that allow the capture and efficient exchange of information.

## Elekta's vision

### We commit to creating new possibilities for human care through innovation and collaboration

Elekta, by its very nature, is a company of innovation. From novel ways of treating intracranial tumors without surgery to the rapid and targeted delivery of radiation to inoperable tumors, Elekta, through close customer collaborations, has been responsible for one advance after another. These innovations have redefined clinical practice as it is today.

## Elekta's 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 the daily internal and external work.

### Long-term relationships

Elekta is building collaborative long-term relationships with its customers. These relationships have yielded the breakthroughs that have and are transforming treatment and practice.

### Trust and responsibility

For Elekta demonstrating commitment to the very highest level of service and customer care is about a shared responsibility for cancer care and a trust we will deliver – to colleagues and to customers.

### Creativity

The creative spirit of Elekta is at the core of our research and development strategy. It is the way we do business and work with our customers to forge the relationships that yield the paradigm shifts in treatment and care.

### Resourcefulness

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 continual refinement of our solutions to benefit patients and providers, the service promise we make to all of our customers, or the collaborations and partnerships we build internally and externally, speed and flexibility of response are integral to building our reputation for excellence.

# An innovation-driven company with unique R&D partnerships

Elekta's innovation capacity and world-leading solutions continuously open new avenues in the care and treatment of patients suffering from cancer and brain disorders. Close partnerships with leading clinics and researchers generate groundbreaking advances in the form of more efficient, more reliable and gentler treatments, often also at reduced costs for healthcare systems.

Elekta provides unique and innovative clinical solutions for the treatment of cancer and brain disorders. The Company develops sophisticated products and solutions, treatment planning systems for radiation therapy and radiosurgery, as well as software systems that enhance the efficiency of workflows throughout the entire treatment process.

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

## Strong focus on research

Elekta's strong focus on research and innovation is reflected in growing R&D investments. The focus is on three areas in which Elekta already holds a leading position:

- Leksell Gamma Knife®, Elekta Axesse™ and associated neuroscience technologies.
- Image-guidance and image integration in linear accelerators.
- Further integration of Elekta's software solutions.

Elekta is engaged in continuous dialogues with treatment personnel, research institutes and leading experts at cancer institutions throughout the world to discuss new treatment methods and what is required to improve quality, efficiency and safety in the care sector. These types of partnerships have resulted in the generation of some of Elekta's principal systems.

## Partnerships with leading institutions

Leksell Gamma Knife® Perfexion™ was developed based on distinct requests from leading neurosurgeons with the aim of making Gamma Knife® surgery available to more patients.

Elekta Synergy®, with high resolution radiological images in 3D during

the actual treatment process, was largely developed onsite at clinics in Detroit, Toronto, Amsterdam and Manchester. The partnerships behind Elekta Synergy resulted in Elekta securing a leading position in image-guided radiation therapy (IGRT) and laid the foundation for further developments in stereotactic radiation therapy.

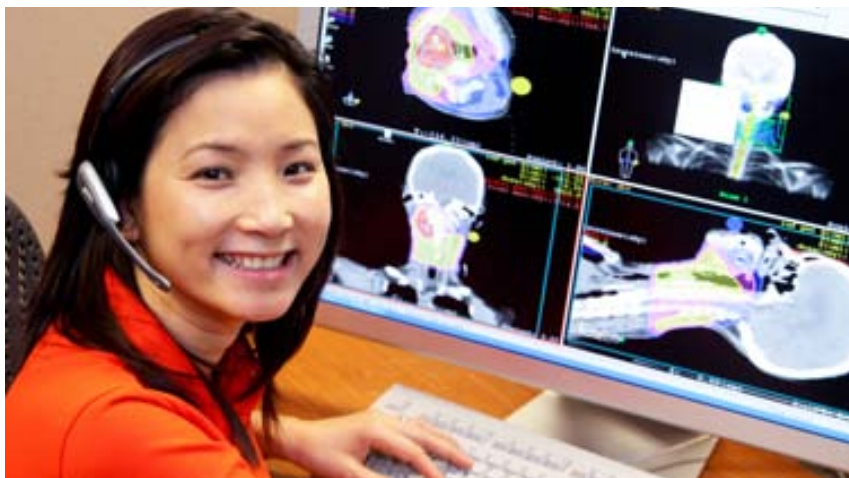
The Monaco® treatment planning system was developed in partnership with Tübingen University in Germany. The partnership resulted in an advanced, clinically sophisticated IMRT planning system with the support of the core research and expertise gathered at one of Europe's leading universities.

Together with leading global oncology experts at Antoni van Leeuwenhoek Hospital in Amsterdam, Elekta developed an innovative four-dimensional technology for computer tomography, called Symmetry™, which improves the opportunities for radiation therapy during respiratory motion in the treatment of lung-cancer.

Elekta Software is supported by a number of advisory boards in its efforts to identify, develop and refine products and services that are used to improve care and administration in cancer care. Depending on the focus, Elekta's advisory boards comprise leading physicians and oncologists, pathologists, physicists, nurses, pharmacists and administrators, to create a better understanding of treatment strategies, as well as clinical and administrative processes. Elekta Software has six advisory boards in the areas of medical oncology, pathology, physics, clinical administration, radiation oncology and service.

## Pioneering innovations

Within the framework of its partnerships with the research community, Elekta also





contributes to giving scientists throughout the world the opportunity to exchange information, experiences and research results by participating in and financing a number of associations and user groups.

The Leksell Gamma Knife® Society was established in 1989 to provide a forum for users of Leksell Gamma Knife to develop and improve non-invasive treatment methods for an expanding number of brain disorders. The biannual meeting results in a large number of clinical publications, in recent years published as a supplement to *Journal of Neuroscience*.

Elekta Synergy® was developed by Elekta in close cooperation with partner clinics to ensure that their attributes, functionality and efficiency meet all of the needs of a modern clinic. Through close cooperation with Elekta Synergy Research Group, Elekta became the first company to support research into image-guided radiation therapy, IGRT, the first to take three-dimensional processing to clinics and the first to take these solutions to the market.

The Elekta VMAT Consortium comprises leading institutions in the area and was formed with the aim of offering a solution with efficient workflows, developed during pilot clinical trials. This ensures that the system has been tested and tried in a real-life environment. It enables the build up of a base of clinical data and training courses are offered at centers of excellence by leading physicians with experience of Elekta's VMAT technology.

### Comprehensive portfolio of solutions

Elekta was founded in 1972 by the late Lars Leksell, Professor of Neurosurgery at the Karolinska Institute in Stockholm, Sweden. His work on improving life for patients undergoing neurosurgery led to the development of stereotactic neurosurgery and later to Leksell Gamma Knife, a surgical instrument used to treat tumors and other



targets through the use of radiation with an extremely high level of precision.

Elekta has made vast progress since then and is now a global company. By growing organically and through selective acquisitions Elekta has successfully created a comprehensive portfolio of solutions and consolidated the Company's position as a leading supplier,



not only in the area of neurosurgery, but throughout the cancer-care sector. Meanwhile, Elekta has preserved its strong innovation culture, based on the vision of its founder. This motivates



researchers and engineers to continuously develop new solutions that provide better care and quality of life for patients, through the use of more effective tools and systems at clinics worldwide.

### Requirements for more effective radiation treatment

In most countries, pressure is currently mounting on public healthcare systems. This is due to a population increase and because people are living longer, which thus leads to a rising number of individuals developing such age-related diseases as cancer. Increased prosperity and more well-informed citizens also entail an increase in access to the best possible treatment methods and pharmaceuticals. For care providers, both private and public, this trend creates the need to reduce treatment costs and to enhance efficiency through the prompt implementation and transition to new diagnostic and treatment techniques, more efficient clinical-business processes, as well as the ability to keep abreast of new legislation and new rules for

compensation in the cancer-care sector.

Radiation therapy and radiosurgery are two of several treatment forms used to combat cancer. In the treatment of brain tumors, the entire brain has traditionally been exposed to radiation, but today, stereotactic radiosurgery is increasingly gaining ground as the more efficient method. It is also gentler for the patient and reduces the number of hospital days and thus also the costs for society as well as the individual.

Elekta's other radiation therapy solutions are also increasing in reliability, precision and efficiency during cancer treatment. This is achieved through such innovations as new, advanced functions that can be added to equipment, such as intensity modulation and image-guidance. Elekta's VMAT (Volumetric Modulated Arc Therapy) with the Synergy linear accelerator enables a clinic to treat twice as many patients in a day compared with earlier intensity-modulated techniques.

This example demonstrates that when customers invest in a system from

Elekta, they not only acquire a highly advanced system, but also a product that embodies a vision of the future. Elekta's technology will remain current throughout its useful life of 10-15 years. Most of Elekta's equipment also contains software that can be upgraded and these systems can migrate functionality into the next generation's technology.

To help customers achieve better results for their patients, Elekta provides after-sales support through Elekta Services. The Elekta Services division encompasses a comprehensive customer-support program, including everything from planning and monitoring to the effective management of equipment and training courses for clinical application.

### Open systems key to the future

Elekta's sharp focus on product development is imbued with the philosophy that technology and software shall be based on open interfaces and industry standards, since this favors both care providers and patients. No manufacturer can offer a full range of solutions that are adapted to all hospitals for all occasions. Accordingly, Elekta offers treatment solutions and software systems with open interfaces, enabling the customer to choose a solution that is compatible with components from more than one manufacturer.

Moving forward, Elekta will continue to grow by developing an increasingly broad selection of advanced, supplier-neutral technologies, products and solutions to enhance care for cancer patients and simultaneously improve efficiency and productivity for the personnel providing treatment.

## Elekta's geographic regions



Region North and  
South America

Region Europe, Middle  
East and Africa

Region  
Asia Pacific



# Region North and South America

The U.S. market is characterized by a competitive environment and a reimbursement system which has encouraged a rapid uptake in new technology.

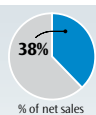
To attract patients with employer or privately financed health insurance, the latest equipment becomes a competitive tool, resulting in replacement of hardware and software solutions at a faster pace than is generally the case in the rest of the world. This trend is also supported by the shorter decision-making paths in private health care, compared with the often time-consuming decision-making and procurement procedures in public health care.

The recession continued to influence the U.S. market over the past fiscal year; unemployment negatively affected

## REGION FACTS

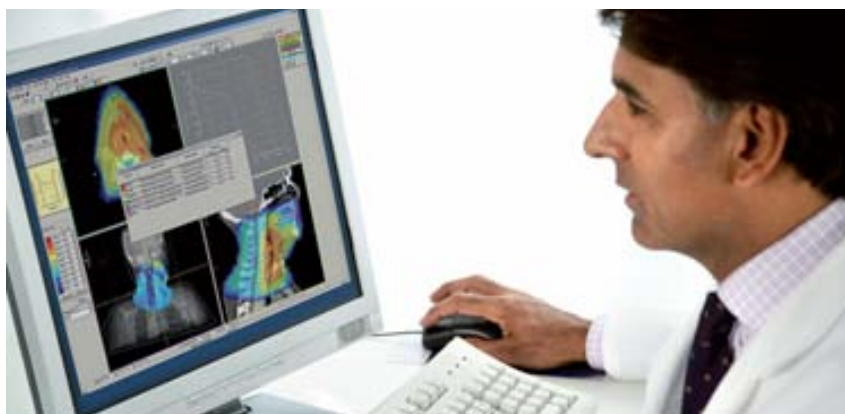
Order bookings for the region rose 6 percent\*. Net sales increased to SEK 2,792 M. Contribution margin was 35 (35) percent.

\* For 2009/10, based on unchanged exchange rates compared with the previous fiscal year.



insurance revenue, which in turn has a negative impact on healthcare providers.

For the approximate 30 percent of radiation oncology facilities that are privately held the crisis has meant difficulties finding financing, making it difficult to purchase new capital equipment and build new facilities. Large hospitals, while not affected to the same extent, have been more cautious in the capital spending.



## U.S. health insurance system

Approximately 65 percent of medical care in the U.S. is paid for by private insurance purchased either by individuals or by employers for their employees; the remaining 35 percent is handled through government insurance programs, the largest of which are Medicare and Medicaid.

Medicare is a federally funded program that offers medical insurance to people over the age of 65 and others that meet special criteria such as those with disabilities.

Medicaid is a program jointly funded by the states and the federal government for low-income individuals and families. Together these programs cover approximately 93 million people, while private insurance covers approximately 175 million people. More than 40 million people are uninsured.

Medicare and Medicaid are a significant source of reimbursement for radiation therapy and radiosurgery procedures. Reimbursement levels are revised each year by the Centers for Medicare & Medicaid Services (CMS). The reimbursement levels are important

for Elekta's customers and major changes can influence demand.

For 2010, reimbursement levels remained stable for hospital based customers representing more than 80 percent of Elekta's business in the U.S. market. Free standing centers faced, however, some decreases in reimbursement levels.

### U.S. health insurance reform

In March 2010, the House of Representatives passed President Obama's health insurance reform, the Patient Protection and Affordable Care Act. This complicated reform bill should be viewed in light of the already huge amounts spent, USD 2.3 trillion, on insurance for people to have access to medical care.

Today the government covers one third of this amount and the reform will provide an additional 32 million people with insurance coverage in the future. However, the reform will be financed in part through USD 500 billion in tax increases and other programs that companies provide for their employees, as

well as through USD 500 billion that will be saved by fighting fraud and waste involving reimbursement paid under the Medicare and Medicaid programs.

In addition, the reform includes the HITECH Act, which provides monetary incentives to providers that adapt electronic medical records and use them in a specified, "meaningful" way. This will to a certain extent benefit Elekta's software business. Under this law, USD 19.2 billion will be available to stimulate increased use of electronic medical records by doctors and hospitals.





## New partnership solutions

Elekta has managed the downturn in a challenging economy by tightly controlling expenses and by continuing to analyze and adapt organizational processes to the rapidly changing environment. For example, a new sales program instituted during the fiscal year has resulted in new partnership solutions that go far beyond just hardware and software transactional sales to include strategic planning, marketing, and process re-engineering, all focused on providing customers with the tools and services they need in a changing market.

In the first example of this new approach, Elekta and Ottawa Hospital initiated a multi-year mutual support project to create an advanced cancer treatment center. The Ottawa Hospital Cancer Center (TOHCC) is one of Canada's largest and most rapidly growing cancer centers. The agreement includes equipment with advanced radiation therapy systems as well as software and an analysis and restructuring of the center's workflows, enabling TOHCC to provide sophisticated therapeutic services in an electronic, paperless clinical environment.



## Jay Hoey, Executive Vice President, Region North America

### *Now that the U.S. health care reform has passed, what will it mean for Elekta and health care?*

The healthcare reform will extend healthcare to 32 million more Americans. While the final details of the reform are not settled, Elekta and our customers are likely to benefit as a greater portion of the U.S. population should be able to better afford, and gain access to, services that can lead to earlier detection of cancer and life-saving or life-prolonging treatment. Our customers will seek advanced cancer treatment solutions that help facilitate higher patient capacity and throughput.

### *Despite the financial downturn, Elekta recently signed one of the most extensive agreements in the history of the Company in the U.S..*

#### *Can you please give us some background to this agreement?*

Our new sales program has resulted in new partnership solutions where Elekta becomes a long term strategic partner to our customers. The agreement with Swedish Cancer Institute in Seattle is a multi-year, multi-product strategic partnership agreement, including support, professional services,



training and clinical research in addition to providing several linear accelerators, one Leksell Gamma Knife® Perfexion™ and comprehensive software solutions. Elekta already had a longstanding relationship with Swedish Institute in Seattle in development of clinical innovations.

### *How has Elekta handled the recent harsh market situation?*

In North America we have adjusted our organizational structure, streamlined our processes and procedures, and improved our underlying infrastructure; all with the objective of emerging as a stronger operation as conditions improve.

## Good progress in South America

In South America, Brazil has shown a strong performance thanks to its new, fully established structure for sales, marketing and service. In the past year, this led to the completion of a number of transactions in Brazil, Chile, Columbia, Peru, Venezuela, Surinam and Ecuador. These transactions include products from Elekta's entire product portfolio, including Leksell Gamma Knife® units sold to Columbia and the first Leksell Gamma Knife order from Brazil in twelve years.

A milestone for Elekta during the year was when Queen Silvia of Sweden officially inaugurated the new cancer center in Sao Paulo, ICESP (Instituto do Cancer do Estado de Sao Paulo), which has six advanced linear accelerators from Elekta.

Incoming orders for region North and South America increased in 2009/10 by 6 percent based on unchanged exchange rates compared with the previous year. Net sales increased by 3 percent to SEK 2,792 million.

# Region Europe, Middle East and Africa

The market, primarily in Western Europe, is characterized by well-established cancer care of comparably high quality, although some countries still lack treatment capacity. This also means that an increasingly large share of the care provided is shifting from palliative care, to curative care and prevention.

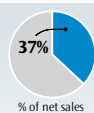
In Western Europe, the market is driven by replacement investments, since capacity is already relatively high. Most systems are purchased through public-tender processes, which entails long sales processes, but also favorable transparency.

Elekta's ability to provide comprehensive, integrated and competitive solutions based on open interfaces has enabled the Company to expand its position in the European market. During the past fiscal year, in the area of Gamma

#### REGION FACTS

Order bookings for the region rose 22 percent\*. Net sales increased to SEK 2,735 M. Contribution margin was 35 (37) percent.

\* For 2009/10, based on unchanged exchange rates compared with the previous fiscal year.



Knife® surgery, Elekta won orders in Florence, Athens, Warsaw and Paris.

Also in oncology, Elekta continued a favorable expansion and had the best year ever with large wins in many European countries. This included an increase during the year in the number of users of Elekta's VMAT system, the most advanced method of delivering radiation therapy.

#### New private care-providers

A new and growing trend in Western Europe is the emergence of private cancer-care providers that exclusively focus on radiation therapy. This type of specialization creates very efficient

and dedicated centers where patient focus and efficiency are key focus areas. These players will achieve a greater role when the public healthcare systems of many countries, such as Greece, Spain and Ireland, become unable to continue to finance the expansion of capital-intensive equipment in the same manner as earlier, due to growing government budget deficits. Examples of such specialist companies are currently found in the U.K., Germany, France and Spain, whereof most have selected equipment from Elekta.



While in the western world, treatment of metastases is becoming a major driver, the emerging economies are still focusing on treating primary tumors. This is due to unsatisfied demand for cancer care and the treatment of brain disorders in Eastern Europe, Russia, the Middle East and Africa. There, the primary issue is a lack of capacity for early diagnoses, which means that many people do not receive treatment until a late stage of their disease. These factors drive the market, while demand and requirements for better care are also growing in pace with rising prosperity.

### National cancer program in Russia

An example of measures currently being implemented at the national level to improve capacity is the new Russian national program for cancer care. The program was initiated by Prime Minister Putin in a bid to improve the prevention and early detection of cancer as well as availability of treatment. After cardiovascular diseases, cancer is the most common cause of death in Russia, with around 300,000 deaths annually.

The national cancer program marks a major leap forward in remedying a lack of capacity for cancer care. The program involves such measures as major purchases of modern equipment for diagnostics and treatment. Of the nine purchases that have been conducted, Elekta won seven, entailing that the Company will supply Elekta Synergy®, Elekta Precise™, and the most advanced equipment, Elekta Axesse™, as well as software for treatment planning and oncology information systems (OIS), to cancer clinics throughout Russia. Integrated into the deliveries are training courses for engineers, medical physicists and clinicians that are conducted onsite, as well as at some of

## Olof Sandén, Executive Vice President, Region Europe, Africa, Latin America and Middle East

### *How would you describe Elekta's successes in new markets during the past fiscal year?*

It is highly gratifying to participate in the expansion of the Russian cancer-care system and to be able to offer the latest clinical treatment solutions to a large number of patients at a variety of locations in the country. This expansion will continue and we also see strong future opportunities to participate in the program for improved and more accessible cancer care in Russia. It is also with great satisfaction we close our fiscal year in Latin America with very strong growth.

### *What are your thoughts on Elekta's opportunities for continued expansion in other emerging economies in the region?*

We continue to realize our plan for expansion in emerging markets also outside Russia as well as in Latin America, where a considerable lack of capacity remains in terms of cancer care. We have created a new structure and strategies that support this focus on supplying technological solutions that are cost effective and that will simultaneously save many lives.



### *What competition will Elekta encounter in your markets and what are your specific strengths in the face of this competition?*

The global competition scenario is relatively uniform, which means that we encounter the same players throughout the region. Our market is highly specialized and dominated by established players. The differentiation often lies in the ability to operate the latest technology, so in several of our projects, we offer additional specialist training courses and multi-year partner agreements with clinics in other countries.

Elekta's reference centers. Prior to the start of the program, two key cancer centers had already selected Elekta Axesse™ for their stereotactic programs.

The rapidly growing markets in the Middle East and North Africa have also benefited Elekta with a strong growth rate. Many of these markets are characterized by major investments in entirely new hospitals and purchases of complete systems and solutions.

In general, the recession of the past fiscal year did not have the expected restraining effect on the markets in the region, either in Western Europe or in other countries. In 2009/10, order

bookings for the European region, including the Middle East and Africa, rose by 22 percent based on unchanged exchange rates compared with the preceding year. Net sales for the region increased 9 percent to SEK 2,735 M.

In the coming year, some uncertainty remains concerning parts of Europe due to the financial crisis. This primarily pertains to Greece, but also Spain, Portugal and Ireland are countries in which the government financed health-care systems will probably not expand. Despite this, a stable development with continued growth is expected in the region.

# Region Asia Pacific

The Asian Pacific market is characterized by major differences in terms of social structure and culture, the degree of economic prosperity and demographics.

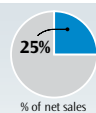
Although countries such as Australia, Japan and Taiwan, as well as Hong Kong and Singapore have well-established healthcare systems, the region is generally characterized by a major lack of care capacity in the areas of oncology and neurosurgery. This region has the greatest discrepancy between the estimated need for and access to radiation therapy and cancer care, and there is a prevailing lack of equipment and healthcare personnel. Healthcare investments in the market thus primarily pertain to establishing new care capacity.

One of the reasons behind the growing need is that the region is undergoing

**REGION FACTS**

Order bookings for the region rose 14 percent\*. Net sales increased to SEK 1,865 M. Contribution margin was 28 (27) percent.

\* For 2009/10, based on unchanged exchange rates compared with the previous fiscal year.



the same development as earlier experienced in the industrialized world. Along with growing prosperity, a longer average length of life and improved diagnoses of



diseases such as cancer, comes a rise in demand for advanced healthcare.

**Healthcare a prioritized area**

Most countries in the region also view healthcare as a prioritized area and in China in particular, investments will increase sharply as a result of the healthcare reform that was adopted in 2009. A total of USD 123 billion has been allocated for the reform, under which 90 percent of China's population will be covered by a healthcare system in the coming years. Care institutions will also be upgraded and 30,000 new hospitals, clinics and community healthcare centers are expected to be built throughout the country.

For Elekta, China also represents the strongest growth market in the region and the Company is already the market leader in advanced radiation therapy



with a full range of equipment and systems for cancer care.

The prospects for increased radiation therapy in cancer care in Japan are also favorable. For the past 30 years, cancer has been one of the leading causes of death in the country and the number of cancer deaths is expected to rise in pace with an aging population. Accordingly, a few years ago, the Japanese government implemented a comprehensive program with guidelines for cancer care and treatments. This involves such aspects as ensuring that specialized cancer hospitals have sufficient resources in the form of specialist expertise and medical equipment.

In Japan, Elekta Neuroscience has a long history with a considerable installed base of Leksell Gamma Knife®. Here, Elekta is the market leader in software, but remains a smaller player in oncology equipment.



However, market share in oncology equipment is showing a positive trend.

In India, the hospital market is also expanding quickly, at an annual rate of more than 10 percent in recent years, and is expected to reach USD 145 billion by 2017. Elekta is already very well-represented in the Indian market, with Leksell Gamma Knife and its radiation therapy systems. Elekta further strengthened its presence in the past year.

## Laurent Leksell, Executive Director, Region Asia Pacific *(acting until May 2010)*

### *What is most characteristic of the Asian Pacific market?*

It is a highly dynamic region and will remain so for a long time to come. Many countries are prioritizing an expansion of their health-care systems and there is considerable demand, yet also a lack of resources. The driving forces are growing prosperity, but also an aging population and thus an increase in such afflictions as cancer.

### *How do you view Elekta's role in this dynamic region?*

We want to play a major and significant role in assisting in the improvement of the capacity for and quality of cancer care and neurosurgery in these countries. This applies to technologies, from our cost-effective Compact™ treatment system, to the most highly advanced systems, as well as in software. We are also making substantial investments in increased service,



customer support and training courses. This will gradually lead to improved profitability in the coming years.

### *What is the competition like in the region?*

The competition is intense and all of our competitors have a presence. Despite this, we have maintained or strengthened our market positions throughout the region.

Elekta is deeply committed to participating in the expansion of new care capacity in all product ranges in the region and experienced significant successes during the fiscal year, strengthening or maintaining its position in all markets. In addition to China and India, major advances have been made, primarily in Singapore, Korea, Taiwan and Australia.

### **Major investments in the region**

During the year, as part of the Company's strategy to increase its presence in the region, Elekta made major investments in expanding its distribution capacity and customer service. Elekta also strengthened its organization in all units and established a new regional office in Hong Kong. Considerable investments were also made in such areas as

IT infrastructure, service and support, and customer training courses.

During the fiscal year, order bookings rose 14 percent based on unchanged exchange rates in the region Asia Pacific. Net sales increased by 28 percent to SEK 1,865 M. Growth was particularly strong in China and Japan.

In the coming year, Elekta expects the rate of investment to remain high in the region's care sector, with strengthened capacity in cancer care. Elekta is well-positioned throughout the region and is thus favorably poised to achieve continued strong growth, and also gradually increased profitability.

# Elekta Neuroscience

Elekta Neuroscience develops innovative, world-leading solutions for the treatment and localization of cancer and brain disorders. Treatment of the brain is a specific challenge since it requires an extremely high level of precision to avoid affecting healthy surrounding tissue.

For 60 years, Elekta has been at the leading edge in developing methods for treating demanding brain malignancies and brain disorders, for which traditional treatments are often not feasible. With its extensive experience of stereotaxy and patient-focused innovations, Elekta has created solutions that are extremely focused and non- or minimally invasive for the treatment of the brain and other parts of the body.

Leksell Gamma Knife® has helped more than 500,000 people worldwide live longer and, more importantly, better lives. Every year, more than 50,000 new patients are treated with Leksell Gamma Knife. The latest version,

Leksell Gamma Knife® Perfexion™, marks a major advance in radiosurgery in terms of precision, radiological-dose distribution and an effective workflow.

Elekta Neuroscience is active in four areas: stereotactic minimally invasive neurosurgery, stereotactic radiosurgery, magnetoencephalography for the functional mapping of the brain and stereotactic radiation therapy for the treatment of organs other than the brain.

Professor Lars Leksell's stereotactic frame was introduced for clinical use 60 years ago. It was designed to maintain the patient's head in a fixed position and a three-dimensional coordination system, which significantly improved precision, enabled neurosurgery through a minor incision.

## The world's most deployed system

Today, the Leksell Stereotactic System® is the world's most deployed and reliable stereotactic system. The complete system provides accurate and exact localization and treatment of objects in the brain through minimally invasive

surgery. For example, it enables the exact placement of implantable electrodes for deep brain stimulation for such disorders as Parkinson's disease.

Elekta's neurosurgical product range is further strengthened with the SonoWand Invite™ system, which helps the surgeon operate on brain tumors and ensure that the entire tumor has been removed through the use of real-time ultrasound images.

The world's most advanced system for radiosurgery, Leksell Gamma Knife Perfexion, has set a new standard for neurological radiosurgery in terms of precision, dosage delivery and treatment effectiveness, and particularly the comfort of the patient and the personnel and is significantly more automated than any of the other radiosurgical systems and is currently about to transform the treatment of metastases in the brain on a global scale. The world-leading clinic for oncology and stereotactic radiosurgery, M.D. Anderson in Houston, Texas, in the U.S., has been using Leksell Gamma Knife Perfexion since 2009. Other major U.S. cancer centers that

installed Leksell Gamma Knife® Perfexion™ in 2009 include University of Virginia, Barnes-Jewish Hospital in St Louis and the University of San Francisco in California.

### U.S. clearance for Extend™

With Leksell Gamma Knife Perfexion, Elekta has also added the ability to perform fractionated treatments, meaning that the radiation dose is delivered in smaller doses during several days. This is conducted with the use of Extend, which is an optional system for Leksell Gamma Knife Perfexion. Through the use of this option, oncologists and neurosurgeons can contend with tumors that are too large or critically situated to be removed on a single occasion and thus increase the number of patients that can capitalize on the unique attributes of Leksell Gamma Knife Perfexion. Extend comprises a bridge between neurosurgery and radiation oncology since it can be used in combination with Elekta Axesse™ or Elekta Synergy®.

In the past fiscal year, Extend was granted sales clearance in the U.S. by the Food and Drug Administration (FDA). Leksell Gamma Knife Perfexion and Extend were also recognized at the annual meetings of two neurosurgery



organizations, the American Association of Neurological Surgeons and the Congress of Neurological Surgeons.

Based on its extensive neurosurgical experience, Elekta has taken the next step and is currently developing stereotactic radiation therapy for the treatment of other parts of the body. Elekta Axesse is a complete system for hypofractionated treatment (higher radiation doses on fewer occasions), primarily for tumors in the spine, lungs, breast and prostate. A number of institutions have invested in both Leksell Gamma Knife Perfexion and Elekta Axesse to be able to offer their patients the most efficient and advanced treatments for tumors in the entire body.

### Increased usage of Elekta Neuromag®

Functional imaging of the brain is the fourth largest development area for Elekta Neuroscience. Magnetoencephalography (MEG) is a method that is being used increasingly among clinics and researchers to map the functions of the brain by studying its magnetic field in a non-invasive manner. Elekta is the leader in MEG and manufactures Elekta Neuromag, which enables researchers and clinics to map brain activity with precise millisecond resolution and localization. MEG is used for clinical research regarding neurological and psychiatric functional disorders such as autism, schizophrenia, depression and traumatic brain injuries, as well as for various learning disorders including dyslexia. It is also used for pre-surgical localization of epilepsy.

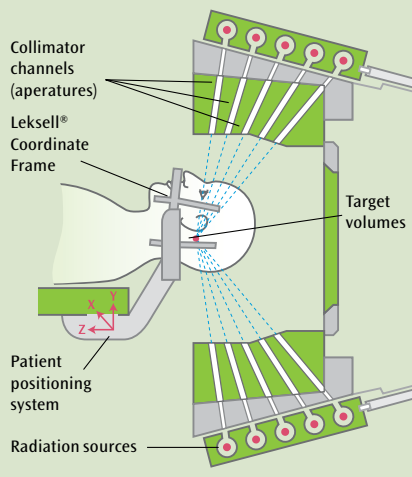
In the past fiscal year, several major research institutions decided to deploy Elekta Neuromag in their research into how the brain functions. These include Massachusetts Institute of Technology (MIT), University of Washington Institute for Learning and Brain Sciences, the Mind Research Network in Albuquerque, New Mexico, the University Hospital at Heinrich-Heine-University in Düsseldorf, Germany, and Universiti Sains Malaysia Hospital in Malaysia.

### Stereotactic radiosurgery with Leksell Gamma Knife®

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

During the procedure, some 200 radiation beams from cobalt-60 sources converge on the target with very high accuracy. Each individual beam has 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. The extreme precision of Leksell Gamma Knife, guaranteed to be better than 0.5 mm, makes it possible to administer a high radiation dose to the diseased area, with minimal risk of damaging adjacent healthy tissue. With Extend™ it is also possible to perform fractionated treatments.



## Innovation through partnerships

Close research cooperation with leading global institutions has been a hallmark for Elekta since it was founded. All of Elekta's products and solutions are developed and tested through such partnerships.

Elekta has the largest installed base of stereotactic radiosurgery systems in the world, including 285 Leksell Gamma Knife® units and more than 120 stereotactic radiation therapy systems. In addition, more than 1,400 clinics use Elekta's stereotactic systems. The installed base is particularly large at university and research centers, where Elekta has the largest market share in the sector.

### 30 major clinical studies

In partnership with leading institutions, Elekta is currently conducting 30 major clinical studies aimed at promoting continued innovations in the area. These include a project at Oxford University, where researchers apply Elekta NeuroMag® to study autism among children. In Japan, which is a market that is challenged by a growing aging population, MEG is being used to study Alzheimer's and other dementia disorders, and another ongoing study in Japan concerns the use of Leksell Gamma Knife for multiple brain metastases.

In the U.S., studies are planned for patients' cognitive ability and quality of life following treatment with Leksell Gamma Knife compared with whole brain radiation. A study\* conducted at the world leading M.D. Anderson Cancer Center in Houston, Texas, favors stereotactic radiosurgery as an alternative to whole brain radiation during the treatment of brain tumors. Patients whose entire brain was exposed to radiation experienced a greater risk of a significantly reduced learning



ability and memory function compared with those who only received stereotactic radiosurgery. M.D. Andersson's conclusion was that an initial treatment with stereotactic radiosurgery combined with close clinical observation is the preferred treatment strategy in order to better preserve learning ability and memory among patients with an early diagnosis of brain metastases.

In the past year, several other studies and literary reviews have reached similar conclusions, which have been published in the most well-renowned scientific journals such as the New England Medical Journal, Nature and the Journal of Neuro-Oncology. The trend toward more advanced treatment of brain metastases has been in progress for many years but has accelerated in the past year and has achieved a stronger foothold in several medical disciplines, not just those that have traditionally used radiosurgery.

### Growing interest in stereotactic systems

In general, the interest in stereotactic radiation therapy is increasing rapidly worldwide. At the annual meeting of the American Society for Radiation Oncology (ASTRO), a considerable number of sessions have been held and studies have been presented on the topic. Many studies have focused on identifying techniques to increase the precision and accuracy of treatment – meaning the areas in which Elekta is the world leader.

Since 1989, Elekta has also maintained a continuous dialogue with all of the world's users of Leksell Gamma Knife, within the framework of the Leksell Gamma Knife® Society. The aim is to offer a platform for users to exchange information, experiences, clinical techniques and advanced research regarding treatment strategies and new indications.

Source: Chang EL, et al "Neurocognition in patients with brain metastases treated with radiosurgery or radiosurgery plus whole-brain irradiation: a randomized controlled trial." The Lancet Oncology, volume 10, issue 11, 2009.



## About brain cancer

Brain cancer is usually divided into two categories; primary cancer, where the tumor originates in the brain, and secondary brain cancer, where metastases from primary tumors in other parts of the body spread to the brain.

The way in which the brain tumor can and should be treated depends on the stage of the disease, the type of tumor and its location, and whether the tumor is a primary tumor or a metastasis. The patient's age is another factor. The treatment of brain cancer entails unique challenges due to what is known as the blood-brain barrier, which prevents external substances from permeating into the brain. This makes the use of cytotoxic (chemotherapy) treatment more difficult than for cancer in other parts of the body.

The most frequently applied treatment to date for secondary brain cancer is radiation therapy for the entire brain. This method is currently increasingly being called into question in scientific publications, due to the risk of side effects. The treatment that is gaining most ground is instead stereotactic radiosurgery, which is increasingly proving itself as a highly effective method with a considerably lower risk of side effects.

A growing number of studies are showing that stereotactic radiosurgery generates better results, either independently or in combination with other forms of treatment. Leksell Gamma Knife®, with its high level of precision and automation, is particularly well-suited for the treatment of brain metastases, even for patients with multiple tumors. With the use of Leksell Gamma Knife® Perfexion™, it has become increasingly common to apply treatments where many metastases can be eliminated during a single treatment, with benefits for both the patient and the healthcare system.

### Åsa Hedin, Executive Vice President, Elekta Neuroscience

#### *What are Elekta's primary driving forces in developing increasingly effective neurosurgical solutions?*

Our primary driving force is to continuously provide our customers with the opportunity for more efficient treatments. This is achieved through very close contact with physicians, clinics and the healthcare system.

#### *What do you view as Elekta's greatest contribution to patients being treated for brain tumors?*

The advanced technology used in Leksell Gamma Knife Perfexion enables the effective treatment of brain tumors applying stereotactic radiosurgery. This is a fast, non-invasive treatment that ultimately leads to better quality of life for the patient, compared with today's conventional treatments. In addition, our hard work with leading academics and institutions has highlighted the plight of this, sometimes forgotten, patient group and brought it to the highest levels of the healthcare system.

#### *How do you view the future use of stereotactic radiosurgery as an alternative to whole brain radiation?*

An increasing number of clinical studies indicate that stereotactic radiosurgery extends the patient's life and provides a substantially better quality of life during the patient's remaining years. Constant improvements in



pharmacology enable the treatment of the primary tumor for such diseases as breast cancer and melanoma, thus enabling them to live significantly longer. In such situations, the appropriate treatment of brain metastases for these patients is not only more cost effective for society but also the only correct moral approach from a human perspective.

#### *With Elekta Axesse™ and Elekta Neuromag®, the boundaries for your products are moving forward, will this trend continue in the future?*

Elekta strives to be at the leading edge in terms of enabling new ways of diagnosing and treating brain disorders and cancer. We will continuously move forward the boundaries for our products and, in collaboration with our clinical partners, develop and produce new solutions.



## Ten-thousandth patient treated with Leksell Gamma Knife® at the University of Pittsburgh Medical Center

On the morning of December 17, 2009, physicians at the University of Pittsburgh Medical Center (UPMC) used Leksell Gamma Knife® for surgery for the ten-thousandth time.

The patient was treated for a brain tumor that was situated deep in the patient's brainstem in a location that is untreatable using traditional surgery. Radiosurgery with the use of Leksell Gamma Knife directs up to 201 pinpoint sized beams precisely to the tumor or other objects in the brain.

The patient, an 81-year-old man, had gone to UPMC due to increasingly severe balance problems. An MRI revealed the transformation in the brain, a metastasis, or secondary tumor, whose origin was a previously undetected tumor in another part of the body.

"Since the patient had no known primary tumor, we performed a minimally invasive biopsy that confirmed that the transformation in the brain was a metastasis that required surgery," says L. Dade Lunsford, M.D., holder of the Lars Leksell professorship

and distinguished Professor of neurosurgery at the University of Pittsburgh. The subsequent treatment with Leksell Gamma Knife® Perfexion™ took 38 minutes. Following the treatment, the patient was able to return home.

### The foremost treatment alternative

UPMC performed its first Gamma Knife® surgery in 1987 on a patient with autistic neuroma, a benign tumor on the nerve that connects the ear to the brain. Since then, and particularly during the past 15 years, UPMC has treated nearly 4,000 patients with one or several metastases using Leksell Gamma Knife. In the past, physicians have used Gamma Knife surgery in cases in which radiation treatment on the entire brain has been unsuccessful or in the event of tumors. However, according to Dade Lunsford, this non-invasive technique is now quickly becoming the primary treatment alternative.

"If Leksell Gamma Knife is available, I would estimate that more than half of the patients will receive this treatment as the primary choice in the case of newly diagnosed cancer that has spread to



the brain. This is done to avoid the long-term deterioration of cognitive ability that is associated with radiation therapy on the entire brain," he says.

"Using Leksell Gamma Knife, patients whose tumors have spread to the brain have a highly favorable chance that the disorder will be kept under control. Non-invasive surgery can definitely improve the outcome for the patient. We are reducing the number of hospital days, lowering costs and the patient can return to work significantly faster."



## Products

### Leksell Gamma Knife®

Gamma Knife surgery is a non-invasive method for treating brain disorders with a single, high dose of irradiation to a small area of the skull. The latest, Leksell Gamma Knife® Perfexion™, is a fully integrated and automated system that enables highly advanced treatment with the highest level of safety and comfort.



### Extend™

With Extend™, Gamma Knife surgery with fractionated treatment provide both neurosurgeons and radiation oncologists with new patient treatment possibilities, such as treating large, critically located lesions with fractionation.



### Elekta Axesse™

Elekta Axesse™ is a fully integrated stereotactic system that combines three-dimensional (3D) image-guiding during treatment using high-resolution dynamic beam shaping and robotic patient positioning with sub-millimeter accuracy for rapid, effective and correct treatment.



### Leksell Stereotactic System®

Leksell Stereotactic System® is the world's most advanced system for stereotactic neurosurgery. The system's high degree of accuracy, easy handling and versatility offers the surgeon an optimal system for functional neurosurgery. It is also the first choice for biopsies.



### Elekta Neuromag®

Elekta Neuromag® is the most advanced system for magnetoencephalography (MEG). It maps brain activity in real-time through the non-invasive and high-resolution measurement of the brain's magnetic fields that are produced by brain cells.



### SonoWand Invite™

SonoWand Invite™ is an image navigation system in which the combination of detailed 3D ultrasounds in real time and intra-operative navigation is applied in neurosurgery. Elekta has a distribution agreement with the Norwegian company SONOWAND AS.



## Solutions

### Gamma Knife® surgery

A widely used non-invasive method for treating brain disorders. Gamma Knife surgery delivers a single, high dose of radiation to a small and critically located cranial volume through the intact skull.



### Stereotactic neurosurgery

Stereotactic neurosurgery is an integrated solution for minimally invasive neurosurgery for localization and treatment of targets within the brain.



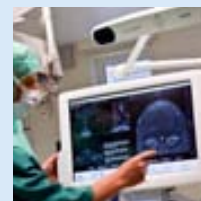
### Functional mapping

Magnetoencephalography (MEG) provides clinicians and researchers with sophisticated quantification of brain activity, including 3D and functional mapping and real-time measurements.



### Intra-operative imaging

Comprising the SonoWand Invite™ 3D intra-operative ultrasound system; 3D-Arm, a stable platform for tools and devices; and Hennig Instrument Guide, a minimally invasive skull-mounted device.





# Elekta Oncology

In collaboration with world-leading clinics, Elekta Oncology is creating flexible and efficient solutions for the future care of cancer patients. Elekta's open systems philosophy leads to improved efficiency and facilitates greater options with respect to treatment solutions adapted to individual patients.

Elekta has a unique portfolio in cancer care, since it offers solutions for the treatment of primary tumors in various organs as well as solutions for the treatment of metastatic tumors which frequently develop in the brain. Within oncology, Elekta has a broad portfolio of ground-breaking clinical solutions including linear accelerators, integrated imaging systems and solutions for patient positioning and immobilization.

Elekta is the technology leader in Image Guided Radiation Therapy (IGRT), where three-dimensional images are generated at the actual time of

treatment. This combination of integrated technologies increases precision and paves the way for radiation therapy of tumors that were previously very difficult to manage and sometimes even impossible to treat.

Elekta Oncology is also a pioneer with respect to arc based radiation therapy. In fact, one of Elekta Oncology's most significant innovations in recent times is Elekta VMAT (Volumetric Modulated Arc Therapy).

During the more than two years that VMAT has been commercially available, over 200 cancer centers and hospitals have ordered and/or have already begun to use the technology. Many hundreds of patients have received VMAT treatment worldwide.

Using Elekta VMAT, single or multiple rays sweep non-stop in an unbroken arc around the patient, thus reducing the standard time for radiation treatment from 8-12 minutes to less than 2 minutes.

## Advancements for VMAT during fiscal year

The 2009 meeting of the American Society for Radiation Oncology (ASTRO) included several presentations of Elekta VMAT studies from hospitals around the globe that used the technology for treatment of cancer of the spine, lung and prostate. All demonstrated that the technology allowed shorter treatment time and lower radiation dose than conventional radiation therapy, which is ultimately highly beneficial to the patient.

The hospitals and clinics that introduced the VMAT technology during the past fiscal year include Odense University Hospital in Denmark; Roseville Radiation Oncology Center near Sacramento, CA; CentraState Medical Center in Freehold, NJ; Massachusetts General Hospital in Boston, MA; Velindre Cancer Centre in the U.K.; as well as Osaka City University Hospital and Juntendo University in Japan.

## About Cancer

Cancer is a generic term for a group of more than 200 illnesses that can affect all parts of the body.

The number of new cancer cases is increasing in both the industrial world and in developing countries. The reason is primarily the increase in the average lifespan and also such lifestyle-related factors as smoking, poor dietary habits and lack of physical exercise. At the same time, the survival rate is increasing in many countries, thanks to surveillance programs leading to earlier discovery and better treatment methods leading to increased cures. However, there are major outcome variations depending on the cancer form and the availability of adequate treatment. In many low and middle-income countries, resources for prevention, diagnosis and treatment are limited or practically non-existent for the majority of the population.

Globally, the most common forms of malignancy are lung, breast and prostate cancer.

### Treatment methods

The choice of treatment method varies and is dependent on a number of factors, including the cancer type, its location and size, and the general health of the patient. Combinations of surgery, radiation therapy and chemotherapy are used independently or jointly in basically all cancer treatment. Cryosurgery, biotherapy and immunotherapy are newer treatment forms sometimes used, for example, for cancer of the prostate. Hormonal therapy may also be used as an adjunct to treat some cancers such as breast and prostate.

Of the most common treatment forms, radiation therapy is often the least traumatic for patients and also the most cost efficient. Radiation therapy and radiosurgery are chosen for an increasing

number of patients and may be used as primary treatment or to treat metastatic disease. As the development of radiation delivery methods becomes more precise and advanced, the role of radiotherapy is expected to increase in the future.

### Lung cancer biggest challenge

Lung cancer is the most extensive form of cancer in the world and also one of the most difficult to cure. Indeed, lung cancer causes more deaths than breast and prostate cancer combined. Lung cancer is divided into two main groups, small-cell lung cancer, which often affects heavy smokers and non-small cell, which is a collective term for several cancer forms that behave in a similar manner. These cancers are distinguished primarily on the basis of their pathologic cell types, and also on the way they behave.

When treating lung cancer, all established methods – surgery, chemotherapy and radiation therapy – may be used.

In radiation therapy, one of the biggest challenges is that the lung is continuously in motion due to normal breathing. This makes targeting very

difficult. Normally large treatment margins are required to compensate for the moving tumor, consequently increasing the dose to surrounding normal tissue with an incumbent risk of damage and side-effects.

### Innovative solutions from Elekta

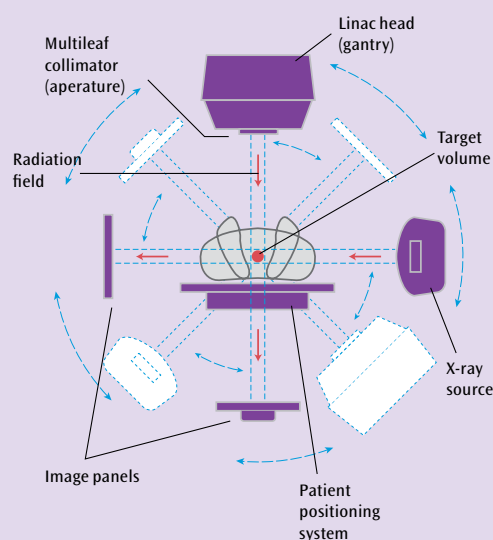
Elekta has addressed this challenge with a number of innovative solutions. The most ground-breaking solution was developed in collaboration with the Antoni van Leeuwenhoek hospital in Amsterdam, and is based on so-called four-dimensional cone beam computer tomography (4D-CBCT), a time based set of CT images. The technical solution, named Symmetry™, uses 4D-CBCT for dose planning, combined with 4D-volumetric image-guidance in Elekta Synergy®. The four-dimensional image that is automatically generated by Elekta Synergy® is used in conjunction with the 4D-CBCT, which is used for dose planning. In this manner, the uncertainty associated with set up errors and errors caused by tumor movement are eliminated, thereby reducing the volume that needs to be treated.

### Radiation therapy with a linear accelerator

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

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

With Symmetry it is also possible to perform volumetric image-guidance with four-dimensional cone beam computer tomography



## Important clinical findings by Elekta Lung Cancer Group

Elekta supports a number of research consortia investigating the use of its technologies for the advancement of patient care. Examples include the Leksell Gamma Knife Society, the Elekta Synergy Research Group, the Elekta VMAT Group, the Elekta Head and Neck Research Group, and the Elekta Lung Research Group. All together, the research from these groups has generated significant scientific material that has led to innovations and advancements in clinical care as well as promotion of Elekta technology.

The Elekta Lung Research Group (ELRG) is one of the most recently established of these clinical consortia. The ELRG is a multi-national collaboration of physicians and physicists evaluating the physical delivery and clinical



outcomes in over 400 patients treated at five different institutions with stereotactic body radiotherapy (SBRT) for early-stage non-small cell lung cancer (NSCLC) and, in the planned future, lung metastases from other primary tumor sites. Its aim is to identify medical and technical factors affecting tumor control and toxicity for patients treated with Elekta volumetrically image-guided stereotactic lung radiotherapy using

daily online cone-beam CT for target localization.

The group has been very productive. Foremost, they have identified a number of key and very important clinical findings, some of which are very likely to change the practice of radiation oncology world-wide. For example, they have discovered:

- The use of a diagnostic PET (Positron Emission Tomography) scan for staging



prior to lung SBRT and the timing of that scan in relationship to the start of SBRT treatment appears to be associated with a direct impact on patient outcomes. This is a new discovery.

- A radiation dose point has been identified in this unique dataset where all tumors were treated with cone-beam CT image-guidance, with the chance of tumor control dropping significantly below that point. This is a new discovery for this patient subset.
- Poor lung function is not associated with increased toxicity but baseline function is one of the predictive factors for survival. This is also a new discovery.
- In spite of the diverse SBRT target volume delineation and prescription methods used by this group, the application of daily online volumetric image-guidance resulted in excellent local control for a challenging group of patients, even at doses lower than one might expect. Again, a new and important discovery in arguably the largest cohort of early-stage non-small cell lung cancer patients treated with SBRT.

The group includes participants from William Beaumont Hospital in Royal Oak, MI, USA; Princess Margaret Hospital in Toronto, Canada; Thomas Jefferson University Hospital in Philadelphia, PA, USA; University of Würzburg in Germany; and The Netherlands Cancer Institute in Amsterdam. The group has delivered oral poster discussion presentations of its results at ASTRO 2009 (American Society for Radiology and Oncology), and at ASCO 2010 (American Society of Clinical Oncology), and have submitted a number of additional research abstracts for presentation at forthcoming professional and scientific meetings, including multiple submissions for ASTRO 2010.

## Johan Sedihn, Executive Vice President, Elekta Oncology

### *What characterized 2009/10 for Elekta Oncology?*

We focused intensely on increasing the operating efficiency. A gratifying confirmation of our hard work during the year was the prestigious World Class Manufacturing Award in the U.K. We focused significantly on lean processes in our product creation, production and services activities, which paid off in the form of high productivity and quality gains and shorter lead times to delivery.

I'm also very proud of that we managed the business diligently in the financial crisis, and some decline in the U.S. was offset by strong growth in Europe and Asia.

### *What is Elekta Oncology's strongest success formula?*

Our close collaborations with our clinical partners combined with an innovative organization are what have made us the fastest growing company in this market segment. The Elekta organization has a lot of passion for what we do for our customers and their patients, with efficiency, quality and safety in focus. Our entrepreneurial mindset makes us creative and flexible with regards to collaboration and partnering.

### *VMAT technology has had major successes in a short time, why is that?*

It meets a true customer need as the treatment times are shorter resulting in increased patient comfort and clinical efficiency. In addition, the radiation dose delivered to normal tissue can be lower. This true need is driving the high demand.



### *When will Symmetry™ be put in the market?*

Symmetry was released for delivery during December 2009, and pending on local regulatory requirements the product has been available since then. The interest for Symmetry has been excellent.

### *What do you feel is the future potential for Elekta Compact™?*

Elekta Compact is a great radiation therapy solution for the customers who need a modern upgradable platform in situations where the clinical work only requires a single energy level. This, combined with the small footprint enabling the system to fit into small treatment rooms, will make it the highest growth area in our linear accelerator portfolio. The future for Elekta Compact is prosperous.

Dr. Inga S. Grills, from William Beaumont Hospital in Royal Oak, has served as the group's lead physician since its formation. She states, "We are enormously grateful for the support we have received from Elekta. It has

been instrumental to the success of our research program which we believe will make a big difference in the treatment of lung cancer patients with SBRT".

## Odense University Hospital among the first to use Elekta Symmetry™

On January 11, 2010 Denmark's Odense University Hospital became one of the first centres in the world to image patients with Elekta's innovative Symmetry™ functionality. From day one, patients were scanned with the new 4D imaging on Elekta Synergy®.

This technology is available to Elekta customers today, following long standing collaboration with leading global oncology experts at Antoni van Leeuwenhoek Hospital (NKI-AVL), Amsterdam. Ground breaking 4D imaging was initially researched here as a method to manage the motion of lung tumors, and has been in clinical use for some time.

Odense University Hospital is a leading, multi-specialty medical center serving southern Denmark. The Odense University Hospital has four Elekta Synergy, three of which are now equipped with Symmetry functionality. In the long-term, it is the ambition of the center that all lung cancer patients, when relevant, can be treated with the help of Symmetry.

Carsten Brink, Head of Research and Development at Laboratory of Radiation Physics, describes the special difficulty in treating lung cancer, namely that the tumor moves during radiation treatment. It is well known that respiratory motion presents a challenge for the treatment of lung tumors, but imaging of the soft tissue also demonstrates that the tumor itself shifts in position from one day to the next. This movement is known as a baseline shift.

"The ability to visualize soft tissue anatomy using imaging is crucial for the accurate positioning of the lung tumor, in order to take baseline shifts into account. Baseline shifts are at least as important as the movement of the lungs when treating lung cancer" says Brink.



"Sometimes you can see the tumors using 2D imaging, but it is difficult. You could use implanted markers to help visualize the tumor position, but there is then a risk of pneumothorax. Using Symmetry it is possible to clearly visualize the tumor and match with the same shape utilized for the original planning."

### Individualized treatment margins

According to Brink, this technology can be used to reduce toxicity for patients. "Having access to advanced 4D imaging, both at the CT scanner and on Elekta Synergy, has enabled us to establish new clinical protocols with individualized treatment margins, which in turn has allowed the margins to be reduced and the surrounding tissue protected. Although gating has its advantages, in terms of margin reduction its benefits are limited to tumors moving more than, say 1,5 cm peak to peak. We don't see many patients with this large movement, only maybe 5 percent."

An additional benefit of Symmetry is that it can be combined with Critical

Structure Avoidance, a unique feature from Elekta which allows registration of two separate areas of anatomy.

"If you have a baseline shift the tumor may, for example, move closer to the spinal cord. With Elekta's imaging technology it is also possible to make sure that the beam does not pass through the critical structure."

Although this is advanced technology, its ease of use is of great advantage to both patients and the clinical staff.

"This functionality is extremely easy to use and it has been embraced very positively by the staff. By optimizing our scanning parameters we can acquire a Symmetry image and correct the patient's positioning in approximately two minutes. This timeframe is so short that the patients are simply unaware of the procedure, with no increase in stress or anxiety."



## Delivery systems

### Elekta Axesse™

Elekta Axesse is a fully integrated stereotactic system that combines three-dimensional (3D) image-guiding during treatment using high-resolution dynamic beam shaping and robotic patient positioning with sub-millimeter accuracy for rapid, effective and correct treatment.



### Elekta Infinity™

Elekta Infinity is a digital linear accelerator optimized for VMAT. It offers rapid IMRT treatment delivered in single or multiple arcs that more precisely targets the tumors while protecting the surrounding healthy tissue.



### Elekta Synergy®

Elekta Synergy is the first advanced multifunctional linear accelerator with IMRT and IGRT, which facilitates imaging at the time of treatment. The results provide unmatched reliability and facilitate a more aggressive treatment of the tumors, while minimizing damage to the surrounding tissue.



### Precise Treatment System™

Advanced digital treatment system providing a wide range of energy levels and providing exceptional beam characteristics for IMRT. Equipped with Elekta OmniWedge™, and choice of fully integrated MLCi or Beam Modulator™.



### Elekta Compact™

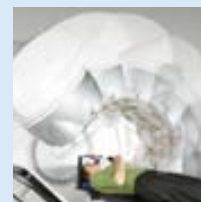
Elekta Compact is a cost-effective and diverse linear accelerator that satisfies the fundamental radiation therapy requirements, using a platform that facilitates the addition of new features and functions. Elekta Compact is equipped with a single low-energy photon beam – ideal for smaller treatment rooms.



## Enabling technologies

### Elekta VMAT

Elekta VMAT means that the radiation source rotates around the patient one or several times, while continuously treating the tumor. During this time, the rotation speed, dose intensity and the shape of the beam vary. Elekta VMAT is an integrated function in Elekta Infinity and Elekta Axesse and available as an upgrade of Elekta Synergy.



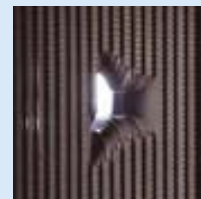
### Elekta IGRT

Elekta supplies a broad range of treatment systems that facilitate high resolution 3D imaging, as well as 4D-CBCT at the time of treatment. Using IGRT, Elekta is paving the way for radiation therapy of tumors that were previously impossible or difficult to treat.



### Beam-shaping

Integrated technology, offering a wide range of advanced multileaf collimators to provide excellent beam-shaping capabilities.



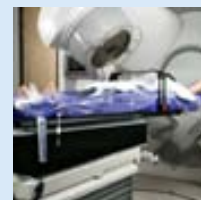
### Respiratory motion management

Hardware and software innovations enable clinicians to reliably compensate for patient breathing or reduce the movements, thereby increasing treatment delivery accuracy and clinical confidence.



### Positioning and immobilization

A comprehensive range of positioning and immobilization solutions that emphasize patient comfort, safety, reproducibility and optimal treatment set-up for the head and body.



- IMRT = Intensity Modulated Radiotherapy
- IGRT = Image-Guided Radiation Therapy
- VMAT = Volumetric Modulated Arc Therapy
- 4D-CBCT = Four-Dimensional Cone Beam Computer Tomography

# Elekta Software

By optimizing treatment planning, information management, and workflow, Elekta delivers software tailored to the needs and practices of healthcare providers. These software solutions give clinicians more time to focus on the patient and offer the most effective treatment for each individual.

Elekta Software is a leading global provider of software systems for integrated treatment planning and information and workflow management. The mission is to develop solutions that streamline clinical practices aimed at improving, prolonging, and saving lives from diagnosis of disease through long-term patient follow-up. Elekta's solutions also help streamline complex administrative workflows, through a series of modules designed to meet the needs of a busy oncology practice. Elekta's software solutions come together to support the Company's strategy of being a

full-service partner to its customers and not simply a technology provider.

The soaring cost of health care in large parts of the world is one of the main reasons for the increasingly prominent role of software in Elekta's business operations. Population growth and increased average length of life contribute to an increased demand for care, at the same time that constant technological improvements make more and more medical conditions treatable – especially in oncology. Care providers are under pressure to reduce the cost of each treatment by enhancing the efficiency of complex healthcare services. As an example, treatment planning is rapidly evolving from an isolated activity into a comprehensive patient-oriented process that evolves throughout treatment taking into account changes in patient anatomy and clinical objectives. Significant workflow efficiency gains can be achieved through software solutions that reduce the need for time-consuming, manual management of

these workflows that often involve many clinicians throughout the clinic or hospital.

Elekta is extremely well-positioned for this market trend. With Elekta's software solutions, oncology departments and hospitals can handle all aspects of cancer care electronically, such as reviewing clinical information and order management, tracking treatment advances, electronic prescriptions, and otherwise planning for patient care. The software enables automation of complex tasks, such as those associated with laboratory reports and ordering chemotherapy.

One successful product for more effective treatment is the Monaco® treatment planning system, which is used for planning of intensity modulated radiation therapy. The further enhancement of Monaco in combination with VMAT (Volumetric Modulated Arc Therapy) improves dose calculation precision, allowing faster treatment with better outcomes for more patients.

The MOSAIQ® electronic medical records system is an important aid for healthcare providers that integrate information about and communication relating to each patient throughout the care cycle.

In the enhanced MOSAIQ® RTP Suite, with initial deployment expected in 2011, Elekta takes the next step in integrating the infrastructure by creating a cohesive platform for a number of different services and tools, based on the electronic medical records system. Elekta's Workflow Manager allows services to be added to MOSAIQ and enables other suppliers and partners to develop specific services for radiation therapy planning and seamlessly connect them to MOSAIQ.

This infrastructure is important for Elekta to be able to integrate its own systems, but it is also crucial for the Company for these treatment planning systems to be open source and vendor-neutral. This approach enhances customer benefit while enabling scientists and doctors to integrate components from the software into their research



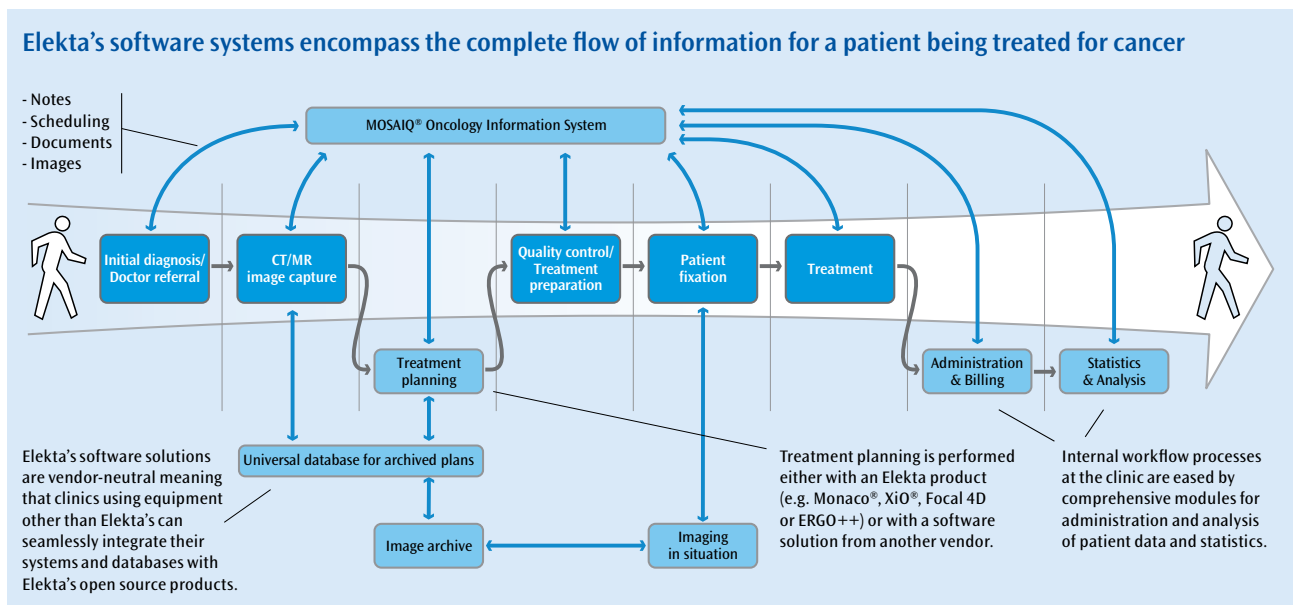
to improve quality of care and advance biomedical engineering development.

### Important events during the fiscal year

President Obama's HITECH Act went into effect during the year, encouraging investments in software within the healthcare sector to improve efficiency.

The initiative opens new opportunities

for Elekta's STRATEGIQ™ consulting services combined with MOSAIQ, since medical centers will be able to demonstrate that they meet criteria for efficient electronic medical record systems. STRATEGIQ consulting services help cancer centers to organize administrative and clinical workflows, as well as to identify new workflows to improve



the medical center's results, so that they may benefit from the economic incentive offered by the HITECH Act.

MOSAIQ® and XiO® were the first choice in several significant procurement processes during the year. Elekta's software solutions will be used by the newly opened ProCure Proton Therapy Center in Oklahoma City and INTEGRIS Cancer Institute of Oklahoma, a comprehensive cancer center that opened in the fall of 2009. ProCure in Chicago also chose Elekta as software system provider for its second particle therapy facility, which is under



construction. Elekta will also deliver MOSAIQ and XiO to a major international proton therapy center in Prague, Czech Republic. Ion Beam Applications, which is providing the proton therapy equipment, ordered the software.

Elekta and Nucletron initiated a partnership for marketing and licensing of MOSAIQ in response to Nucletron's decision to cease development, sales, and marketing of its own information management systems. MOSAIQ will be offered to Nucletron's system customers instead.

## Acquisition of Resonant Medical adds new groundbreaking image-guidance technology

In June 2010, Elekta signed an agreement to acquire Resonant Medical Inc., Montreal, Canada for CAD 30 M. Through this acquisition, Elekta added new solutions for image-guidance as well as highly skilled R&D resources in the field of oncology imaging and motion management.

Resonant Medical Inc. (RMI) develops systems for image-guided radiation therapy of soft tissues using latest generation, 3D-ultrasound technology.

This is groundbreaking non-invasive, non-ionizing image-guidance technology which enables exquisite visualization of soft tissue targets and provides a promising platform for next generation motion management.

RMI's integrated software solutions have been developed in cooperation with leading academic institutions to improve treatment accuracy for cancer in the prostate, breast, liver, cervix, uterus, bladder as well as head and neck. RMI's equipment is in daily clinical use in the U.S., Canada, Italy, the Netherlands and Ireland and its research collaborators are considered among the world leaders in their field.

RMI's current products will continue to operate with linear accelerators from all manufacturers and provide outstanding image-guidance for soft tissue targets, especially in the breast and pelvic area, without additional X-ray dose or using invasive implanted markers. They can add high quality IGRT to the thousands of

linear accelerators in use today that do not have integrated imaging systems, while the soft tissue detail is also highly complementary to linear accelerators already equipped with cone beam CT or MV (portal) imaging.

In addition, RMI will provide useful additions to Elekta's MOSAIQ treatment planning solutions by displaying soft tissue structures, not easily seen on X-ray computed tomography but in exact spatial correlation with these CT images, and offering a suite of automatic segmentation and contouring tools.

RMI was founded in 2000 based on

research from McGill University, Montreal. The CEO of the Company, Tony Falco, is one of the founders and has over 15 years experience in advanced imaging technology, clinical operations and product development. The Company has 35 employees, of whom most are based in Montreal, Canada.

The revenue for 2010/11 is expected to be around CAD 10 M. The transaction is forecasted to have a minor dilutive effect on reported earnings per share during fiscal year 2010/11 and be mildly accretive the following fiscal year.



City of Hope in California, ranked one of the best hospitals in the U.S., became the first medical center to implement an electronic interface linking the hospital's cancer treatment Tomo Therapy® Hi-Art® to Elekta's MOSAIQ® information management system. The connection facilitates access to vital information, such as the patient's treatment verification and documentation, insurance company data, and data and records to be shared by clinicians, scientists and outside laboratories involved in the patient's care. The interface will improve both the patient's treatment



and the efficiency of the department's workflows.

In March 2010, a new version of MOSAIQ was launched that supports Japanese, Chinese, and all other Pacific region languages with their respective alphabets. This advance is significant since it opens new opportunities for Elekta to expand in the region.

In the summer of 2009 Elekta received FDA clearance to use VMAT enhancement to the Monaco® treatment planning solution, an important milestone in the American market.

## Todd Powell, Executive Vice President, Elekta Software

### *What are Elekta's "unique selling and value points" with respect to cancer treatment software?*

As the world's premier provider of oncology information management systems, we have a number of unique values and corresponding opportunities.

In every center, flexibility of choice is the key to enabling our partners to make the best technology decisions as a means to improving patient care. MOSAIQ provides this flexibility. In fact, the technology investments we have made in MOSAIQ enable advanced workflow support for the largest challenges facing today's busy clinical practices. For example, the new Workflow Manager enables the integration of any number of third party patient positioning systems, treatment planning and imaging systems as well as tools developed by our research partners. These same tools will play a significant role as we develop our own MOSAIQ-integrated treatment planning tools and technologies. Further, we have by far the largest installed base of clinical practices using an oncology electronic medical record. Because of this, we are in a strong position to work with centers in understanding and refining their best practices to further their clinical and efficiency goals and plan for change in a rapidly evolving healthcare community worldwide.

Finally, with the size and diversity of our installed user-base, including fully integrated carbon ion and proton facilities, medical oncology, as well as lab and registry systems, we are in a unique position to help our centers benchmark their own performance against larger, aggregated patient cohorts.

### *How would you rate your success so far?*

The last two years were marked by the completion of the Multi-ACCESS to MOSAIQ development transition and the acquisition of CMS to enable our electronic medical record-based, integrated treatment planning strategy. These activities represented considerable transitions for us on many levels, both technologically as well as operationally. With these transitions in place, we are ready to start advancing rapidly toward our longer term strategic objectives.



### *What do you hope the next generation MOSAIQ will achieve?*

In addition to the new workflow and imaging technologies currently being added to MOSAIQ, we have just released support for complete worldwide translation in any language, including all Asian languages. This major milestone will allow for MOSAIQ expansion into parts of the world previous held more inaccessible due to the English-only limitations that no longer exist.

The future of healthcare hinges on improving patient data management. We are in the lead with the creation of a true evidence-based approach to cancer treatment that will allow clinicians and administrators to advance the quality of patient care through more informed decision-making and data support.

### *Will the software become more important as a competitive tool in the future?*

Without exception, yes. Now more than ever, healthcare practices are being asked to do more with less. By definition, this means increasing efficiency and that is exactly what our software solutions are all about. Whether it is about providing open-systems connectivity to an ever-increasing array of third party products, integrating new and advancing treatment techniques or monitoring long-term patient outcomes, Elekta Software will be there to further our shared vision of improving the entire spectrum of care for patients.

## North Coast Cancer Institute takes first class cancer care into rural areas

From previously having been a region without access to radiotherapy, the cancer patients in New South Wales in Australia now have three clinics that offer the most modern radiotherapy techniques in the whole of Australia. All three clinics use the most advanced MOSAIQ® electronic medical record and treatment planning solutions from Elekta, together with their new Elekta Synergy®.

The North Coast Cancer Institute (NCCI) is comprised of a network of three newly built cancer units adjacent to existing hospitals in the north coast region of New South Wales, Australia. The first two clinics, in Port Macquarie and Coffs Harbour, opened in 2007. The third clinic opened in Lismore in 2010. The three new cancer units serve a region of approximately half a million residents.



Four Elekta Synergy with IMRT have been delivered in total to the three centres, together with the MOSAIQ® Radiation Oncology and MOSAIQ® Medical Oncology electronic medical record (EMR), XiO® and Monaco® radiotherapy planning systems. XiO and MOSAIQ are both configured to enable remote access to the EMR and planning tools. In May 2010 the North Coast Cancer Institute also became the first in all of Australia to be able to offer VMAT treatment.

The significance of this is that a cancer centre has been created already fully equipped with the latest technologies and software from day one. The first patient to be treated with the aid of IMRT and positioning using cone-beam computer tomography was a prostate cancer patient.

### Innovative approach

The small-scale is also innovative.

“The approach we have taken is hardly typical and it challenges the prevalent norms for small treatment centers. We can offer the most modern, high-quality radiotherapy available in Australia and this is at small regional units where people have never previously locally had access to radiotherapy. This concept has also been a great help in recruiting qualified personnel,” says Stuart Greenham, Area Manager Radiation Therapy at the

North Coast Cancer Institute.

“A stable IMRT platform for treatments, combined with cone-beam computer tomography and fully comprehensive electronic medical records make it possible for us to deliver high-quality care for our patients. We are also building a first class database that means we can monitor and follow-up the quality of the treatments. I believe this is quite unique for clinics in rural areas.”

### Continued collaboration

Elekta and NCCI will continue to work together at the three clinics to develop and supplement software utility. This currently includes NCCI beta-testing the Elekta application ABAS, which supports the automated creation of anatomical contours from planning CT scans.

In May 2010, the NCCI hosted the Elekta Australian user meeting and organized the compilation of all user reports concerning Elekta hardware, MOSAIQ and the Elekta treatment planning solutions. There were around 150 delegates in attendance representing around 150 Elekta customers throughout the country.

Elekta Software has a strong position in Australia, where MOSAIQ has 61 percent of the radiation oncology market. There are 14 fully comprehensive cancer treatment centers using MOSAIQ Medical Oncology. Elekta Software has supplied the state of Victoria with the Précis-Central™ cancer register for the central collation of data from hospitals and analysis, among other things, while Sydney South West Area Health uses the Elekta hospital based METRIQ® registry system. The Elekta share of the market for planning systems is 40 percent in Australia and New Zealand.

## Products

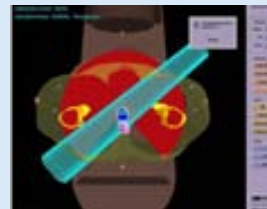
### MOSAIQ®

MOSAIQ is an electronic medical record system with integrated image processing, specially developed for oncology. The system has integrated practice management functions such as reporting and analysis of planning, billing, and administration. Elekta's MOSAIQ® RTP Suite is the next-generation treatment planning system and has a new set of planning applications under development that unify all of these processes. The Workflow Manager allows users to add services to the basic MOSAIQ RTP platform.



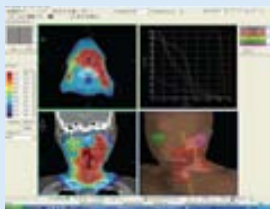
### ERGO++

ERGO++ facilitates planning of complex treatments such as stereotactic radiosurgery through adaptation and IMRT planning for static and rotating beams with high precision.



### Monaco®

Monaco is a treatment planning system within IMRT planning. In combination with VMAT (Volumetric Modulated Arc Therapy) functionality, Monaco provides more accurate calculations and much faster treatment.



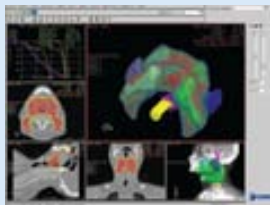
### Focal 4D

Focal 4D is a PC-based solution for distributed planning that provides the treatment team access to treatment planning functions and patient data. Focal 4D supports the visualization and utilization of 4D images to review treatment options.



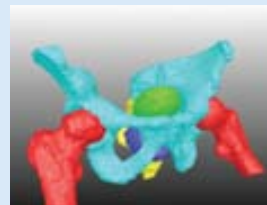
### XiO®

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



### Atlas-Based Autosegmentation (ABAS)

ABAS is a software application with support for magnetic resonance imaging and brain atlases that calculates anatomical contours. It provides considerable time savings during treatment planning.



# Elekta Services



At the heart of Elekta Services is a commitment that we share with our customers: to enhance the quality of care and improve treatment results. Elekta's solutions help customers shorten healthcare waiting lists, change care procedures, simplify work flows and enhance the efficiency of the entire clinic.

One of Elekta's growth areas is aftermarket services. This includes services and consultations that aim to ensure that the customer's equipment is functioning optimally so that patients have access to all of the advantages enabled by Elekta's systems. This offering has been gathered under Elekta Services and encompasses all regions and product areas.

Elekta Services strengthens customers' competitiveness and ensures that they derive the utmost from their investments. The offering contributes to strong customer relations, satisfied customers and a high level of customer loyalty. This increases the potential for ancillary sales of accessories, upgrades, services and new systems. At the same time, Elekta Services itself generates a stable and continuous cash flow.

## Round-the-clock problem solving

As early as during the installation of new equipment or initiation of new clinical applications, Elekta Services provides assistance with planning, project management, installation, testing and verification. For clinical operations, Elekta Services offers customer-adapted service agreements and support services to ensure the optimal functioning of

equipment without unnecessary interruptions or disruptions. The internet-based services offered by Remote Services further improve opportunities for advanced trouble-shooting and rapid responses round-the-clock without the need for Elekta personnel to be on site.

Training services are a cornerstone of Elekta Services and encompass clinical, technological and user training





courses. These training courses are paramount to ensuring that advanced products and solutions such as IGRT, IMRT, VMAT and Gamma Knife® surgery are applied correctly in pace with the systems being upgraded and the development of clinical applications. Clinical training programs are conducted in close cooperation with leading university hospitals.

### Advanced consulting services

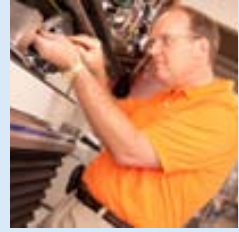
For Elekta Services, future growth potential lies partly in increasing ancillary sales to existing customers, and partly in developing and introducing new services that strengthen the customers' competitiveness and efficiency. This applies to such areas as consulting services that help customers develop flexible work flows and processes, or services that maximize the benefit of all of the software available at the clinic. This also involves specifically adapting systems to an individual customer's needs or consulting services and management support in conjunction with expanding operations to meet growing needs for care.

The increasing need for care is also leading to customers redefining their businesses with regard to access to specialist expertise. The lack of hospital physicists is leading to a greater number of clinics buying all of their technological services from Elekta. This may ultimately lead to Elekta supplying specialists in more professions and also assuming control of the technical operations at clinics where there is a shortage of personnel.

## Elekta Services' offering

### Installation & implementation

Elekta Services helps customers quickly derive the greatest use from their new Elekta equipment and applications. This applies to completely new systems and to upgrades.



### Service & support

Customized support agreements help customers maintain a continuously high level of performance, while minimizing interruptions. Elekta offers continuous, comprehensive support agreements and agreements for on-demand support. Online support is available 24-hours a day.

### Remote services

Elekta's remote services can monitor and address issues involving customers' systems remotely through the use of advanced technology, thus reducing the risk of interruptions and disruptions in the treatment schedule at the clinic.



### Education & training

Elekta offers a comprehensive range of training programs and instructional courses through a training concept that enables beginners and experienced specialists to improve their user knowledge to optimize patient care.

### Upgrades & accessories

Through Elekta's upgrades and accessories, the customer can continuously offer its patients the latest in clinical treatment advances. Examples of such solutions include the Extend™ Program, IMRT, IGRT, SRS and VMAT.



### Consulting services

Elekta's experienced employees offer consulting services and comprehensive solutions for everything from cancer treatment, marketing programs or programs to improve clinical and administrative processes.

### Financial solutions

Along with a number of selected partners, Elekta offers a variety of financial solutions to enable the expansion or upgrading of a customer's operations. The offering includes a program to promote cancer care in developing countries.





# A responsible partner

## Environmental responsibility part of daily work

Elekta's environmental responsibility is based on the Group's environmental policy and Code of Conduct.

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 and the Code of Conduct. Each individual employee is responsible for ensuring compliance with the environmental policy and with the principles established in the Code of Conduct. By minimizing the wasting of resources in production, air and water emissions, and the use of environmentally hazardous materials, the operation's environmental impact is reduced. Elekta's environmental work contributes to long-term sustainable business.

### The battle against climate change

In 2009, Elekta issued detailed information regarding climate and carbon emissions within the framework of the Carbon Disclosure Project (CDP) investment initiative for the first time. This was the seventh time that the project has been conducted and about 2,500 companies from some 60 countries participated. The results were presented in a number of annual reports and function as documentation for investors in assessing how a company identifies and handles risks and opportunities related to climate change. Elekta's results are presented in CDP's report on Nordic companies. For more detailed information, refer to [www.cdproject.net](http://www.cdproject.net).

### Environmentally aware design process

Elekta develops products and technical solutions through an environmentally aware design process. This reduces the environmental impact of products and technical solutions throughout the product lifecycle and ensures compliance with the applicable external requirements.

An example of this is IntelliMax™, a technological solution for remote monitoring of linear accelerators at customer sites.

While customers benefit from higher clinical availability, the number of customer visits from service technicians is reduced, resulting in less need for travels and thus also the share of carbon emissions. The objective is to further increase the installed base of this solution in close cooperation with Elekta's customers. Another long-term objective is to eliminate the physical distribution of software and product manuals and instead replace them with material available for electronic download via the Internet; thus saving time and money, while simultaneously reducing the environmental impact.

In addition, Elekta has voluntarily replaced certain production materials with other types of material considered to have less environmental impact. Elekta is also active, through the European trade federation COCIR, in the work to establish a schedule to facilitate voluntary compliance with the ErP Directive by focusing on ecodesign and energy efficiency.

## Responsible enterprise

Elekta's Code of Conduct is one of the Group's key steering documents and clarifies the fundamental principles to which Elekta expects all of its employees and partners to adhere. The Code of Conduct is based on Elekta's vision, mission and values.

The Code of Conduct has been formulated on the basis of the generally accepted set of principles at Elekta. Local modifications, adapted to local regulations and laws may occur, although overall, the Code of Conduct is the Group's most important global steering document.

Each individual employee and partner is responsible for acquainting themselves with and understanding the contents of Elekta's Code of Conduct. The Executive Committee, in consultation with the Group's CSR Officer, is ultimately responsible for the content of the Code of Conduct being communicated and implemented in the Group.

The content of the Code of Conduct is also part of all standard agreements for supplier and distributor relations. Effort to include Elekta's Code of Conduct in existing agreements with external partners is a continuous process in conjunction with the renewal and renegotiation of older agreements.

The Code of Conduct is based on the principles formulated in Elekta's vision, mission and values. The Code of Conduct contains comprehensive information regarding Elekta's social, environmental and financial responsibility. The areas of responsibility affected include for example employee rights, product safety, bribery, conflicts of interest and competition.

To view the Elekta Code of Conduct in its entirety, please visit [www.elekta.com](http://www.elekta.com).

### **Brittmarie Djurle, Global Vice President, CSR & Governance**

During the year, Elekta appointed Brittmarie Djurle global CSR Officer (Corporate Social Responsibility) with responsibilities for the Group's sustainability efforts. The role encompasses the responsibility for developing and ensuring compliance with Elekta's Code of Conduct as well as managing the Group's risk management process. Company risks and CSR matters are reported directly to Elekta's CEO and Board of Directors.



#### *What does the term responsible enterprise mean to Elekta?*

For a global company in the healthcare sector, it is of the utmost importance that all operations are conducted in a socially, environmentally and financially responsible manner. Our ability to operate a responsible business is directly decisive to creating a strong and well-renowned brand that supports a long-term sustainable market presence and growth. It is primarily a matter of building trust with all stakeholders.

#### *How does Elekta ensure compliance with its Code of Conduct?*

We work actively to ensure that the Code of Conduct is not simply a static document, but rather a natural part of daily work for all of those who work at or come in contact with Elekta. We ensure this by conducting regular training courses and reviews

regarding the Code of Conduct. This provides us with a solid understanding of the degree of compliance with the Code of Conduct in daily work and in the various parts of the organization.

#### *What are the key issues of responsibility for Elekta?*

The single most important aspect for us is to continue to supply safe and effective products for the benefit of our customers and patients. Alongside these efforts, we strive to continuously reduce our environmental impact, in our operations and during the lifecycle of our products. Another challenge that is equally important is to implement the Code of Conduct at all levels of our supply chain.



# One Elekta – a multitude of individuals

Until 1996, Elekta was a Swedish export-oriented, single-product company. Since then, the Company has expanded ten-fold, in terms of revenues and the number of employees. Today, Elekta is a global Group in the healthcare sector. Behind this successful trend lies Elekta's principal asset – the Group's 2,500 employees.

Elekta's corporate culture is characterized by creativity, responsiveness and diversity. A passion for the Company's products and customers, combined with an aspiration to improve, extend and save lives is the common denominator that drives Elekta's employees to work in unison and to always strive to do their best. Regardless of where in the world operations are conducted, Elekta's employees show mutual respect for one another's technical knowledge, experiences and specialist expertise. The entrepreneurial values have always been a part of the organization. Together with Elekta's Code of Conduct and Elekta Values they ensure that all employees, regardless of cultural background, skills or work assignments, pursue the shared vision – of creating new opportunities for care through innovation and collaboration.



## Global work force

As of April 30, 2010, Elekta had 2,446 employees in 20 countries. In Sweden, where the Company is headquartered and the business was founded, there are about 200 employees. Most employees are currently located in the U.S. (894), followed by the U.K. (485) and China (306).

About one third of Elekta's employees are women, which probably reflects the fact that the organization operates in a technology-intense and usually male-dominated sector. Gender distribution, in terms of function and position, is balanced. However, a conscientious effort is under way to achieve an improved balance in gender distribution in certain units and in certain geographic markets.

## Focus on skills

Elekta actively pursues a Group-wide performance-management process that encompasses all employees. Through individual objectives for employees' work and professional development, and a distinct review structure, Elekta endeavors to ensure competence sourcing, while simultaneously creating healthy means to enhance employee skills in the organization.

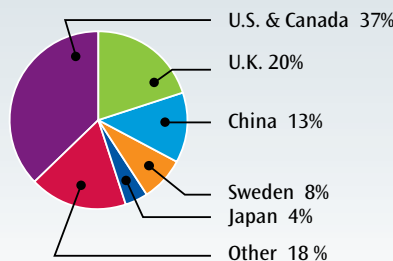


## Reorganization proceeding as planned

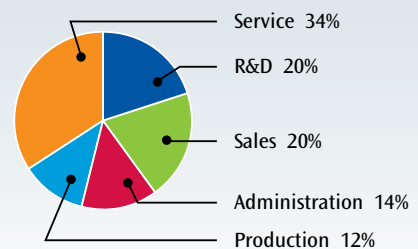
Efforts to enhance the efficiency of the organizational structure are proceeding as planned. The reorganization that commenced during the 2008/09 fiscal year has contributed to a more efficient organization, decentralization and improved internal control. During the year, the new structure was fine-tuned with the goal of increasing Elekta's capacity to deliver world-class service to the Company's customers.

Today, Elekta's organization is divided into three regions that sell and provide services for the Company's products. Products are developed, manufactured and maintained in the three product areas, Elekta Neuroscience, Elekta Oncology and Elekta Software, supported by key group functions.

**Elekta employees, as of April 30, 2010...**  
...distributed by country/region



...distributed by function





LEKSELL GAMMA KNIFE  
PERFEXIO

  
ELEKTA

# Board of Directors' report

The Board of Directors and the CEO of Elekta AB (publ) corporate identity number 556170-4015, hereby submit the consolidated financial statements and annual report for the fiscal year May – April, 2009/10.

## 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 the world leader in clinical solutions for image-guided radiation therapy and stereotactic radiosurgery, giving radiation oncologists and neurosurgeons an unmatched capability to treat tumors and functional targets with ultra-high precision while sparing healthy tissue.

## 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 most 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. 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 and Siemens Medical Solutions and to some extent also niche players such as TomoTherapy and Accuray. Elekta is currently the world's second largest supplier of radiation therapy equipment.

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

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

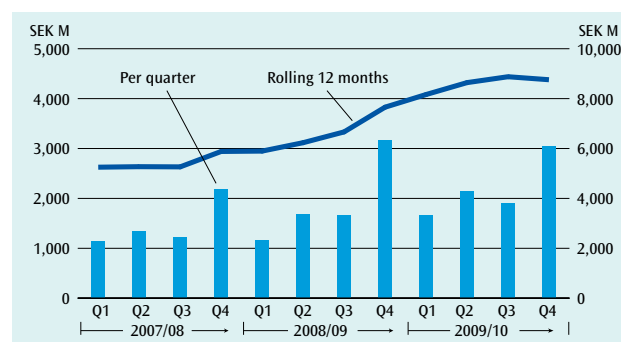
## Order bookings and order backlog

Order bookings rose 14 percent to SEK 8,757 M (7,656). Order bookings increased by 13 percent, based on unchanged exchange rates.

Based on unchanged exchange rates order bookings in North and South America rose 6 percent, region Europe including Middle East and Africa rose 22 percent and Asia Pacific rose 14 percent.

Order backlog on April 30, 2010 was SEK 8,093 M (7,267). Order backlog is converted at closing rates, which resulted in a translation difference of SEK -525 M.

## Order bookings



SEK M	2009/10	2008/09	CHANGE
North and South America	3,415	3,235	6%
Europe, Middle East, Africa	3,242	2,642	23%
Asia Pacific	2,100	1,779	18%
<b>Group</b>	<b>8,757</b>	<b>7,656</b>	<b>14%</b>

## Market comments

### North and South America

The North American market is primarily driven by rising cancer incidence and rapid acceptance of new and refined radiation treatment methods. In the U.S., market recovery has been slow following the financial crisis and economic downturn.

The recently adopted healthcare reform in the U.S. will extend healthcare to 32 million more Americans. While the final details of the reform are not settled, Elekta and its users are likely to benefit as a consequence of more people being eligible for advanced cancer treatment.

The South American market is driven by a large unmet demand for treatment of cancer and brain disorders. Elekta's investment to increase its presence in the area has been very successful.

#### Europe including Middle East and Africa

The European market including Middle East and Africa was characterized by solid demand in the fiscal year 2009/10. Demand was strong in the entire region.

Market development in Western Europe is driven primarily by replacements, as well as national and regional initiatives to solve the shortage of radiotherapy capacity. The majority of the treatment systems are procured through public tenders with relatively long sales processes. Elekta's ability to provide comprehensive and integrated solutions, based on open interfaces, makes the Company an attractive partner.

In Eastern Europe, Russia, Middle East and Africa, there is a large unmet need for cancer care and treatment of brain disorders.

#### Asia Pacific

Prospects appear good for a sustainable strong market development in Asia. There is a significant shortage of capacity for cancer treatment in an international comparison. Elekta is well positioned in the region to support healthcare providers in their efforts to develop and improve cancer care.

The overall improvement of the Chinese economy with continuous investments in healthcare infrastructure provides an excellent opportunity for Elekta to maintain and expand its leading market position in China.

### Net sales

Net sales rose 11 percent to SEK 7,392 M (6,689). Net sales increased by 9 percent based on unchanged exchange rates.

#### Net sales

SEK M	2009/10	2008/09	CHANGE
North and South America	2,792	2,709	3%
Europe, Middle East, Africa	2,735	2,518	9%
Asia Pacific	1,865	1,462	28%
<b>Group</b>	<b>7,392</b>	<b>6,689</b>	<b>11%</b>

### Earnings

Operating result increased by 48 percent and amounted to SEK 1,232 M (830), positively impacted by higher volumes, efficiency improvements and positive currency effects.

Net financial items amounted to an expense of SEK 40 M (56). Net interest expenses improved to SEK 44 M (84), impacted by a decreased average interest rate and a lower net debt.

Profit before tax amounted to SEK 1,192 M (774). Tax expense amounted to SEK 359 M (228) or 30 percent (29). Profit after taxes amounted to SEK 833 M (546).

Earnings per share amounted to SEK 9.09 (6.00) before dilution and SEK 9.01 (6.00) after dilution.

### Investments and depreciation

Investments in intangible and tangible assets amounted to SEK 186 M (142). Amortization of intangible and depreciation of tangible assets amounted to SEK 229 M (208).

### Liquidity and financial position

Strong earnings and basically unchanged working capital resulted in a positive cash flow from operating activities of SEK 1,056 (740). Cash flow after investments amounted to SEK 968 M (580).

Liquid funds amounted to SEK 1,174 M compared to SEK 828 M last year. Interest-bearing liabilities decreased to SEK 1,039 M compared to SEK 1,627 M last year. Net cash amounted to SEK 135 M on April 30, 2010 compared to net debt SEK 799 M on April 30, 2009. Net debt/equity ratio was -0.04 (0.31) and equity/assets ratio was 38 (32) percent.

Elekta has secured its long term financing to 2013-2015 and has undrawn committed credit facilities of approximately SEK 1,564 M.

### Risks

The weak economic development and high public debt levels might for some markets mean less availability of financing for private customers and reduced future health care spending by the governments.

Political decisions that could impact the healthcare reimbursement systems also constitute a risk factor. Since Elekta operates in a large number of countries, this risk is limited for the Group as a whole.

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

Elekta's ability to deliver treatment equipment is to a large

extent dependent on customers being able to accept delivery and pay in the agreed timeframe. This results in a risk of delayed deliveries and corresponding delayed 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.

In its operations Elekta is subject to a number of financial risks primarily related to exchange rate fluctuations. 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.

### 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 (45).

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 18 M. 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 7 M.

### Research and development

Elekta conducts intensive R&D aimed at strengthening and enhancing the Company's position as technology leader in its markets and product areas. During the year, SEK 570 M (516), corresponding to 8 percent (8) of net sales,

were invested in the following areas:

- Refinement of Leksell Gamma Knife technology to develop methods for new anatomic regions, to further automate treatments and to make additional improvements to comfort and safety for both patients and staff.
  - Further development of treatment equipment, software systems and method support to enable a higher level of precision and to improve clinical results in radiation therapy.
  - Further improvement of intensity modulated, image-guided and stereotactic radiation therapy.
  - Further development of IT support for cancer care to enable an open and integrated flow of information throughout all stages of the treatment process.
  - Development and refinement of radiation therapy planning systems and closer integration of these systems into the treatment workflow process.
  - Improvements in user experience for Elekta Software systems to provide better clinical information and process flow.
  - Continuous enhancement and integration of Elekta products to provide solutions that support emerging standards of practice related to cost-effectiveness, safety, and overall efficient and effective management of healthcare.
  - Research projects in the areas of treatment/outcome data aggregation and analysis.
  - Within the framework of R&D operations, Elekta also conducts clinical research in close cooperation with leading neurosurgery and oncology clinics throughout the world.
- Significant portions of Elekta's R&D investments involve integration and further development of acquired technology, with the purpose of strengthening Elekta's ability to offer integrated and comprehensive solutions for treatment of cancer and brain disorders.

### IT

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

### Quality

Elekta works determinedly to improve and assure quality in all processes within the Group. Quality work also ensures that all government requirements are fulfilled. All Elekta's development and production units are certified in accordance



with the relevant ISO 9000 and ISO 13485 where appropriate. Elekta conducts regular audits to ensure that the Group complies with the requirements that various supervisory authorities have established for medical technology companies.

### Employees

The average number of employees during the year was 2,485 (2,446). The number of employees on April 30, 2010 totaled 2,549 (2,509).

Value added per employee amounted to SEK 1,276 (1,096).

### Parent Company

The operations of the Parent Company include Group management, joint Group functions and financial management. The Parent Company's profit after financial items amounted to SEK 740 M (258). The change derives from dividends from subsidiaries. The average number of employees was 23 (22).

### Outlook for 2010/11

In 2010/11, Elekta's net sales are expected to grow by more than 10 percent in local currency. Elekta's operating profit in SEK is expected to grow by more than 15 percent. Currency is estimated to have a positive effect of about SEK 50 M including hedging effect on earnings in 2010/11.

### 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 form the base in the long term planning.

- Organic sales growth on average 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.

### Shares

The total number of shares on April 30, 2010 was 92,795,244 divided between 3,562,500 A-shares and 89,232,744 B-shares. One A-share entitles the holder to 10 votes and B-shares to one vote each. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, A-shares are subject to right of first refusal. All A-shares are owned by Laurent Leksell, also the only shareholder representing more than ten per cent of total votes.

### Dividend and proposal to repurchase shares

The Board has changed the policy for shareholder distribution, increasing the distribution of net profit in the form of dividends, repurchase of shares or comparable measures to at least 30 (20) percent of net profit. Decisions regarding distribution are based on Elekta's financial position, earnings trend, growth potential and investment requirements.

In accordance with the Company's shareholder distribution policy, the Board proposes an increased dividend to SEK 3.00 (2.00) per share, corresponding to approximately SEK 281 (184) M and 33 (33) percent of net profit.

The Board also intends to propose to the Annual General Meeting 2010 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

See page 81.

### Remuneration to the executive management

Principles for remuneration to the executive management, including conditions regarding notice/resignation, are described in note 27.

### 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.

### Significant events after the end of the fiscal year

Elekta has acquired Resonant Medical Inc., Montreal, Canada. The Company has 35 employees and develops systems for image-guided radiation therapy of soft tissues based on latest generation 3-D ultrasound technology. Elekta has paid CAD 30 M in cash for the outstanding shares of RMI. Elekta consolidates RMI into its accounts as from 1 June, 2010. Goodwill and identifiable intangible assets amount to approximately CAD 23 M. The revenue for 2010/11 is expected to be around CAD 10 M. The transaction is forecasted to have a minor dilutive effect on reported earnings per share in 2010/11 and be mildly accretive for the following year.

The Board decided to utilize the authorization received from the Annual General Meeting in 2009 to repurchase shares. Share purchases were made on NASDAQ OMX 16-22 June, 2010. The total number of repurchased shares totaled 502,000 in an amount of approximately SEK 100 M.

# Income statement and Statement of comprehensive income

SEK M	Note	GROUP		PARENT COMPANY	
		2009/10	2008/09	2009/10	2008/09
Net sales	4	7,392	6,689	—	—
Cost of products sold		-3,986	-3,658	—	—
<b>Gross profit</b>		<b>3,406</b>	<b>3,031</b>	—	—
Selling expenses		-970	-933	—	—
Administrative expenses		-708	-642	-73	-83
R&D expenses		-535	-485	—	—
Exchange rate differences		39	-141	—	—
<b>Operating result</b>	4, 5, 27-29	<b>1,232</b>	<b>830</b>	<b>-73</b>	<b>-83</b>
Income from participations in Group companies	6	—	—	829	383
Income from participations in associated companies	7	2	1	—	—
Interest income	8	6	23	18	56
Interest expenses and similar items	8	-50	-107	-40	-90
Exchange rate differences		2	27	6	-8
Appropriations	9	—	—	-2	-5
<b>Profit before tax</b>		<b>1,192</b>	<b>774</b>	<b>738</b>	<b>253</b>
Income tax	10	-359	-228	-7	-3
<b>Profit for the year</b>		<b>833</b>	<b>546</b>	<b>731</b>	<b>250</b>
<b>Profit attributable to:</b>					
Parent Company shareholders		838	552		
Minority interest		-5	-6		
<b>Earnings per share:</b>					
Earnings per share before dilution, SEK		9.09	6.00		
Earnings per share after dilution, SEK		9.01	6.00		

## Consolidated statement of comprehensive income

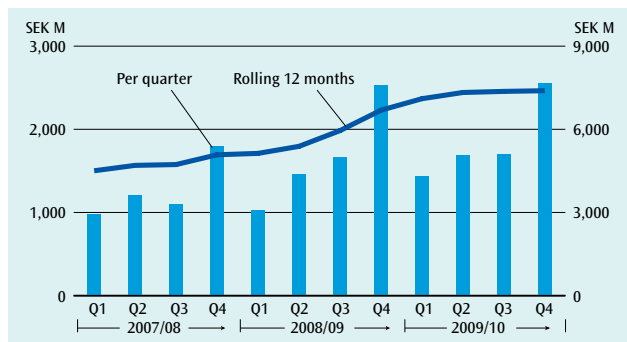
<b>Profit for the year</b>	<b>833</b>	<b>546</b>
<i>Other comprehensive income:</i>		
Cost of incentive programs	19	25
Revaluation of cash-flow hedges	111	-51
Translation of loan for hedge of a net investment	—	59
Reclassified amount regarding hedge of a net investment	5	—
Translation differences from foreign operations	-179	299
Tax relating to components of other comprehensive income	-3	-9
<b>Other comprehensive income, net</b>	<b>-47</b>	<b>323</b>
<b>Total comprehensive income</b>	<b>786</b>	<b>869</b>
<b>Comprehensive income attributable to:</b>		
Parent Company shareholders	791	872
Minority interest	-5	-3

## Comments on the income statement

### Net sales

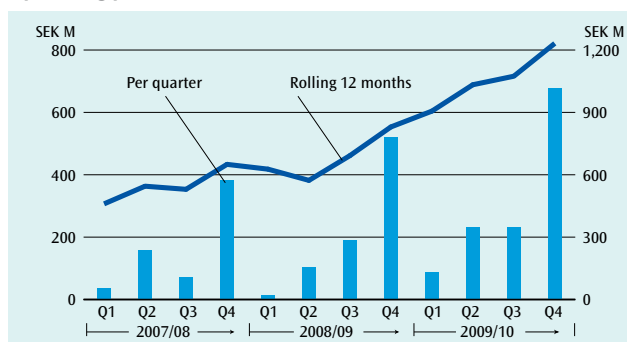
Net sales rose 11 percent to SEK 7,392 M (6,689). Net sales increased by 9 percent based on unchanged exchange rates.

#### Net sales



MSEK	NET SALES	CHANGE, %	OPERATING PROFIT	OPERATING MARGIN, %
Q 1	1,440	40	89	6
Q 2	1,691	15	232	14
Q 3	1,704	2	232	14
Q 4	2,557	1	679	27
<b>Full year 2009/10</b>	<b>7,392</b>	<b>11</b>	<b>1,232</b>	<b>17</b>

### Operating profit



### Earnings

Operating result increased by 48 percent and amounted to SEK 1,232 M (830), positively impacted by higher volumes and positive currency effects.

Gross margin amounted to 46 percent (45) and operating margin was 17 percent (12).

The purchase of products, materials and consumables comprises the largest single cost item, accounting for 43 percent (41) of the Group's total operating expenses. The second largest item is personnel costs at 33 percent (33).

For comparable business units, costs increased by 7 percent in local currency compared to the same period previous year.

Investments in research and development rose 10 percent to SEK 570 M (516) equal to 8 percent (8) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 35 M (31). Capitalization amounted to SEK 89 M (63) and amortization to SEK 54 M (32).

Costs for Elekta's outstanding incentive programs amounted to SEK 43 M (27).

In total, exchange fluctuations affected operating profit for the year, compared with previous year, by approximately SEK 245 M.

Exchange rate effects from forward contracts in operating profit were SEK 84 M (-217). Unrealized exchange rate losses from cash flow hedges amounted to SEK 111 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 SEK -40 M (-56). Net interest expenses were reduced to SEK 44 M (84) due to a decreased average interest rate and a lower net debt.

Profit before tax amounted to SEK 1,192 M (774). Tax expense amounted to SEK 359 M (228) or 30 percent (29). Profit after tax amounted to SEK 833 M (546).

# Balance sheet

SEK M	Note	GROUP		PARENT COMPANY	
		April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	11	2,880	3,150	—	—
Tangible fixed assets	12	247	265	—	—
Shares in subsidiaries	13	—	—	1,419	1,419
Shares in associated companies	14	24	26	12	8
Other financial assets	15	36	33	102	101
Deferred tax assets	10	128	34	14	13
<b>Total non-current assets</b>		<b>3,315</b>	<b>3,508</b>	<b>1,547</b>	<b>1,541</b>
<b>Current assets</b>					
Inventories	16	592	553	—	—
Accounts receivable	17	2,223	1,692	—	—
Accrued income		843	1,081	—	—
Receivables from subsidiaries		—	—	1,242	1,537
Other current receivables	18	368	289	42	51
Cash and cash equivalents	19	1,174	828	678	252
<b>Total current assets</b>		<b>5,200</b>	<b>4,443</b>	<b>1,962</b>	<b>1,840</b>
<b>Total assets</b>	4	<b>8,515</b>	<b>7,951</b>	<b>3,509</b>	<b>3,381</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<i>Parent Company shareholders:</i>					
Share capital	20	186	184	186	184
Contributed funds		312	227	—	—
Statutory reserve		—	—	156	156
Reserves		-63	31	—	—
Retained earnings		2,808	2,107	1,492	865
<i>Parent Company shareholders, total</i>		<i>3,243</i>	<i>2,549</i>	<i>1,834</i>	<i>1,205</i>
<i>Minority interest</i>		<i>1</i>	<i>6</i>	<i>—</i>	<i>—</i>
<b>Total equity</b>		<b>3,244</b>	<b>2,555</b>	<b>1,834</b>	<b>1,205</b>
<b>Untaxed reserves</b>	9	—	—	39	37
<b>Non-current liabilities</b>					
Long-term interest-bearing liabilities	21	937	1,508	935	1,508
Deferred tax liabilities	10	240	195	—	—
Long-term provisions	22	89	73	18	22
Other long-term liabilities		5	—	—	—
<b>Total long-term liabilities</b>		<b>1,271</b>	<b>1,776</b>	<b>953</b>	<b>1,530</b>
<b>Current liabilities</b>					
Short-term interest-bearing liabilities	21	102	119	645	530
Accounts payable		569	621	4	5
Advances from customers		1,153	924	—	—
Current tax liabilities	10	200	121	3	2
Short-term provisions	22	70	68	—	—
Other current liabilities	23	1,906	1,767	31	72
<b>Total current liabilities</b>		<b>4,000</b>	<b>3,620</b>	<b>683</b>	<b>609</b>
<b>Total equity and liabilities</b>		<b>8,515</b>	<b>7,951</b>	<b>3,509</b>	<b>3,381</b>
Assets pledged	24	2	1	—	—
Contingent liabilities	25	28	75	758	625

## Comments on the balance sheet

### Assets and capital employed

The Group's total assets increased by SEK 564 M to SEK 8,515 M (7,951).

The Group's non-current assets totaled SEK 3,315 M (3,508) at year-end of which goodwill amounted to 2,224 M (2,390).

Current assets excluding liquid funds increased by SEK 411 M to SEK 4,026 M (3,615). Accounts receivable, accrued income and inventories increased by 10 percent. Inventory value in relation to net sales was 8 percent (8).

Cash and cash equivalents increased by SEK 346 M to SEK 1,174 M (828) at year-end, totaling 14 percent (10) of total assets. Of total bank balances SEK 2 M (1) were pledged primarily for commercial guarantees.

The Group's capital employed increased to SEK 4,283 M (4,182). Capital turnover ratio was 0.9 (1.0).

### Liabilities and shareholders' equity

Interest-bearing liabilities totaled SEK 1,039 M (1,627) on April 30, 2010.

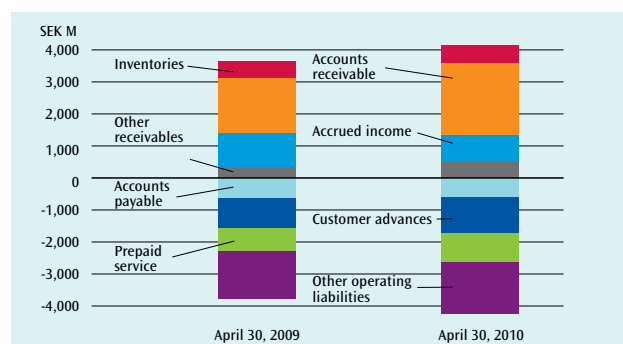
Net cash amounted to SEK 135 M compared to net debt of SEK 799 M last year. Net debt/equity ratio was -0.04 (0.31) and equity/assets ratio was 38 percent (32).

Interest-free liabilities and provisions increased by SEK 463 M to SEK 4,232 M (3,769). Operating liabilities exceeded operating assets by SEK 78 M (120).

Shareholders' equity was SEK 3,244 M (2,555).

Return on shareholders' equity was 30 percent (27) and return on capital employed totaled 30 percent (24).

### Composition of working capital



# Changes in shareholders' equity

	SHARE CAPITAL	OTHER CONTRIBUTED CAPITAL	TRANSLATION RESERVE	HEDGE RESERVE	RETAINED EARNINGS	ELEKTA'S OWNERS' EQUITY	MINORITY INTEREST	TOTAL EQUITY
<b>Group, SEK M</b>								
Opening balance May 1, 2008	185	194	-275	5	1,695	1,804	9	1,813
Comprehensive income	—	—	338	-37	571	872	-3	869
Dividend	—	—	—	—	-161	-161	—	-161
Cancellation of repurchased shares	-2	—	—	—	2	0	—	0
Exercise of warrants	1	33	—	—	—	34	—	34
<b>Closing balance April 30, 2009</b>	<b>184</b>	<b>227</b>	<b>63</b>	<b>-32</b>	<b>2,107</b>	<b>2,549</b>	<b>6</b>	<b>2,555</b>
Opening balance May 1, 2009	184	227	63	-32	2,107	2,549	6	2,555
Comprehensive income	—	—	-175	81	885	791	-5	786
Dividend	—	—	—	—	-184	-184	—	-184
Exercise of warrants	2	85	—	—	—	87	—	87
<b>Closing balance April 30, 2010</b>	<b>186</b>	<b>312</b>	<b>-112</b>	<b>49</b>	<b>2,808</b>	<b>3,243</b>	<b>1</b>	<b>3,244</b>
<b>Parent Company, SEK M</b>								
	SHARE CAPITAL		STATUTORY RESERVE	PREMIUM RESERVE	RETAINED EARNINGS			TOTAL EQUITY
Opening balance May 1, 2008	185		156	38	634			1,013
Exchange difference on net investment in subsidiary	—		—	—	69			69
Profit for the year	—		—	—	250			250
Dividend	—		—	—	-161			-161
Cancellation of repurchased shares	-2		—	—	2			0
Exercise of warrants	1		—	33	—			34
<b>Closing balance April 30, 2009</b>	<b>184</b>		<b>156</b>	<b>71</b>	<b>794</b>			<b>1,205</b>
Opening balance May 1, 2009	184		156	71	794			1,205
Exchange difference on net investment in subsidiary	—		—	—	-5			-5
Profit for the year	—		—	—	731			731
Dividend	—		—	—	-184			-184
Exercise of warrants	2		—	85	—			87
<b>Closing balance April 30, 2010</b>	<b>186</b>		<b>156</b>	<b>156</b>	<b>1,336</b>			<b>1,834</b>

## Comments on changes in shareholders' equity

For 2008/09 Elekta paid a dividend of SEK 2.00 per share, totaling SEK 184 M.

During 2009/10, 670,681 new B-shares were subscribed through exercise of warrants distributed within the framework of the established option programs.

The total number of shares in Elekta as of April 30, 2010, amounted to 92,795,244 of which 3,562,500 A-shares and 89,232,744 B-shares. One A-share entitles the holder to ten votes and B-shares to one vote each. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, A-shares are subject to right of first refusal. All A-shares are owned by Laurent Leksell. At a General Meeting, each shareholder is entitled to exercise unlimited voting rights on the full number of shares that he/she owns or represents.

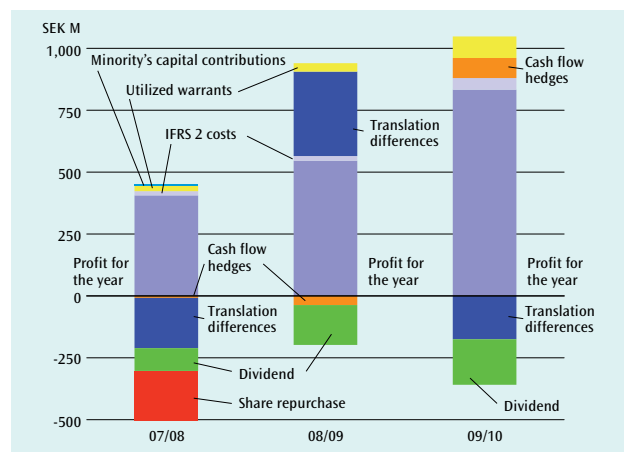
Shareholders' equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in other comprehensive income. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases.

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.

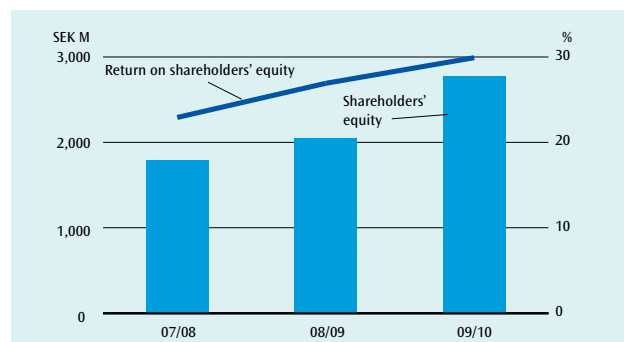
In accordance with IAS 39 cash flow hedges are also reported in other comprehensive income. Elekta hedges its currency risk in line with the policy established by the Board. The scope of this hedging is determined by the Company's currency risk assessment. Currency hedging is defined on the basis of the expected sales in foreign currency over up to 24 months. Hedging is performed to reduce the effects of short-term fluctuations on the currency markets.

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

Changes in shareholders' equity



Shareholders' equity and return



# Cash flow statement

SEK M	Note	GROUP		PARENT COMPANY	
		2009/10	2008/09	2009/10	2008/09
<b>Operating activities</b>					
Profit for the year		833	546	731	250
Depreciation	5, 11, 12	229	208	—	—
Other non-cash items	31	-18	-17	3	7
<b>Cash flow from operating activities before changes in working capital</b>		<b>1,044</b>	<b>737</b>	<b>734</b>	<b>257</b>
Increase (-) / decrease (+) in inventories		-88	57	—	—
Increase (-) / decrease (+) in operating receivables		-651	-272	303	-837
Increase (+) / decrease (-) in operating liabilities		751	218	-46	-30
<b>Change in working capital</b>		<b>12</b>	<b>3</b>	<b>257</b>	<b>-867</b>
<b>Cash flow from operating activities</b>		<b>1,056</b>	<b>740</b>	<b>991</b>	<b>-610</b>
<b>Investing activities</b>					
Investments in subsidiaries	13	—	—	0	-27
Investments in other shares		-4	-2	-4	—
Repayments from partnerships		6	8	—	—
Increase (-) / decrease (+) in long-term receivables		-2	-17	-6	610
Investments in intangible assets	11	-14	-3	—	—
Investments in machinery and equipment	12	-83	-78	—	—
Sale of fixed assets		9	3	—	—
Business combinations		—	-71	—	—
<b>Cash flow from investing activities</b>		<b>-88</b>	<b>-160</b>	<b>-10</b>	<b>583</b>
<b>Cash flow after investments</b>		<b>968</b>	<b>580</b>	<b>981</b>	<b>-27</b>
<b>Financing activities</b>					
Borrowings		32	30	48	531
Repayment of debt		-506	-142	-506	-142
New issues, warrant premiums		87	34	87	34
Dividend		-184	-161	-184	-161
<b>Cash flow from financing activities</b>		<b>-571</b>	<b>-239</b>	<b>-555</b>	<b>262</b>
<b>Cash flow for the year</b>		<b>397</b>	<b>341</b>	<b>426</b>	<b>235</b>
<b>Change in cash and cash equivalents during the year</b>					
Cash and cash equivalents at the beginning of the year		828	402	252	17
Cash flow for the year		397	341	426	235
Exchange rate differences		-51	85	—	—
<b>Cash and cash equivalents at the end of the year</b>		<b>1,174</b>	<b>828</b>	<b>678</b>	<b>252</b>



## 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.

Profit for the year, adjusted for items not affecting cash flow, provided an operating flow of SEK 1,044 M (737), an improvement of SEK 307 M compared with the preceding year.

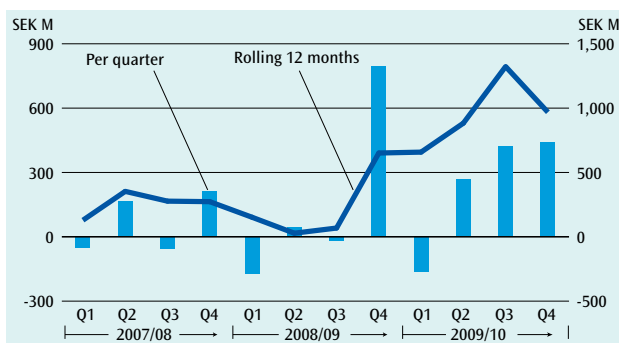
Working capital was broadly unchanged for the year.

Cash flow from operating activities increased by SEK 316 M to SEK 1,056 M (740).

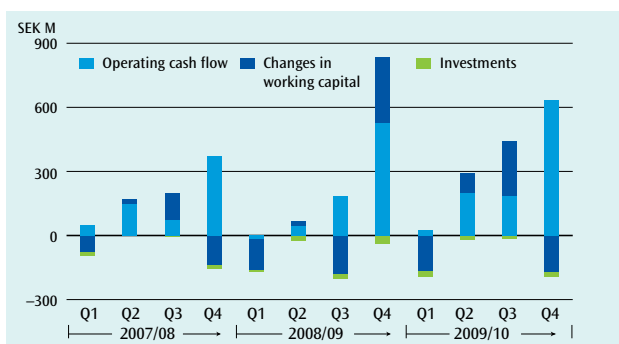
Cash flow from continuous investments and divestments amounted to SEK -88 M (-89). Cash flow after continuous investments was SEK 968 M (651).

Cash flow after investments was positive SEK 968 M (580). Acquisitions were included with SEK 0 M (-71).

Cash flow after continuous investments



Specification of cash flow after continuous investments



# Notes

## Note 1 Accounting principles

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 are stated under a separate heading at the end of the 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, 2010, the Swedish Annual Accounts Act and standard RFR 1.2 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 2.2 of the Swedish Financial Reporting Board.

### New and revised IFRS applied

New and revised IFRS applied and which have had a substantial impact on the financial reports:

- IAS 1 Presentation of Financial Statements has been amended, effective 1 January, 2009. The amendments concern changes in the presentation of the financial reports. The amendments require non-owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income immediately following the consolidated income statement. Items reported in comprehensive income are disclosed in the consolidated statement of changes in shareholders' equity separate from owner changes.

- IFRS 8 Operating Segments has replaced IAS 14, effective 1 January, 2009. According to IFRS 8, segment information shall be presented based on management reporting. For Elekta this means that the geographic regions are reportable segments. Segment information provided has also been influenced by the extended reporting requirements.

New and revised IFRS with marginal or no impact on the financial reports:

- IAS 23 Borrowing costs, effective 1 January, 2009. Amendment meaning that borrowing costs attributable to qualifying assets shall be included in its cost.

- IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements, effective 1 January, 2009. Amendment concerning the classification of certain financial instruments.

- IAS 39 Financial instruments: Recognition and Measurement, effective 1 July, 2008. Amendment concerning reclassification of financial assets which are not derivatives.

- IFRS 1 First-time Adoption of IFRS and IAS 27 Consolidated and Separate Financial Statements, effective 1 January, 2009. Amended so that an entity can choose to measure investments in subsidiaries, joint ventures and associated companies at cost or fair value.

- IFRS 2 Share-based Payments, effective 1 January, 2009. Amendment concerning the definition of vesting conditions and the introduction of a new concept, "non-vesting conditions".

- IFRS 7 Financial Instruments: Disclosures, effective 1 January, 2009. Amendments that expand the disclosure requirements related to fair value measurements and liquidity risk.

- IFRIC 13 Customer Loyalty Programmes, effective 1 July, 2008. Interpretation of when to recognize customer loyalty programmes.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation, effective 1 October, 2008. Interpretation of how to account for a hedge of a net investment in a foreign operation.

### New and revised IFRS not yet applied

The following new and revised IFRS are assessed to potentially have a substantial effect on future financial reports:

- IAS 27 Consolidated and Separate Financial Statements, effective 1 July, 2009. The amendments mean that losses attributable to minority interest shall be recognized even if this results in the minority interest having deficit balance, that transactions related to the minority in which controlling influence is maintained shall always be recognized in equity, and that the profit/loss that arises when a controlling influence ceases shall be recognized in profit or loss for the period, including remeasurement of any remaining interest at fair value. Amendments are applied prospectively from 1 May, 2010.

- IFRS 3 Business Combinations, effective 1 July, 2009. The amendments affect among other things how to account for transaction costs, contingent considerations and step acquisitions. Transaction costs may no longer be included in cost but must be expensed as incurred. The fair value of a contingent consideration shall be established at the acquisition date and the effects from revaluation of the liability related to the contingent consideration shall be recognized

in profit and loss. When a controlling interest is achieved in a step acquisition any net assets previously acquired are measured at fair value and the result is reported in profit and loss. Amendments are applied prospectively and will affect acquisition accounting from 1 May, 2010.

The effects of other new and revised IFRS not yet applied have initially been assessed to have no material impact on the financial reports.

### Consolidated accounts

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

The consolidated financial statements have been prepared in accordance with the purchase method, which means that the subsidiary's equity on the acquisition date – determined as the difference between the identifiable assets, liabilities and the fair value of any undertakings – is eliminated in its entirety against the acquisition price. Any remaining, non-eliminated share of the acquisition price is reported as goodwill.

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

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

The income statements and balance sheets of foreign subsidiaries have been translated in accordance with the current method. This means that all items in the income statements have been translated at the average rate for the fiscal year, while

assets and liabilities in the balance sheets have been translated at the closing rate. Translation differences are reported in other comprehensive income.

Certain long-term financing of subsidiaries in their functional currency is considered to represent 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 other comprehensive income.

### 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 Committee. See also Corporate Governance, pages 82-90.

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 it the geographic perspective that the activity is conducted and managed. Evaluation of financial performance is executed on country level and on an aggregated level for three geographic regions. The operating segments have been established as countries and these are aggregated to geographic regions that form the reportable segments based on the fact that the operating segments have similar economic characteristics and are similar in other respects based on the criteria set forth in IFRS 8 Operating segments. Elekta's segment reporting is thereby based on the three geographical regions: North and South America; Europe, Middle East and Africa; and Asia Pacific.

### Exchange rates

COUNTRY	CURRENCY	AVERAGE RATE			CLOSING RATE		
		MAY-APRIL 2009/10	MAY-APRIL 2008/09	CHANGE	APRIL 30, 2010	APRIL 30, 2009	CHANGE
Australia	1 AUD	6.304	5.532	14%	6.728	5.875	15%
Canada	1 CAD	6.778	6.363	7%	7.208	6.703	8%
China	1 CNY	1.064	1.066	0%	1.060	1.170	-9%
Euro	1 EUR	10.276	10.124	2%	9.609	10.663	-10%
Great Britain	1 GBP	11.635	12.021	-3%	11.110	11.880	-6%
Hongkong	1 HKD	0.937	0.941	0%	0.930	1.030	-10%
Japan	100 JPY	7.866	7.394	6%	7.675	8.175	-6%
USA	1 USD	7.265	7.312	-1%	7.225	7.985	-10%

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

### 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 goods 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, etc. is reported as it is earned.

### Pensions

Most of Elekta's pension commitments are met through ongoing payments to authorities or other independent organizations that administer the pension plans. For these defined

contribution pension plans, a pension cost is reported on a continuous basis as the benefits are earned, which normally coincides with the date on which the fees are paid.

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

#### Share option programs

Ongoing share option programs are reported according to IFRS 2 Share-based payments, which entails that an estimated cost corresponding to the earned portion of the option value on the allotment of the option program is charged to profit and loss. In addition, there are calculated social security expenses for the earned portion of the options based on a theoretical market valuation of the option. The market value is calculated in accordance with Black & Scholes based on the share price on the closing date and the subscription price. For options exercised, social security expenses are paid on the basis of the difference between the market value on the exercise date and the price paid for the share.

#### Taxes

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

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

#### Intangible assets

##### Research and development

Research costs are expensed as they are incurred. In those instances in which it is difficult to distinguish between the research phase and the development phase in a project, the entire project is considered as research and is expensed 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.

#### Goodwill

Goodwill comprises the amount by which the acquisition price exceeds the fair value of the net assets acquired by the Group in connection with an acquisition. Goodwill is not amortized but tested annually, or more frequently if indicated, to identify any impairment.

#### Customer relations and other intangible assets

Intangible assets include technology, brands, customer relations, etc. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized 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 their cost, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at the fair value on the acquisition date after deduction for subsequent accumulated depreciation. Machinery and equipment is depreciated on a straight-line basis during its economic life of between 3 and 5 years. Installations and improvements on 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

In conjunction with each reporting period, an assessment is made of whether there is any indication of a decline in value of the Group's assets. If this is the case, a calculation is made of the asset's recoverable amount. Goodwill is allocated to cash

generating units and is subject to annual impairment testing, even though there is no indication of a decline in value. The recoverable 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 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 reported value, impairment is made to the asset's recoverable amount. Impairment is reported 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.

### Financial instruments

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

A financial asset or a financial liability is reported in the balance sheet when the company becomes party to the

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

The fair value of 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.

### Loan receivables and accounts receivable

Receivables are valued at amortized cost less any provision. Since the anticipated life of accounts receivable is short, reporting is based on the amounts expected to be received, based on individual assessment of doubtful receivables without discounting in accordance with the method for amortized cost.

### 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 the nominal value.

### Derivative financial instruments

All derivatives are reported at fair value in the balance sheet. Changes in value relating to cash flow hedges are reported in other comprehensive income and are taken to the income statement at the pace at which the hedged cash flow affects the income statement. Any ineffective portion of the change in value is reported directly in the income statement.

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

### Loan liabilities

Loan liabilities are 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.

### 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.

### 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 etc.

### 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 2.2 of the Swedish Financial Reporting Board. RFR 2.2 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 2.2 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. 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.

### Group contributions

Group contributions are accounted for in accordance with UFR 2 issued by the Swedish Financial Reporting Board. Group contributions are reported according to their financial implications. This means that Group contributions that are paid with the aim of minimizing the Group's total tax charge are reported directly against equity after deduction of actual tax effects. Group contributions comparable to dividends are reported as such, which means that Group contributions received, and their actual tax effects, are reported in the income statement and Group contributions paid, and their actual tax effects, are reported directly against equity.

## 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 0.50. On April 30, 2010 shareholders' equity in Elekta amounted to SEK 3,244 M (2,555) and net debt/equity was -0.04 (0.31).

### Exchange rate risk

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

#### Transaction exposure

Transaction exposure is generated mainly through expenses in SEK and GBP and revenue in USD and EUR. The sales companies' revenues and expenses are mainly in local currencies. The proportion of invoiced sales in foreign currency exceeds 98 percent of the Group's total invoicing.

Elekta's policy is to hedge the exchange rate risk using forwards or options, the extent of which is determined by the Group's estimation of the exchange rate risk and in accordance with the Group's established policy. Hedging is conducted on the basis of expected net sales over a period up to 24 months. Hedging is carried out to reduce the effects of short-term fluctuations in currency markets. During 2009/10, exchange rate effects from forward contracts affected the operating profit by SEK 84 M (-217).

#### Translation exposure

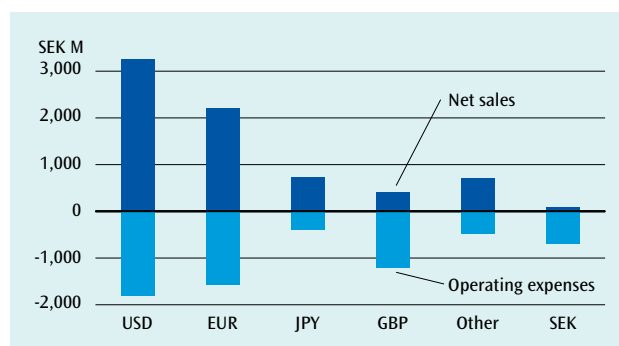
The Group's consolidated earnings and shareholders' equity are affected by translation exposure. Consolidated earnings are normally not hedged. Shareholders' equity in foreign currency is hedged when deemed appropriate, following individual assessment.

### 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 18 M. Currency hedging limits the short-term effect of exchange rate movements.

The Group's net sales and operating expenses in 2009/10 are shown in the diagram below.

Net sales and operating expenses per currency 2009/10



### Interest rate risk

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

At year-end, liquid funds accounted for 14 percent (10) of the Group's total assets. Liquid funds were invested so as to obtain a return equivalent to the short-term market rate for each currency.

On April 30, 2010, interest-bearing liabilities totaled SEK 1,039 M (1,627), of which SEK 3 M (1) pertained to financial leasing. The average fixed interest term was 3.4 years (2.8) and the weighted average interest rate taking interest rate derivatives into account was 3.6 percent (3.2).

An overall change in interest rate on borrowings and investments by one percentage point would effect Elekta's earnings before tax by approximately SEK 7 M.

### Liquidity and financing risk

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

In an effort to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2010, available cash and cash



equivalents amounted to SEK 1,172 M (827), or 16 percent (12) of net sales. In addition, Elekta had SEK 1,564 M (1,200) in unutilized credit facilities.

Elekta has secured its long term financing to 2013-2015, see note 19.

### Credit risk

#### Financial credit risk

Exposure occurs when surplus liquidity is invested, and in the handling of the Group's financial risks. Elekta's finance policy includes special counterparty regulations in which the maximum credit exposure and the lowest credit rating for various counterparties are specified. An objective is that counterparties should have a minimum credit rating from Standard & Poor's of A (long) and A1+ (short). Elekta invests its liquidity solely in liquid instruments with a low credit risk and with credit-worthy banks.

#### Credit risk in accounts receivable

Elekta's credit risks are limited since customer operations are, to a large extent, financed either directly or indirectly by public funds. No customer accounts for 10 percent or more of Elekta's net sales. Elekta's credit losses have historically been low. See note 17 for an analysis of credit exposure in accounts receivable and provision for bad debts.

### Fair value

Financial assets and liabilities are reported at fair value with one exception, the 10-year bond loan that is reported at its amortized cost, taking into account interest rate derivatives, of SEK 935 M while the nominal value is SEK 903 M.

### Derivatives

The table below shows the derivatives that have affected the Group's balance sheet and income statement as of April 30, 2010.

#### Derivatives outstanding

SEK M	NOMINAL	ASSETS	LIABILITIES
Currency derivatives	3,274	96	22
Interest rate derivatives	289	38	0
<b>Total</b>	<b>3,563</b>	<b>134</b>	<b>22</b>

#### Outstanding derivatives with hedge accounting

SEK M	NOMINAL	ASSETS	LIABILITIES	HEDGING RESERVE AFTER TAX
<i>Currency derivatives:</i>				
Cash flow hedges	2,010	84	18	49
<i>Interest rate derivatives:</i>				
Hedging of fair value	289	35	0	
<b>Total</b>	<b>2,299</b>	<b>119</b>	<b>18</b>	<b>49</b>

#### Cash flow hedges outstanding

CURRENCIES	AMOUNT	TERM	RATE
MUSD/SEK	56	2-18 mon	7.533
MUSD/GBP	58	1-18 mon	0.633
MEUR/SEK	30	6-23 mon	10.501
MEUR/GBP	42	5-21 mon	0.892
MJPY/SEK	3,800	3-23 mon	0.829
MJPY/GBP	1,700	3-23 mon	0.007

## Note 3 Estimates and assessments

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

### Impairment testing of goodwill

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

## Note 4 Segment reporting

	NORTH AND SOUTH AMERICA	EUROPE, AFRICA AND MIDDLE EAST	ASIA PACIFIC	GROUP TOTAL	% OF NET SALES
<b>2009/2010, SEK M</b>					
Net sales	2,792	2,735	1,865	7,392	
Operating expenses	-1,804	-1,775	-1,345	-4,925	67%
<b>Contribution margin</b>	<b>988</b>	<b>960</b>	<b>520</b>	<b>2,467</b>	<b>33%</b>
Contribution margin, %	35%	35%	28%	33%	
Global costs				-1,235	17%
<b>Operating result</b>				<b>1,232</b>	<b>17%</b>
Income from participations in associated companies				2	
Interest income				6	
Interest expenses and similar items				-50	
Exchange rate differences				2	
Income tax				-359	
<b>Profit for the year</b>				<b>833</b>	
Assets	2,790	4,964	761	8,515	
Depreciation/amortization	-123	-90	-16	-229	
Investments	69	98	19	186	
<b>2008/2009, SEK M</b>					
Net sales	2,709	2,518	1,462	6,689	
Operating expenses	-1,749	-1,590	-1,069	-4,408	66%
<b>Contribution margin</b>	<b>960</b>	<b>928</b>	<b>393</b>	<b>2,281</b>	<b>34%</b>
Contribution margin, %	35%	37%	27%	34%	
Global costs				-1,451	22%
<b>Operating result</b>				<b>830</b>	<b>12%</b>
Income from participations in associated companies				1	
Interest income				23	
Interest expenses and similar items				-107	
Exchange rate differences				27	
Income tax				-228	
<b>Profit for the year</b>				<b>546</b>	
Assets	3,251	3,705	995	7,951	
Depreciation/amortization	-105	-91	-12	-208	
Investments	67	54	21	142	
<b>Net sales per product area, SEK M</b>					
		2009/10	2008/09		
Neuroscience		1,465	1,338		
Oncology		4,344	3,892		
Software		1,583	1,459		
<b>Total</b>		<b>7,392</b>	<b>6,689</b>		
<b>Net sales per country, SEK M</b>					
		2009/10	2008/09		
Sweden		96	54		
USA		2,313	2,400		
Japan		732	602		
China		478	401		
Germany		406	470		
Italy		350	317		
United Kingdom		295	227		
Russia		242	98		
Canada		241	202		
France		205	276		
Netherlands		200	144		
Other countries		1,834	1,498		
<b>Total</b>		<b>7,392</b>	<b>6,689</b>		

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 Depreciation/amortization

SEK M	GROUP	
	2009/10	2008/09
Cost of products sold	-72	-74
Selling expenses	-33	-38
Administrative expenses	-50	-44
R&D expenses	-74	-52
<b>Total</b>	<b>-229</b>	<b>-208</b>

## Note 6 Income from participations in Group companies

SEK M	PARENT COMPANY	
	2009/10	2008/09
Dividends from subsidiaries	829	383
<b>Total</b>	<b>829</b>	<b>383</b>

## Note 7 Income from participations in associated companies

SEK M	GROUP	
	2009/10	2008/09
Income from participations in associated companies	5	4
Internal profit eliminations for products sold	-3	-3
<b>Total</b>	<b>2</b>	<b>1</b>

## Note 8 Interest income, interest expense and similar items

SEK 18 M (56) of the Parent Company's interest income of SEK 16 M (45) was received from Group companies.  
SEK 1 M (14) of the Parent Company's interest expense and similar items of SEK 40 M (90) relates to Group companies.

## Note 9 Appropriations and untaxed reserves

Parent Company, SEK M	APPROPRIATIONS		UNTAXED RESERVES	
	2009/10	2008/09	April 30, 2010	April 30, 2009
Tax allocation reserve	-2	-5	39	37
<b>Total</b>	<b>-2</b>	<b>-5</b>	<b>39</b>	<b>37</b>

## Note 10 Taxes

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
Current taxes	-404	-200	-6	-5
Deferred taxes	44	-28	-1	2
Participations in taxes of associated companies	1	0	—	—
<b>Total</b>	<b>-359</b>	<b>-228</b>	<b>-7</b>	<b>-3</b>
Swedish tax	26%	28%		
Effect of other tax rates for foreign companies	4%	5%		
Changes in tax legislation	—	-1%		
Tax related to prior years	1%	-4%		
Other	-1%	1%		
<b>Tax rate</b>	<b>30%</b>	<b>29%</b>		

## Note 10 Taxes (cont.)

### Current tax liability

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Opening balance	121	114	2	-4
Adjustment for prior years	10	-33	1	—
Current tax for the year	394	233	6	5
Paid taxes	-320	-206	-6	1
Translation differences	-5	13	—	—
<b>Closing balance</b>	<b>200</b>	<b>121</b>	<b>3</b>	<b>2</b>

### Deferred tax assets and deferred tax liabilities

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

Group	ASSETS (+)		LIABILITIES (-)		NET	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Loss carry-forwards	61	45	—	—	61	45
Untaxed reserves	—	—	-67	-63	-67	-63
Intangible assets	2	3	-246	-268	-244	-265
Tangible fixed assets	8	6	-7	-4	1	2
Financial fixed assets	—	—	-19	-6	-19	-6
Other assets	33	83	-3	-25	30	58
Operating liabilities/Provisions	138	72	-12	-4	126	68
<b>Deferred tax assets/tax liabilities</b>	<b>242</b>	<b>209</b>	<b>-354</b>	<b>-370</b>	<b>-112</b>	<b>-161</b>
Offsetting	-114	-175	114	175	0	0
<b>Net deferred tax assets/tax liabilities</b>	<b>128</b>	<b>34</b>	<b>-240</b>	<b>-195</b>	<b>-112</b>	<b>-161</b>

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

SEK M	Group net	Parent Company net
Opening balance May 1, 2008	-121	37
Changed tax law	5	—
Adjustment for prior years	-4	—
Deferred taxes for the year	-29	2
Deferred taxes charged against shareholders' equity	-9	-26
Translation differences	-3	—
<b>Closing balance April 30, 2009</b>	<b>-161</b>	<b>13</b>
Adjustment for prior years	16	—
Deferred taxes for the year	28	-1
Deferred taxes charged against shareholders' equity	-3	2
Translation differences	8	—
<b>Closing balance April 30, 2010</b>	<b>-112</b>	<b>14</b>

## Note 11 Intangible assets

	GOODWILL	CAPITALIZED DEVELOPMENT COSTS	CUSTOMER RELATIONSHIPS	OTHER INTANGIBLE ASSETS	TOTAL
<b>SEK M</b>					
Accumulated acquisition value May 1, 2009	2,390	284	254	582	3,510
Purchases/capitalization	—	89	—	14	103
Translation differences	-166	-13	-25	-42	-246
<b>Accumulated acquisition value April 30, 2010</b>	<b>2,224</b>	<b>360</b>	<b>229</b>	<b>554</b>	<b>3,367</b>
Accumulated amortization May 1, 2009	—	-95	-45	-220	-360
Amortization for the year	—	-75	-12	-64	-151
Translation differences	—	3	5	16	24
<b>Accumulated amortization April 30, 2010</b>	<b>—</b>	<b>-167</b>	<b>-52</b>	<b>-268</b>	<b>-487</b>
<b>Carrying amount April 30, 2010</b>	<b>2,224</b>	<b>193</b>	<b>177</b>	<b>286</b>	<b>2,880</b>

	GOODWILL	CAPITALIZED DEVELOPMENT COSTS	CUSTOMER RELATIONSHIPS	OTHER INTANGIBLE ASSETS	TOTAL
<b>SEK M</b>					
Accumulated acquisition value May 1, 2008	1,973	225	191	473	2,862
Business combinations	2	—	—	—	2
Purchases/capitalization	—	63	—	1	64
Divestments/disposals	—	-22	—	-1	-23
Translation differences	415	18	63	109	605
<b>Accumulated acquisition value April 30, 2009</b>	<b>2,390</b>	<b>284</b>	<b>254</b>	<b>582</b>	<b>3,510</b>
Accumulated amortization May 1, 2008	—	-60	-23	-120	-203
Divestments/disposals	—	22	—	0	22
Amortization for the year	—	-53	-13	-68	-134
Translation differences	—	-4	-9	-32	-45
<b>Accumulated amortization April 30, 2009</b>	<b>—</b>	<b>-95</b>	<b>-45</b>	<b>-220</b>	<b>-360</b>
<b>Carrying amount April 30, 2009</b>	<b>2,390</b>	<b>189</b>	<b>209</b>	<b>362</b>	<b>3,150</b>

### Impairment testing

Goodwill is tested for impairment every year.

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

SEK M	April 30, 2010	April 30, 2009
Radiation Therapy	413	421
IMPAC	1,070	1,182
CMS	443	490
Medical Intelligence	176	176
BMEI	118	118
Other	4	3
<b>Total</b>	<b>2,224</b>	<b>2,390</b>

The recoverable amounts for the Group's cash-generating units with goodwill are tested annually by computing the value in use for each unit. The 2010 test indicated that there was no impairment.

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

– considerably lower than the anticipated industry growth. The cash flow has been discounted using a pre-tax interest rate in line with the Elekta Group's weighted capital cost (10 percent). Discounted cash flow is compared with capital employed for each cash-generating unit. 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. Even if the long-term (>10 years) growth rate declines by 1 percentage point and the weighted capital cost rises to 12 percent, there is no impairment.

## Note 12 Tangible fixed assets

	MACHINERY ETC FOR PRODUCTION	EQUIPMENT, TOOLS AND INSTALLATIONS	FINANCE LEASE EQUIPMENT	BUILDINGS	TOTAL
<b>SEK M</b>					
Accumulated acquisition value May 1, 2009	102	652	34	35	823
Reclassifications	2	25	-31	4	0
Purchases	8	73	2	0	83
Divestments/disposals	0	-17	—	—	-17
Translation differences	-9	-42	-1	-3	-55
<b>Accumulated acquisition value April 30, 2010</b>	<b>103</b>	<b>691</b>	<b>4</b>	<b>36</b>	<b>834</b>
Accumulated depreciation May 1, 2009	-63	-459	-34	-2	-558
Reclassifications	—	-31	31	—	0
Divestments/disposals	0	14	—	—	14
Depreciation for the year	-9	-67	0	-1	-77
Translation differences	4	29	1	0	34
<b>Accumulated depreciation April 30, 2010</b>	<b>-68</b>	<b>-514</b>	<b>-2</b>	<b>-3</b>	<b>-587</b>
<b>Carrying amount April 30, 2010</b>	<b>35</b>	<b>177</b>	<b>2</b>	<b>33</b>	<b>247</b>

	MACHINERY ETC FOR PRODUCTION	EQUIPMENT, TOOLS AND INSTALLATIONS	FINANCE LEASE EQUIPMENT	BUILDINGS	TOTAL
<b>SEK M</b>					
Accumulated acquisition value May 1, 2008	80	541	45	26	692
Purchases	17	60	—	1	78
Divestments/disposals	-1	-5	-14	—	-20
Translation differences	6	56	3	8	73
<b>Accumulated acquisition value April 30, 2009</b>	<b>102</b>	<b>652</b>	<b>34</b>	<b>35</b>	<b>823</b>
Accumulated depreciation May 1, 2008	-54	-365	-45	-2	-466
Divestments/disposals	1	2	14	—	17
Depreciation for the year	-8	-65	0	-1	-74
Translation differences	-2	-31	-3	1	-35
<b>Accumulated depreciation April 30, 2009</b>	<b>-63</b>	<b>-459</b>	<b>-34</b>	<b>-2</b>	<b>-558</b>
<b>Carrying amount April 30, 2009</b>	<b>39</b>	<b>193</b>	<b>0</b>	<b>33</b>	<b>265</b>

## Note 13 Shares in subsidiaries

	PARENT COMPANY
<b>SEK M</b>	
Opening balance May 1, 2008	1,392
Investments	27
<b>Closing balance April 30, 2009</b>	<b>1,419</b>
Investments	0
<b>Closing balance April 30, 2010</b>	<b>1,419</b>

COMPANY	CORP. ID. NO.	DOMICILE	NO. OF SHARES	INTEREST, %	CARRYING AMOUNT
<b>April 30, 2010</b>					
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50
Elekta Neuromag Oy	0756256-7	Helsinki, Finland	1,832	100.0	44
Elekta KK	65 820	Kobe, Japan	2,000	100.0	0
Elekta Holding Limited	2699176	Crawley, Great Britain	22,810,695	100.0	277
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	433
Elekta Canada Inc.	R889657862	Toronto, Canada	1	100.0	0
Elekta Asia Ltd	502 493	Hong Kong	81,022,160	100.0	13
Elekta Instrument (Shanghai) Ltd		Shanghai, China		100.0	2

## Note 13 Shares in subsidiaries (cont.)

COMPANY	CORP. ID. NO.	DOMICILE	NO. OF SHARES	INTEREST, %	CARRYING AMOUNT
<b>April 30, 2010</b>					
Elekta BMEI (Beijing) Medical Equipment Co., Ltd.		Beijing, China		80.0	196
Elekta Pty Limited	ACN 109 006 966	Sydney, Australia	1	100.0	1
Elekta Medical System India Private Limited	U33112DL2005PTC139794	New Delhi, India	10,000	100.0	0
Elekta SA	B 414 404 913	Paris, France	2,500	100.0	4
Elekta Medical SA	A-818 867 31	Madrid, Spain	10,000	100.0	3
Elekta GmbH	HRB 63500	Hamburg, Germany		100.0	5
Medical Intelligence Medizintechnik GmbH	HRB 14835	Schwabmünchen, Germany		100.0	231
Elekta Kft.		Budapest, Hungary		100.0	2
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3
Elekta Hellas EPE	998 569 196	Athens, Greece		100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0
Elekta Holding BV	33 292 546	Best, The Netherlands	40	100.0	0
Elekta S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	34
3D Line Research and Development S.r.l.		Milano, Italy		100.0	119
Elekta Medical Systems Comercio e Prestacao de Servicos para Radiologia, Radiocirurgia e Radioterapia Ltda		Sao Paulo, Brazil		100.0	1
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0
Elekta Pte Ltd	20090927AZ	Singapore, Singapore	10,000	100.0	0
<b>Total</b>					<b>1,419</b>

## Note 14 Shares in associated companies

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
Opening balance	26	21	8	8
Investments	4	2	4	—
Divestments	-6	-8	—	—
Participations in income of associated companies	4	1	—	—
Translation differences	-4	10	—	—
<b>Closing balance</b>	<b>24</b>	<b>26</b>	<b>12</b>	<b>8</b>

The carrying amount of the Parent Company's holding in AB Motala Verkstad is SEK 8 M (8).  
This year's investment of SEK 4 M concerns Global Medical Investments GMI AB.

COMPANY	CORP. ID. NO.	DOMICILE	NO. OF SHARES	INTEREST, %	CARRYING AMOUNT
<b>April 30, 2010</b>					
AB Motala Verkstad	556031-3503	Motala, Sweden	29,960	49.9	12
Other associated companies					12
<b>Total</b>					<b>24</b>

COMPANY	CORP. ID. NO.	DOMICILE	NO. OF SHARES	INTEREST, %	CARRYING AMOUNT
<b>April 30, 2009</b>					
AB Motala Verkstad	556031-3503	Motala, Sweden	29,960	49.9	11
Other associated companies					15
<b>Total</b>					<b>26</b>

## Note 15 Other financial assets

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Receivables from Group companies	—	—	95	101
Participations in other companies	3	2	—	—
Other non-current receivables	33	31	7	—
<b>Total</b>	<b>36</b>	<b>33</b>	<b>102</b>	<b>101</b>

## Note 16 Inventories

SEK M	GROUP	
	April 30, 2010	April 30, 2009
Components	67	120
Work in progress	125	74
Finished goods	400	359
<b>Total</b>	<b>592</b>	<b>553</b>

## Note 17 Accounts receivable

SEK M	GROUP	
	April 30, 2010	April 30, 2009
Accounts receivable, gross	2,261	1,725
Provision for bad debts	-38	-33
<b>Carrying amount</b>	<b>2,223</b>	<b>1,692</b>

### Credit risk analysis of accounts receivable

Not due	1,410	1,251
Overdue < 30 days	332	112
Overdue 30-60 days	171	46
Overdue 60-90 days	71	52
Overdue > 90 days	239	231
<b>Total accounts receivable, net</b>	<b>2,223</b>	<b>1,692</b>

### Provision for bad debts

Opening balance	-33	-24
Provisions	-14	-9
Reversals	1	3
Realized loss	5	3
Translation differences	3	-6
<b>Closing balance</b>	<b>-38</b>	<b>-33</b>

## Note 18 Other current assets

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Derivative financial instruments (see also note 2)	134	90	38	45
Other receivables	95	92	1	2
Prepaid expenses	139	107	3	4
<b>Total</b>	<b>368</b>	<b>289</b>	<b>42</b>	<b>51</b>

## Note 19 Cash and cash equivalents

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Current investments	380	0	380	—
Cash and bank	794	828	298	252
<b>Total</b>	<b>1,174</b>	<b>828</b>	<b>678</b>	<b>252</b>



## Note 20 Share capital

Number of shares in Elekta AB (publ)	A-shares	B-shares	Total	Share capital, SEK
Number of shares May 1, 2008	3,562,500	88,959,161	92,521,661	185,043,322
Cancellation of repurchased shares	—	-951,300	-951,300	-1,902,600
Exercise of warrants	—	554,202	554,202	1,108,404
<b>Number of shares April 30, 2009</b>	<b>3,562,500</b>	<b>88,562,063</b>	<b>92,124,563</b>	<b>184,249,126</b>
Exercise of warrants	—	670,681	670,681	1,341,362
<b>Number of shares April 30, 2010</b>	<b>3,562,500</b>	<b>89,232,744</b>	<b>92,795,244</b>	<b>185,590,488</b>

All shares have a par value of SEK 2.00 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 fiscal year amounted to a total sum of SEK 184 M, corresponding to SEK 2.00 per share. At the Annual General Meeting on 21 September, 2010, a dividend of SEK 3.00 per share for fiscal year 2009/10 – a total sum of SEK 281 M – will be proposed.

The average number of shares during the fiscal year, to the nearest thousand, was 92,208 thousand (92,029). The average number of shares after full conversion of outstanding warrants, similarly rounded, was 92,945 thousand (92,029). For additional information on the Elekta share, see pages 94-96.

## Note 21 Interest-bearing liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Bond loan	935	1,038	935	1,038
Liabilities to credit institutions	101	588	—	513
Liabilities to Group companies	—	—	645	487
Finance lease liabilities	3	1	—	—
<b>Total</b>	<b>1,039</b>	<b>1,627</b>	<b>1,580</b>	<b>2,038</b>
Maturity term structure, external loans				
< 1 year	102	119	—	43
> 1 year < 5 years	2	470	—	470
> 5 year	935	1,038	935	1,038
<b>Total</b>	<b>1,039</b>	<b>1,627</b>	<b>935</b>	<b>1,551</b>

### Specification per currency

Currency	AMOUNT		SEK M	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Swedish kronor, SEK M	—	470	—	470
U.S. dollars, USD M	129	130	938	1,081
Chinese yuan, CNY M	95	65	101	76
<b>Total</b>			<b>1,039</b>	<b>1,627</b>

### Fixed interest term including effects of derivatives

	April 30, 2010	April 30, 2009
< 1 year	393	909
> 5 years	646	718
<b>Total</b>	<b>1,039</b>	<b>1,627</b>

## Note 22 Other provisions

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Warranty provisions	70	68	—	—
<b>Short-term provisions</b>	<b>70</b>	<b>68</b>	<b>—</b>	<b>—</b>
Provision for pensions	46	53	11	15
Other provisions	43	20	7	7
<b>Long-term provisions</b>	<b>89</b>	<b>73</b>	<b>18</b>	<b>22</b>

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

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
Current service cost	-6	-5	-2	-1
Interest expense	-5	-5	-1	-1
Return on plan assets	3	-4	1	-3
Actuarial gains (+) / losses (-)	0	-8	5	-4
<b>Total pension costs defined benefit plans</b>	<b>-8</b>	<b>-22</b>	<b>3</b>	<b>-9</b>

### Defined benefit pension plans

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Defined benefit obligation, funded plans	94	114	41	40
Fair value of plan assets	-67	-78	-30	-25
<b>Provision for pensions, funded plans</b>	<b>27</b>	<b>36</b>	<b>11</b>	<b>15</b>
Defined benefit obligation, unfunded plans	19	17	—	—
<b>Provision for pensions, unfunded plans</b>	<b>19</b>	<b>17</b>	<b>—</b>	<b>—</b>
<b>Pension provision for defined benefit plans, net</b>	<b>46</b>	<b>53</b>	<b>11</b>	<b>15</b>

### Provision for pensions, net

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
Opening balance	53	35	15	7
Pension costs	8	22	-3	9
Contributions	-5	-5	-1	-1
Benefit payments	0	-3	—	—
Settlement	-8	—	—	—
Translation differences	-2	4	—	—
<b>Provision for pensions, net</b>	<b>46</b>	<b>53</b>	<b>11</b>	<b>15</b>

### Main actuarial assumptions (weighted average)

SEK M	GROUP	
	April 30, 2010	April 30, 2009
Discount rate	3.9%	3.6%
Expected return on plan assets	3.5%	3.6%
Future salary increases	2.0%	1.9%

SEK M	GROUP		PARENT COMPANY
	Warranty provisions	Other provisions	Other provisions
Opening balance May 1, 2008	58	23	5
Provisions/reversals during the year	57	-2	2
Provisions released during the year	-56	-2	—
Translation differences	9	1	—
<b>Closing balance April 30, 2009</b>	<b>68</b>	<b>20</b>	<b>7</b>
Provisions/reversals during the year	65	24	—
Provisions released during the year	-58	-1	0
Translation differences	-5	0	—
<b>Closing balance April 30, 2010</b>	<b>70</b>	<b>43</b>	<b>7</b>

## Note 23 Other current liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Liabilities to Group companies	—	—	—	46
Accrued expenses and prepaid income (see below)	1,761	1,550	24	22
Derivative financial instruments (see also note 2)	22	73	4	2
Other non-interest-bearing liabilities	123	144	3	2
<b>Total</b>	<b>1,906</b>	<b>1,767</b>	<b>31</b>	<b>72</b>
<i>Accrued expenses and prepaid income:</i>				
Prepaid service income	900	748	—	—
Reserve for additional project costs	272	161	—	—
Accrued commission costs	61	75	—	—
Accrued vacation pay liability	86	84	4	4
Accrued social costs	25	19	2	1
Accrued interest expenses	9	13	8	9
Other items	408	450	10	8
<b>Total</b>	<b>1,761</b>	<b>1,550</b>	<b>24</b>	<b>22</b>

## Note 24 Assets pledged

SEK M	GROUP	
	April 30, 2010	April 30, 2009
<i>Collateral pledged for contingent liabilities:</i>		
Bank balances	2	1
<b>Total</b>	<b>2</b>	<b>1</b>

## Note 25 Contingent liabilities

SEK M	GROUP		PARENT COMPANY	
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Guarantees	28	75	2	7
Guarantees on behalf of subsidiaries	—	—	756	618
<b>Total</b>	<b>28</b>	<b>75</b>	<b>758</b>	<b>625</b>

## Note 26 Average number of employees

	MEN		WOMEN		TOTAL	
	2009/2010	2008/09	2009/2010	2008/09	2009/2010	2008/09
Parent Company	13	12	10	10	23	22
Subsidiaries:						
Sweden	127	119	56	63	183	182
Australia	13	13	5	5	18	18
Belgium	7	7	1	1	8	8
Brazil	11	4	7	3	18	7
Finland	21	19	4	3	25	22
France	42	41	7	7	49	48
Greece	9	9	2	2	11	11
Hong Kong	15	11	4	4	19	15
India	41	32	1	1	42	33
Italy	46	46	14	13	60	59
Japan	81	76	26	23	107	99
Canada	23	23	5	2	28	25
China	231	225	85	81	316	306
Mexico	—	1	—	—	—	1
The Netherlands	14	14	3	3	17	17
New Zealand (branch only)	2	1	—	—	2	1

## Note 26 Average number of employees (cont.)

	MEN		WOMEN		TOTAL	
	2009/2010	2008/09	2009/2010	2008/09	2009/2010	2008/09
Subsidiaries (cont.)						
Switzerland (branch only)	3	4	1	—	4	4
Singapore	3	—	—	—	3	—
Spain	25	25	5	5	30	30
Great Britain	399	403	88	82	487	485
South Africa	6	5	2	2	8	7
Germany	108	102	38	32	146	134
Hungary	3	3	—	—	3	3
USA	538	556	320	338	858	894
Austria	15	12	5	3	20	15
<b>Total average number of employees</b>	<b>1,796</b>	<b>1,763</b>	<b>689</b>	<b>683</b>	<b>2,485</b>	<b>2,446</b>

### Specification men/women among Board of Directors and Executive Committee during the fiscal year

The Board of Directors of Elekta AB consisted of 75 (75) percent men. The Executive Committee consisted of 90 (80) percent men.

### Sickness absence in the Swedish companies (%)

	2009/2010	2008/09
Total sickness absence	1.4	1.5
Long-term sickness absence	9.0	8.0
Men	0.9	1.0
Women	2.3	2.5
Employees 29 years and younger	1.9	0.8
Employees 30 - 49 years	1.3	1.4
Employees 50 years and older	1.4	1.8

## Note 27 Salaries, wages, other remuneration and social security costs

SEK M	SALARIES AND REMUNERATION				TOTAL	
	BOARD AND THE PRESIDENT		OTHER EMPLOYEES		2009/10	2008/09
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Parent Company	8	7	24	18	32	25
Subsidiaries:						
Sweden	4	2	107	105	111	107
Australia	4	2	13	11	17	13
Belgium	2	2	4	4	6	6
Brazil	3	3	8	6	11	9
Finland	2	2	15	13	17	15
France	2	2	25	22	27	24
Greece	1	1	5	4	6	5
Hong Kong	3	—	17	12	20	12
India	1	1	5	3	6	4
Italy	2	2	30	29	32	31
Japan	4	2	90	70	94	72
Canada	—	—	34	23	34	23
China	1	—	56	52	57	52
Mexico	—	—	—	1	—	1
The Netherlands	2	1	13	12	15	13
New Zealand (branch only)	—	—	1	—	1	—
Switzerland (branch only)	1	—	2	3	3	3
Singapore	—	—	2	—	2	—
Spain	1	1	17	14	18	15
Great Britain	4	3	247	230	251	233
South Africa	1	1	3	2	4	3
Germany	8	6	98	80	106	86
Hungary	—	—	1	1	1	1
USA	12	13	684	695	696	708
Austria	2	1	10	7	12	8
<b>Total wages, salaries and other remunerations</b>	<b>68</b>	<b>52</b>	<b>1,511</b>	<b>1,417</b>	<b>1,579</b>	<b>1,469</b>

## Note 27 Salaries, wages, other remuneration and social security costs (cont.)

SEK M	TOTAL	
	2009/10	2008/09
Pension costs, Parent Company	2	15
Pension costs, subsidiaries	97	86
Other social security costs, Parent Company	11	14
Other social security costs, subsidiaries	209	246
<b>Total wages, salaries, other remuneration and social security costs</b>	<b>1,898</b>	<b>1,830</b>

Bonus payments included in the above Wages, salaries and other remunerations paid to the Boards and the Presidents of subsidiaries amounted to SEK 19 M (14), and SEK 2 M (1) in the Parent Company.

### Remuneration of Executive Management

#### The Board

According to the resolution by the Annual General Meeting, fees totaling SEK 2,685,000 were paid, of which SEK 570,000 to the Chairman of the Board, SEK 1,710,000 to external Board members, committee fees of SEK 70,000 to the Chairman of the Remuneration Committee and SEK 35,000 to the other external Board members in the Remuneration Committee, as well as SEK 120,000 to the Chairman and SEK 180,000 distributed among the three remaining members of the Audit Committee.

#### Guidelines for remuneration to Executive Management

The Board of Directors proposes that the Annual General Meeting on September 21, 2010 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 Meeting 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.

#### Guidelines

It is of fundamental importance to the Group 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 "bonus", long-term incentives, pension and other benefits, as well as notice and severance payments, where applicable.

#### Total target cash compensation

Total target cash compensation, i.e. 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 (i.e. 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. According to the Group's policy, all payment against variable salary components is capped.

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 an annual "incentive" or bonus. The annual incentive entails a potential to earn a maximum of an additional 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 normal 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 3-4 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, one independent Board member and one Board member employed at Elekta. The President and CEO Tomas Puusepp attends the committee's meetings. The Group Vice President Human Resources acts as the ECC secretary.

#### Executive Compensation 2009-2010

The Executive Management for 2009/2010 comprises a total of eight people, of whom four are located in Sweden and four in the U.K. and the U.S.

#### Remuneration and other benefits during the year

SEK 000s	FIXED SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION COSTS	TOTAL
President and CEO	3,074	2,348	62	1,050	6,534
Other senior executives resident in Sweden (3)	4,256	1,805	240	956	7,257
Other senior executives resident in the U.K. and U.S. (3)	9,063	10,666	326	883	20,938
<b>Total senior executives</b>	<b>16,393</b>	<b>14,819</b>	<b>628</b>	<b>2,889</b>	<b>34,729</b>
Previous President	2,811	2,165	93	1,060	6,129

#### Comments on the table

Variable remuneration pertains to the bonus for the 2009/2010 fiscal year, which was partly paid quarterly during the fiscal year and will be partly paid during 2010/2011. The previous President and other members of Group Management were subject to unchanged terms and conditions during 2009/2010. Supplementary pension contributions were also made during 2009/2010 to fulfill obligations set out in the previous President and CEO's pension agreement.

#### Options program (Share Unit Plan)

The Annual General Meeting held in 2004 resolved to adopt the Elekta AB 2004 Share Unit Plan ("the Plan"). The resolution entailed that the conditions and the guidelines stated in the Plan shall form the framework for annual vesting of employee options to key employees of the Elekta Group during the period 2004/05 – 2006/07. Board members who are not employed in the Company are not encompassed by Elekta's option program. The main terms of the Plan are that (i) it is required that, for an employee to receive employee options and retain the possibility to acquire shares, the employee shall acquire a certain number of shares in the Company on the market and hold these shares until exercise of the option; (ii) the number of acquirable shares based on the employee options is determined based on the fulfillment of a collectively established performance goal; (iii) it shall be possible to exercise one third of the options annually; (iv) the options are nontransferable; (v) the options are dependent upon continued employment; (vi) the price that shall be paid to receive shares on exercise of the option shall not be less than 110 percent of the share's market value at the time of the option offer; (vii) the lifetime of the option shall be a maximum of four years, and (viii) the financial gain that the employee could receive on the granted options is maximized to 400 percent of the price that shall be paid for the shares. If the option holder's employment in the Group ceases, the option expires immediately to the extent that the option cannot yet be used, otherwise the option expires normally after three months from the cessation of employment. Delivery of shares under the employee option program has been secured through Elekta AB (publ) issuing warrants for new subscription of B shares (warrants) to a subsidiary. Thus, the employee options provide formal right to the acquisition of warrants transferred from the subsidiary. However, the option holder may not dispose of the acquired warrants in a manner other than through the immediate exercise of share subscription.

The Annual General Meeting of shareholders of 2007 resolved to adopt the Elekta AB 2007 Share Unit Plan ("the Plan"). The resolution meant entailed that the conditions and the guidelines stated in the Plan shall form the framework for yearly grants of employee options to key employees within the Elekta Group during the period 2007/08 – 2009/10. Board members who are not employed in the Company are not encompassed by Elekta's option program. The main terms of the Plan are that (i) it is required that, for an employee to

receive employee options and retain the possibility to acquire shares, the employee shall acquire a certain number of shares in the Company on the market and hold these shares until exercise of the option; (ii) the number of shares that will be acquirable based on the employee options is determined based on the fulfillment of a collectively established performance goal; (iii) it shall be possible to exercise one fourth of the options annually; (iv) the options are nontransferable; (v) the options are dependent upon continued employment; (vi) the price that shall be paid to receive shares on exercise of the option shall not be less than 110 percent of the share's market value at the time of the option offer; (vii) the lifetime of the option shall be a maximum of five years, and (viii) the financial gain that the employee could receive on the granted options is maximized to 400 percent of the price that shall be paid for the shares. If the option holder's employment in the Group ceases, the option expires immediately to the extent that the option cannot yet be used, otherwise the option expires normally after three months from the cessation of employment. Delivery of shares under the employee option program has been secured through Elekta AB (publ) issuing warrants for new subscription of B shares (warrants) to a subsidiary. Thus, the employee options provide formal right to the acquisition of warrants transferred from the subsidiary. However, the option holder may not dispose of the acquired warrants in a manner other than through the immediate exercise of share subscription.

Employee options are reported in line with IFRS 2 Share-based payments. The calculated costs amounted to SEK 43 M (27).

Employee options granted 2006 entitle the option holders to acquire 878,131 B shares. Employee options granted 2007 entitle the option holders to acquire 1,466,250 B shares.

Employee options granted 2008 entitle the option holders to acquire 1,420,000 B shares.

The dilution effect resulting from outstanding warrants issued to secure the delivery of shares pursuant to the 2006, 2007 and 2008 employee option programs are shown in the table Data per share on page 96.

### Share program (Performance Share Plan)

The Annual General Meeting of 2009 resolved to adopt the Elekta AB 2009 Share Unit Plan ("the Plan"). The resolution entailed that the conditions and the guidelines stated in the Plan shall form the basis for the receipt of shares by key employees of the Elekta Group upon fulfillment of certain performance requirements. The main terms of the Plan are that (i) a Performance Share Award shall entitle a Participant to receive, subject to the terms and conditions set forth in the Plan and applicable Award Agreement, a number of Shares based upon the attainment of performance targets over the applicable 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 a financial target defined as average annual percentage growth rate in EPS during the period fiscal year 2009/10 until fiscal year 2011/12 versus earnings per share for fiscal year 2008/09, (v) the maximum number of Shares will be allotted if the annual average EPS growth is or exceeds 26 per cent, zero allotment of Shares will occur if the annual average EPS growth is below 18 per cent and allotment of Shares between annual average EPS growth 18 and 26 per cent 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 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 per cent of the value of the Shares at the date of grant of the Performance Share Award.

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.

#### Share program 2009/2012

Number of shares after confirmed performance goals	133,602
Theoretical value at time of issue, SEK	21,510,000
Allotment of shares	August 1, 2012
Number of shares as of April 30, 2010	133,602

#### Share Unit Plan (employee options)

	2006/2010	2007/2012	2008/2012
Number of shares after split after confirmed performance requirements	989,692	1,597,500	1,500,000
Exercise price per share, SEK	152.00	124.00	114.00
Expiration date for options	July 31, 2010	July 31, 2012	July 31, 2012
Number of shares as per outstanding options, April 30, 2009	878,131	1,466,250	1,420,000
Expired during the year	-31,874	-71,250	-46,666
Number of shares acquired during the year (option exercise)	-333,876	-195,200	-141,605
<b>Number of shares as per outstanding options, April 30, 2010</b>	<b>512,381</b>	<b>1,199,800</b>	<b>1,231,729</b>

## Note 28 Operating leases

SEK M	GROUP	
	2009/10	2008/09
Leasing fees paid during the year	94	113
<i>Nominal value of agreed future leasing fees:</i>		
Due for payment within 1 year	92	107
Due for payment after 1 year but within 5 years	203	251
Due for payment after more than 5 years	91	108
<b>Total</b>	<b>386</b>	<b>466</b>

Leasing fees paid by the Parent Company during the year amounted to SEK 268 K (325).

Future leasing fees due for payment within one year amount to SEK 102 K (268), after 1 year but within 5 years SEK 65 (167) K.

## Note 29 Fees and remunerations to auditors

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
<i>Audit assignments:</i>				
Deloitte	10	11	3	3
Others	1	0	—	—
<i>Other assignments:</i>				
Deloitte	2	4	1	3
Others	2	—	—	—
<b>Total</b>	<b>15</b>	<b>15</b>	<b>4</b>	<b>6</b>

Other assignments are predominantly in areas closely related to audit such as accounting and tax.

## Note 30 Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in notes 6, 8, 17, 21 and 23.

These transactions are eliminated upon consolidation. Sales to associated companies amounted to SEK 68 M (56).

Purchases from associated companies amounted to SEK 47 M (28). Receivables from associated companies amounted to SEK 21 M (–) and liabilities to associated companies amounted to SEK 11 M (5).

None of the Board members or any of the senior executives has, or has had, any direct or indirect involvement in any business transactions between themselves and Elekta, which is, or was, unusual in character with regard to the terms and conditions. In addition to this, no other transactions with related parties have occurred.

Remunerations and benefits to key personnel in management positions are presented in note 27.

## Note 31 Cash flow statement

SEK M	GROUP		PARENT COMPANY	
	2009/10	2008/09	2009/10	2008/09
<i>Adjustments for non-cash items:</i>				
Participation in profit/loss of associated companies, after tax	-2	-1	—	—
Result from divestments/disposals of fixed assets	-6	—	—	—
Cost of incentive programs	41	25	—	—
Capitalized development costs (see note 11)	-89	-63	—	—
Appropriations	—	—	2	5
Unpaid taxes	38	22	1	2
<b>Total</b>	<b>-18</b>	<b>-17</b>	<b>3</b>	<b>7</b>

# Appropriation of profit

Distributable shareholders' equity at the Parent Company:	
Premium reserve	156,415,441
Retained earnings	604,374,043
Profit for the year	731,232,880
<b>Total (SEK)</b>	<b>1,492,022,364</b>

The Board of Directors and the CEO propose:	
to be distributed to the shareholders, a dividend of SEK 3.00 per share*	280,681,113
and that the remaining amount be carried forward	1,211,341,251
<b>Total (SEK)</b>	<b>1,492,022,364</b>

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

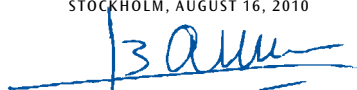
It is the assessment of the Board of Directors that the proposed dividend neither prevents the Company, and other companies within the Group, from fulfilling its obligations, nor from making the necessary investments. The proposed dividend can therefore be justified in respect of Chapter 17, section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

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

The Board of Directors and the 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 Company and the Group, and that the management report gives a fair review of the development and performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

STOCKHOLM, AUGUST 16, 2010

  
Akbar Seddigh  
CHAIRMAN OF THE BOARD

  
Hans Barella

  
Luciano Cattani

  
Birgitta Stymne Göransson

  
Vera Kallmeyer


  
Tommy H Karlsson

  
Laurent Leksell

  
Carl G. Palmstierna

  
Tomas Puusepp  
PRESIDENT AND CEO

OUR AUDIT REPORT WAS SUBMITTED ON AUGUST 16, 2010.

Deloitte AB  
  
Jan Berntsson  
AUTHORIZED PUBLIC ACCOUNTANT

# Corporate Governance Report 2009/10

Elekta AB is a Swedish public limited liability company that operates under Swedish law. Elekta is listed on the NASDAQ OMX Nordic Exchange in Stockholm. Corporate Governance of Elekta is based on Swedish legislation, primarily the Swedish Companies Act, the Rule Book for Issuers of the NASDAQ OMX Stockholm and other relevant rules and guidelines. Elekta's internal Code of Conduct, as well as its mission, vision and values, form cornerstones for the internal corporate governance regulations.

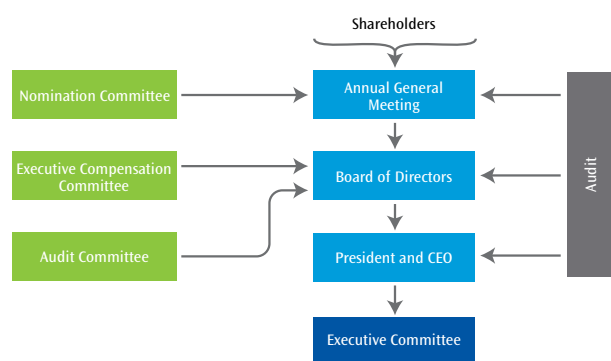
The Swedish Code of Corporate Governance (the Code) is part of the rules of NASDAQ OMX Stockholm to which Elekta has committed to adhere. Elekta has applied the Code since 2005. As of February 1, 2010, a revised Code applies.

Elekta has implemented and follows the Code with the following comment/explanation:

Elekta's Board of Directors has been informed that Elekta's Nomination Committee decided to appoint Laurent Leksell, who is a Board member, 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 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



## Annual General Meeting

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

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

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

At the AGM on September 15, 2009, 224 voting entitled shareholders participated, representing 52 percent of the votes in the Company. For more information about the AGM 2009 please visit [www.elekta.com](http://www.elekta.com).

Information regarding direct or indirect shareholding in Elekta representing at least one-tenth of the total votes of 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 page 47.

## Nomination Committee

The AGM 2009 resolved that the Nomination Committee for the AGM 2010 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, as per the last banking day in September, largest holders of voting rights of A and B shares. Those representatives 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

## Board of Directors



### Akbar Seddigh

born: 1943

CHAIRMAN

Member of the Board since 1998

Holdings: 3,300 B-shares

Graduate Chemist,  
Marketing Specialist

*Other board memberships:*

Chairman of the Board:  
Innovationsbron AB and Blekinge  
Tekniska Högskola

Member of the Board: LSO (USA)



### Hans Barella

born: 1943

Member of the Board since 2003

Holdings: —

Former President and CEO  
of Philips Medical Systems

*Other board memberships:*

Chairman of the Board:  
SuperSonic Imagine SA  
Member of the Board: Senator Group  
Consultancy and Investment B.V.



### Luciano Cattani

born: 1945

Member of the Board since 2008

Holdings: —

Senior Advisor on Global Health Care  
to Private Equity Funds

Former Group President International  
and Former Executive Vice President  
International Public Affairs,  
Stryker Corporation  
MBA



### Vera Kallmeyer

born: 1959

Member of the Board since 2008

Holdings: —

Managing Partner Equity4Health  
LLC and Consulting Professor  
Stanford Medical School  
MD, PhD and MBA

*Other board memberships:*

Member of the Board: UC Davis  
Medical School Board of Visitors  
and Scientific Advisory Board,  
Helga-und-Hans Dittner Stiftung



### Tommy H Karlsson

born: 1946

Member of the Board since 2001

Holdings: 1,650 B-shares

International Management  
Consultant

MSc and BA

*Other board memberships:*

Chairman of the Board:  
Amtico International Inc, OfficeTeam  
Group Ltd. and U-POL Inc

Member of the Board:  
Aldata Solution Oyj



### Laurent Leksell

born: 1952

Member of the Board since 1972

Holdings: 3,562,500 A-shares,  
2,543,001 B-shares (incl. via compa-  
nies) and 73,687 employee options

Former President and CEO  
of Elekta AB, 1972-2005

Executive Director since 2005

MBA, PhD Economics

*Other board memberships:*

Chairman of the Board:  
Stockholm City Mission  
Member of the Board:  
Royal University College of Fine Arts



### Carl G. Palmstierna

born: 1953

Member of the Board since 1993

Holdings: 100,000 B-shares

Executive Chairman Valbay  
International SA

MBA

*Other board memberships:*

Chairman of the Board: Momail AB,  
Qbrick AB, Accumulate AB, Panopticon  
AB, MyFc AB and WeMind AB.

Member of the Board: Alltföräl-  
drar AB, Bluefish Pharmaceutical AB,  
Natural Fragrances of Sweden AB,  
Constellation Group AB, Chinsay AB,  
Peepoole AB and Oculusai AB



### Birgitta Stymne Göransson

born: 1957

Member of the Board since 2005

Holdings: 900 B-shares

President and CEO  
Memira Holding AB

MSc and MBA

*Other board memberships:*

Chairman of the Board:  
Fryshuset Foundation  
Member of the Board: Arcus AS,  
Rhenman & Partners AB,  
Wavin N.V. and Stockholm  
Chamber of Commerce

minutes of the AGM, which can be found on Elekta's website [www.elekta.com](http://www.elekta.com). Shareholders that agreed to participate in the Nomination Committee work have each nominated a representative. The names of persons appointed to the Nomination Committee were announced in a press release on November 12, 2009. The Nomination Committee's assignment is valid until a new Nomination Committee has been named.

The Nomination Committee consists of the following persons representing the following shareholders

- Åsa Nisell – Swedbank Robur funds
- Tove Bångstad – SEB Investment Management
- Anders Oscarsson – AMF Försäkring och Fonder
- Laurent Leksell – private and via companies
- Akbar Seddigh – Chairman of the Board

At the time when the Nomination Committee was established, these shareholders collectively represented over 41 percent of the votes in Elekta.

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

Prior to the 2010 AGM, the Nomination Committee will

submit proposals for the Chairman of the AGM, number of Board members, the Chairman of the Board and Board members. The Nomination Committee will also submit proposals for remuneration to the Chairman and other members of the Board, any Board committees and auditors and 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](http://www.elekta.com).

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

### Board of Directors

Elekta's Board of Directors is elected by the Annual General Meeting. The Board of Directors establishes Elekta's strategy and goals, ensures an effective evaluation of operations and controls the Company's development and financial position. During the 2009/10 fiscal year, the Board of Directors consisted of eight members, who are presented on page 83. 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, until the AGM 2010, applicable rules in the Rule Book for Issuers of NASDAQ OMX Stockholm, see the table below.

Information regarding provisions of the articles of association for appointment and dismissal of board members and possible provisions regarding changes to the articles of association is set out in the Board of Directors' Report on page 47.

During the 2009/10 fiscal year the Board held ten recorded meetings.

#### Attendance and remuneration for the Board of Directors in Elekta AB 2009/10

SEK 000s	NAME	INDEPENDENT*	REGULAR REMUNERATION	REMUNERATION COMPENSATION COMMITTEE	REMUNERATION AUDIT COMMITTEE	ATTENDANCE
Chairman:	Akbar Seddigh	yes	570	70	—	10/10
Members:	Hans Barella	yes	285	—	120	10/10
	Luciano Cattani	yes	285	35	—	10/10
	Birgitta Stymne Göransson	yes	285	—	60	10/10
	Vera Kallmeyer	yes	285	—	60	10/10
	Tommy H Karlsson	yes	285	—	60	10/10
	Laurent Leksell	no	**	—	—	10/10
	Carl G. Palmstierna	yes	285	—	—	10/10
<b>Total</b>			<b>2,280</b>	<b>105</b>	<b>300</b>	

\* Independent in relation to Company and management as well as to major shareholders.

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

As part of its work, the Board regularly visits Elekta's larger units around the world. During the year, the Board traveled to Tokyo, Japan, to meet with local Elekta management. This year the Board also had one scientific meeting in Utrecht, Netherlands where the Board met with external expertise and advisors. Other meetings were held at the main office in Stockholm, all with Elekta's General Counsel acting as secretary. Board member attendance has been 100 percent.

Representatives from executive management and other managerial representatives have, during the year, regularly participated in Board meetings to report on issues relating to their respective areas.

### Working procedures for the Board

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

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

At 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 and business events.
- Report on existing or potential legal disputes.

### Significant decisions during the year

In addition to decisions on plans and strategy, continuous follow-up of business operations and approval of interim and

year-end reports, the Board of Directors during the 2009/10 fiscal year decided on matters including:

- Long term financing and financial policy.
- Plan for succession management.
- Release of a revised Code of Conduct and establishment of activities for an effective implementation.
- Long term IT strategy and risk analysis.
- Establishment of a joint venture together with Swedfund.
- Major R&D, product development programs, product roadmap and future development research projects.

Remuneration to the Board of Directors is determined by the AGM and is paid to those Board members who are not Elekta employees. Elekta has implemented no share, or share price related, incentive program for Board members who do not hold employment with the Company. Remuneration to the respective members is detailed in the table on page 84.

### Executive Compensation Committee

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

The ECC during the year consisted of the Chairman of the Board, Akbar Seddigh, who also was Chairman of the ECC and Board member Luciano Cattani. 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 compensation system and remuneration to senior executives and senior managers. The recommendations cover formulation of 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 decided by the Board. The entire Board decides on remuneration to the President and CEO.

During the 2009/10 fiscal year the ECC held 5 meetings. Minutes are taken at every meeting. Attendance at the committee meetings has been 100 percent.

More important matters dealt with by the ECC during the year included:

- Yearly remuneration audit for the CEO and the Executive Committee.
- Compensation benchmark for the CEO and Executive Committee.
- Proposal to revised guidelines for remuneration to executive management.
- An enterprise-wide system that effectively links individual and business performance to Elekta’s various reward systems.
- A revision of the corporate short-term incentive plan structure and policy and an upgrade of long-term incentive scheme.
- A new enterprise-wide process for evaluating and promoting managers and other key talent.

Note 27, “Salaries, wages, other remuneration and social security costs,” describes Elekta’s outstanding share and share-related incentive programs in greater detail.

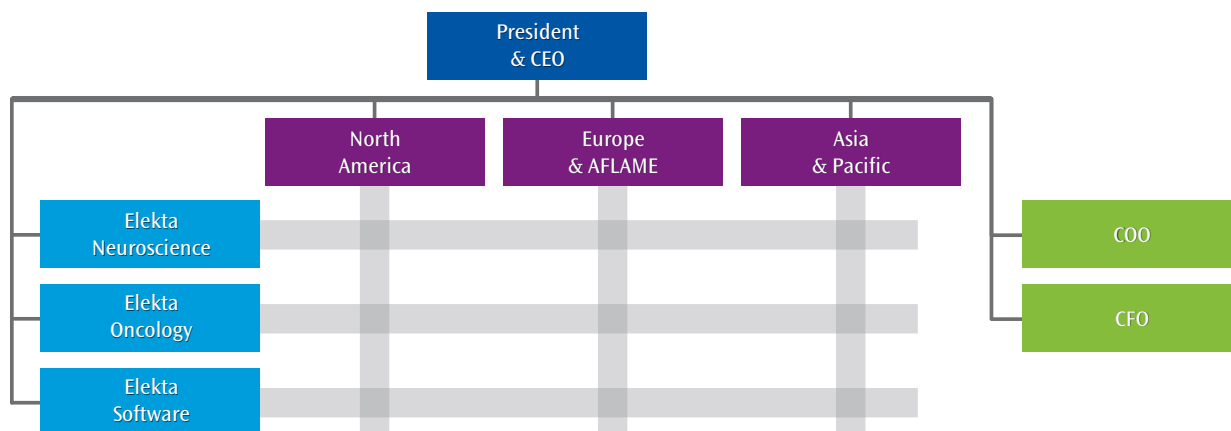
### Audit Committee

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 a decision. The main duties of the Audit Committee are to support the Board of Directors in the work of ensuring the quality of the financial reporting, risk management, auditor review and that established financial principles are applied in a correct manner. The Audit Committee regularly meets Elekta’s auditors, evaluates the audit work and grants approval as to which additional services Elekta may procure from the external auditors.

The Audit Committee’s members have been Hans Barella (Chairman), Birgitta Stymne Göransson, Tommy H Karlsson and Vera Kallmeyer.

During the 2009/10 fiscal year the Audit Committee held five meetings. Minutes are taken at every meeting. Attendance at the committee meetings has been 100 percent.

## Elekta’s organization





## Executive Management



**Tomas Puusepp**

born: 1955  
President and CEO  
Employed since 1988  
Holdings: 179,000 B-shares,  
180,000 employee options



**Olof Sandén**

born: 1962  
Region Europe & AFLAME  
Employed 1993-1995 and since 2002  
Holdings: 8,640 B-shares,  
87,981 employee options



**Ian Alexander**

born: 1958  
Region Asia Pacific  
Employed since 2008  
Holdings: 40,000 employee options



**James P. Hoey**

born: 1955  
Region North America  
Employed since 2005  
(Founded IMPAC 1990)  
Holdings: 1,500 B-shares,  
130,000 employee options



**Åsa Hedin**

born: 1962  
Elekta Neuroscience  
Employed 1994-2000 and since 2007  
Holdings: 327 B-shares,  
70,000 employee options



**Johan Sedih**

born: 1965  
Elekta Oncology  
Employed since 1993  
Holdings: 40,203 B-shares,  
87,981 employee options



**Todd Powell**

born: 1965  
Elekta Software  
Employed since 2005  
(Employed IMPAC 1992)  
Holdings: 1,500 B-shares,  
50,905 employee options



**Håkan Bergström**

born: 1956  
CFO  
Employed since 2001  
Holdings: 35,013 B-shares,  
101,313 employee options

### The following changes have been implemented during and after fiscal year 2009/10:

**Joseph K. Jachinowski**

was Executive Vice President of Region North America until September 2009 when he resigned.

**James P. Hoey**

was appointed Executive Vice President of Region North America in September 2009. He was also Executive Vice President of Elekta Software until December 2009.

**Todd Powell**

was appointed as new member of the Executive Committee and Executive Vice President of Elekta Software in May 2010 (he was appointed acting Senior Vice President of Elekta Software in December 2009).

**Laurent Leksell**

was acting Executive Vice President of Region Asia Pacific until May 2010.

**Ian Alexander**

was appointed Executive Vice President of Region Asia Pacific in May 2010 and left thereby his position as COO.

The position as COO is presently (Aug. 2010) vacant.

More important matters dealt with by the Audit Committee during the year included:

- Risk Management and prioritization of resources to ensure proper risk management.
- Cash flow review and implementation of effective methods to improve cash flow.
- Review of principles for revenue recognition.
- Auditor review and auditor evaluation.
- Establishment of risk management and internal control processes.

### Auditors

The Annual General Meeting on September 18, 2008 elected Deloitte AB as audit firm, with Jan Bertsson as auditor in charge, for a period of four years, i.e. until the 2012 AGM. Deloitte AB has been the auditor of Elekta AB since the 2002 AGM.

Jan Bertsson, born 1964 and an authorized public accountant, has been senior auditor in Elekta AB since 2008. In addition to Elekta, Jan Bertsson's auditing assignments include Atlas Copco, Tele2 and ICA. He has no auditing assignments in companies related to Elekta's major owners or its President and CEO. The auditors' fees during the fiscal year are reported in note 29.

### 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 or of major significance, or are explicitly defined as being the responsibility of the Board of Directors.

Tomas Puusepp has served as President and CEO of Elekta since 1 May, 2005. Born in 1955, he has a total of 28 years of 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 the Company, 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 is member of the Board of Bactiguard AB, but has no further significant assignments outside Elekta. He has no shareholdings or ownership interests in companies with significant business relations with Elekta.

### Executive Committee

Elekta's Executive Committee consists of the President and CEO, the Chief Financial Officer, the Chief Operating Officer, the managers of three product areas and the three regions – a total of nine members. The President and CEO oversees the work of the Executive Committee and makes decisions after consulting with the members. Executive Committee meetings are held one or two days each month. The meetings are often held in conjunction with visits to the Group's various units.

Details regarding remuneration for the President and CEO and Executive Committee are provided in note 27.

### Financial reporting and information

Elekta provides the market with continuous information regarding the Company's development and financial position in accordance with the guidelines specified in the Board's 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 an order 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](http://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 one-on-one meetings, 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.

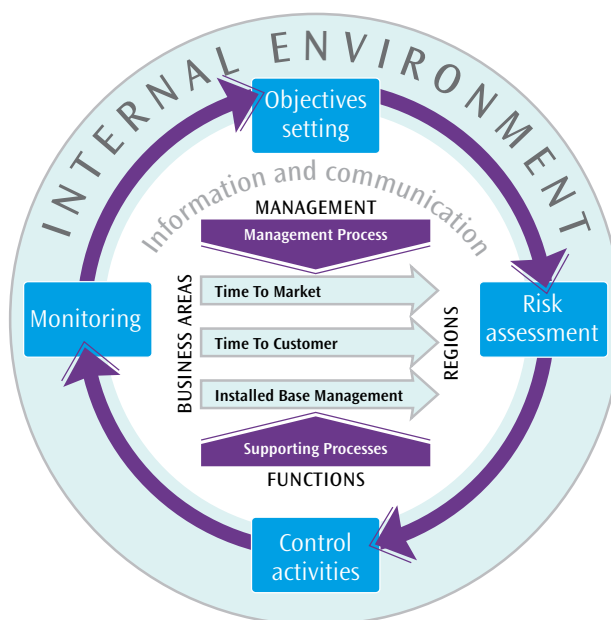
## Risk Management and Internal Control

During the year Elekta has developed and started implementation of a more systematic approach in working with risk management and internal control resulting in the Elekta Risk Management and Internal Control process, see figure at right. The new approach is developed from already established methods of 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 approach for risk management and internal control is to focus on strategic risks, operational 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 sets standards for corporate behavior. The internal environment embraces our Mission, Vision and Values as guiding principles and is supplemented by further descriptions in documented policies, procedures, processes and working instructions that are communicated throughout the organization.

The Elekta Code of Conduct serves as an overall policy to ensure all employees understand the corporate responsibility regarding business ethics and behavior in the areas of social, environmental and economic responsibility. Other policies, procedures, processes and working instructions describe how Elekta manages and conducts its business operations, e.g. the management process, the main business processes; Time to Market, Time to Customer and Installed Base Management, and supporting processes such as purchasing, customer feedback, IT and human resources. There are also policies, procedures, supporting processes and working instructions regarding the financial reporting in the Financial Guide, including e.g. authorization policy and instruction, accounting policy, reporting instruction and financial policy. In addition there are working instructions established for supporting e.g. the financial IT systems and an information policy.



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.

As a medical device company, Elekta operates according to several external requirements and standards that supervisory authorities have established. The requirements and standards are implemented and maintained through Business Management Systems, which include policies, procedures, processes and working instructions.

The organizational structure is transparent with defined roles, authorities and responsibilities documented in working instructions and job descriptions on all levels in the Company, from the Board of Directors to all employees. The Board of Directors has established working instructions for the Board of Directors, the Audit Committee, the Executive Compensation Committee, the CEO and instructions regarding financial reporting to the Board of Directors. Evaluation of performance is done on an annual basis in order to ensure relevant competency and any needs for personal development.

The Audit Committee and the Executive Committee of Elekta have during the year strengthened the management of risks and internal control by appointing a Risk Manager to further develop and enhance the risk management and internal control process throughout the organization, with specific focus on the internal controls related to financial reporting.

The organization structure is described on page 86.

### Objectives setting and risk assessment

As part of the Elekta strategy and management processes, the Company long term and short term objectives are established. 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, under the supervision of the Risk manager. The risks are documented in a company risk map. In addition, risks that appear during the year are continuously evaluated and added if applicable to the company risk map. The major risks are described on pages 45-46 and 62-63.

The risk assessment is performed by assessing the risk level, from an impact and probability perspective, and defines the appropriate risk response as base for actions and handling of each risk. All risks are handled by appointed risk owners and risk actionees.

### Control activities

The control activities are designed to handle risks that the Audit Committee, the CEO and the Executive Committee consider to be significant for reaching the strategic objectives, and the objectives for business operations, legal and regulatory compliance and for financial reporting.

Policies and Procedures are established and implemented to help ensure that the risk responses are effectively carried out e.g.

- Changes in the business model to avoid risks.
- Accept risk but monitor and analyze any changes.
- Improve business processes and behavior to mitigate risks.
- Share risk between entities.
- Transfer 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 are comprised of detailed or overall controls and could be preventative or detective. Control activities are often integrated in key processes, such as order and revenue recognition and in addition comprise analytical reviews such as performance follow-up. Areas that are covered by control activities are e.g. approvals and authorizations of business transactions, reliability of business IT systems, observance of laws, applicable accounting standards and other requirements on listed companies and areas that include a certain degree of judgment.

### Monitoring

Monitoring of the risk management and internal control process to ensure the effectiveness of the process, is done

by the Board of Directors, the Audit Committee, the CEO, the Executive Committee and other appointed dedicated committees and relevant employees. Monitoring includes e.g. review 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 e.g. quality of product, product development and manufacturing by the Quality function, and reports from the external auditors.

Prioritized risks are monitored quarterly by the Audit Committee, while all overall company risks are monitored by the Executive committee as an integrated part of business reviews.

### Information and communication

As part of the Elekta strategy and management processes, the Board of Directors, the CEO and the Executive Committee decide on company long term strategy, operational plans and company policies. These are all communicated to relevant levels within the company as building blocks for company control.

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

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

The Risk manager coordinates risk reporting from risk owners to the Executive Committee, the Audit Committee and the Board of Directors.

For suspected violations of the Code of Conduct, an anonymous communication line exists directly to the Corporate Social Responsibility Officer.

The Elekta communications policy regulates communication with external parties including the financial market.

The company has currently no separate internal audit function. 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 Board of Directors continuously evaluates the need and scope of an internal audit function related to financial reporting.

# Audit Report

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

We have audited the annual accounts, the consolidated accounts, the corporate governance report, the accounting records and the administration of the Board of Directors and the CEO of Elekta AB for the fiscal year 2009-05-01 – 2010-04-30. The annual accounts, the consolidated accounts and the corporate governance report are included on page 44-90 of this document. The Board of Directors and the CEO are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the corporate governance report and the application of international financial reporting standards IFRSs as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts, the corporate governance report and the administration based on our audit.

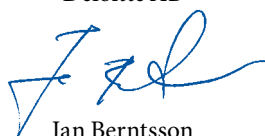
We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts, the consolidated accounts and the corporate governance report are free of material misstatement.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

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

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit of the parent company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the CEO be discharged from liability for the fiscal year.

STOCKHOLM, AUGUST 16, 2010

Deloitte AB



Jan Berntsson

AUTHORIZED PUBLIC ACCOUNTANT

# Five year review, key figures and definitions

## Income statement

SEK M	2005/06	2006/07	2007/08	2008/09	2009/10
Net sales	4,421	4,525	5,081	6,689	7,392
Operating expenses	-3,968	-4,016	-4,431	-5,859	-6,160
<b>Operating result</b>	<b>453</b>	<b>509</b>	<b>650</b>	<b>830</b>	<b>1,232</b>
Financial net	-9	-2	-26	-56	-40
<b>Profit before tax</b>	<b>444</b>	<b>507</b>	<b>624</b>	<b>774</b>	<b>1,192</b>
Income taxes	-140	-161	-218	-228	-359
<b>Profit for the year</b>	<b>304</b>	<b>346</b>	<b>406</b>	<b>546</b>	<b>833</b>
Attributable to Parent Company shareholders	304	348	411	552	838
Attributable to minority interest	—	-2	-5	-6	-5

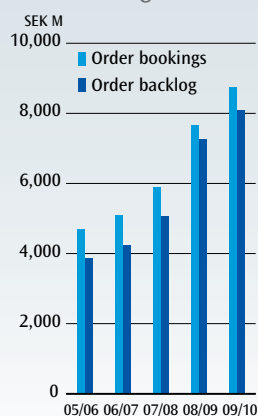
## Cash flow

SEK M	2005/06	2006/07	2007/08	2008/09	2009/10
Operating cash flow	457	485	635	737	1,044
Change in working capital	41	-335	-316	3	12
<b>Cash flow from operating activities</b>	<b>498</b>	<b>150</b>	<b>319</b>	<b>740</b>	<b>1,056</b>
Continuous investments	-145	-113	-46	-89	-88
Acquisition of operations	-195	-144	-553	-71	—
<b>Cash flow after investments</b>	<b>158</b>	<b>-107</b>	<b>-280</b>	<b>580</b>	<b>968</b>

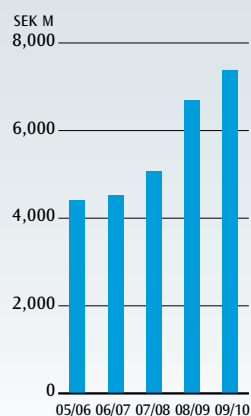
## Balance sheet

SEK M	April 30, 2006	April 30, 2007	April 30, 2008	April 30, 2009	April 30, 2010
Intangible assets	2,182	2,198	2,659	3,150	2,880
Tangible fixed assets	230	252	226	265	247
Financial assets	26	32	37	59	60
Deferred tax assets	38	14	14	34	128
Inventories	364	423	529	553	592
Current receivables	1,463	1,953	2,455	3,062	3,434
Cash and cash equivalents	981	484	402	828	1,174
<b>Total assets</b>	<b>5,284</b>	<b>5,356</b>	<b>6,322</b>	<b>7,951</b>	<b>8,515</b>
Equity	1,868	1,863	1,813	2,555	3,244
Interest-bearing liabilities	1,091	987	1,449	1,627	1,039
Non-interest-bearing liabilities	2,325	2,506	3,060	3,769	4,232
<b>Total equity and liabilities</b>	<b>5,284</b>	<b>5,356</b>	<b>6,322</b>	<b>7,951</b>	<b>8,515</b>

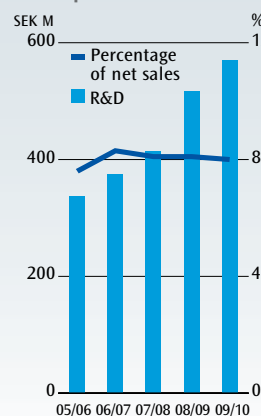
### Order bookings and order backlog



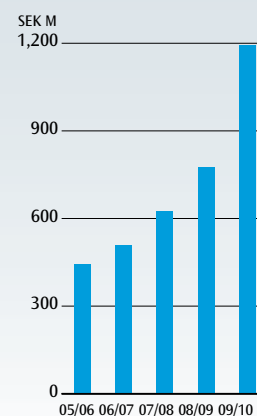
### Net sales



### Research and development



### Profit before tax



## Key figures

	2005/06	2006/07	2007/08	2008/09	2009/10
Order bookings, SEK M	4,705	5,102	5,882	7,656	8,757
Order backlog, SEK M	3,875	4,247	5,069	7,267	8,093
Operating margin	10%	11%	13%	12%	17%
Profit margin	10%	11%	12%	12%	16%
Shareholders' equity, SEK M	1,868	1,863	1,813	2,555	3,244
Capital employed, SEK M	2,959	2,850	3,262	4,182	4,283
Net debt, SEK M	110	503	1,047	799	-135
Equity/assets ratio	35%	35%	29%	32%	38%
Net debt/equity ratio, multiple	0.06	0.27	0.58	0.31	-0.04
Interest cover ratio, multiple	8.4	8.2	9.2	8.2	24.8
Return on shareholders' equity	17%	19%	23%	27%	30%
Return on capital employed	18%	20%	24%	24%	30%
Capital turnover ratio, multiple	0.9	0.9	0.9	1.0	0.9
Investments in tangible and intangible fixed assets, SEK M	187	153	108	142	186
Depreciation, SEK M	-171	-136	-176	-208	-229
Average number of employees	1,750	1,951	2,113	2,446	2,485

## Definitions

### Operating margin

Operating result in relation to net sales.

### Profit margin

Profit after financial items in relation to net sales.

### Capital employed

Total assets less interest-free liabilities.

### Equity/assets ratio

Shareholders' equity in relation to total assets.

### Net debt

Interest-bearing liabilities less cash and cash equivalents.

### Net debt/equity ratio

Net debt in relation to shareholders' equity.

### Interest cover ratio

Profit after financial items plus financial expenses in relation to financial expenses.

### Return on shareholders' equity

Net profit for the year attributable to Parent Company shareholders in relation to average shareholders' equity excluding minority interest.

### Return on capital employed

Profit after financial items plus

financial expenses in relation to average capital employed.

### Capital turnover ratio

Net sales divided by average total assets.

### Average number of employees

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

### Value added per employee

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

### Earnings per share

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

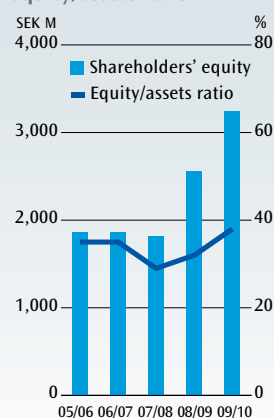
### Cash flow per share

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

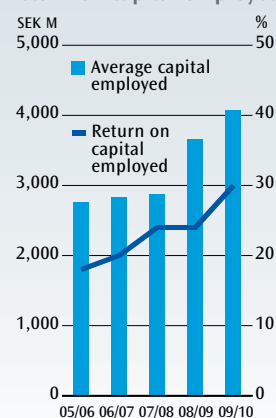
### Shareholders' equity per share

Shareholders equity excluding minority interest in relation to the number of shares at year-end.

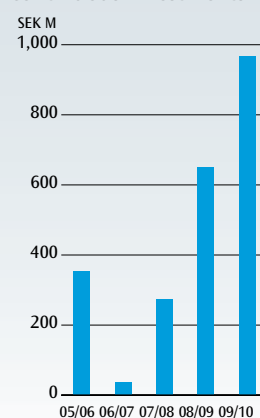
### Equity and equity/assets ratio



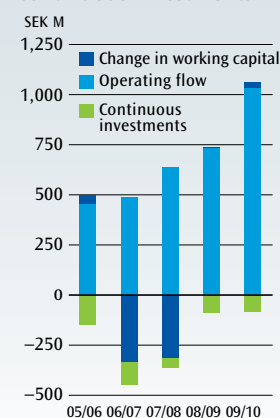
### Capital employed and return on capital employed



### Cash flow after continuous investments



### Cash flow after continuous investments



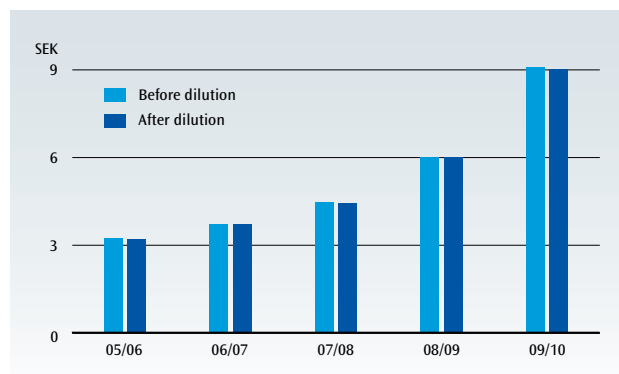
# The Elekta share

On April 30, 2010 Elekta's share capital amounted to SEK 185,590,488 distributed among 3,562,500 A-shares and 89,232,744 B-shares. One A-share entitles the holder to 10 votes and B-shares to one vote each. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of the Articles of Association, Series A shares are subject to right of first refusal. All A-shares are owned by Laurent Leksell. At a General Meeting, each shareholder is entitled to exercise unlimited voting rights on the full number of shares that he/she owns or represents.

## Stock market trading

Elekta B-shares have been listed on the NASDAQ OMX Nordic Exchange in Stockholm since 1994. Total trading in Elekta shares during the period May 1, 2009 – April 30, 2010 amounted to 138.4 million shares (180.0), corresponding to

## Profit per share



150 percent (195) of the total number of shares. The average number of shares traded each day during the period amounted to 551,430 (719,517). Market capitalization at April 30, 2010 amounted to SEK 17,585 M (8,637).

## Distribution of shares April 30, 2010

CLASS OF SHARE	NO. OF SHARES	NO. OF VOTES	PERCENTAGE OF CAPITAL	PERCENTAGE OF VOTES
A-shares	3,562,500	35,625,000	3.8	28.5
B-shares	89,232,744	89,232,744	96.2	71.5
<b>Total</b>	<b>92,795,244</b>	<b>124,857,744</b>	<b>100.0</b>	<b>100.0</b>

## Distribution of shares after full exercise of warrants

CLASS OF SHARE	NO. OF SHARES	NO. OF VOTES	PERCENTAGE OF CAPITAL	PERCENTAGE OF VOTES
A-shares	3,562,500	35,625,000	3.7	27.8
B-shares	92,332,375	92,332,375	96.3	72.2
<b>Total</b>	<b>95,894,875</b>	<b>127,957,375</b>	<b>100.0</b>	<b>100.0</b>

## Ownership structure April 30, 2010

SHAREHOLDING NO. OF SHARES	NUMBER OF SHARE-HOLDERS	PER-CENTAGE OF SHARE-HOLDERS	NUMBER OF SHARES	PER-CENTAGE OF SHARE-CAPITAL	AVERAGE NUMBER PER SHARE-HOLDER
1 - 500	11,575	75	1,494,389	1.6	129
501 - 1,000	1,894	12	1,504,382	1.6	794
1,001 - 10,000	1,499	10	4,313,409	4.7	2,878
10,001 - 100,000	291	2	9,722,972	10.5	33,412
100,001 -	150	1	75,760,092	81.6	505,067
<b>Total</b>	<b>15,409</b>	<b>100.0</b>	<b>92,795,244</b>	<b>100.0</b>	<b>6,022</b>

Source: SIS Ägarservice AB and Euroclear AB

## Major shareholders April 30, 2010

OWNER	NUMBER OF SHARES	PERCENTAGE OF VOTES	PERCENTAGE OF CAPITAL
Swedbank Robur funds	7,369,346	5.9	7.9
Fidelity funds (USA)	6,695,455	5.4	7.2
Laurent Leksell w/ companies	6,105,501	30.6	6.6
Investor	6,184,429	5.0	6.7
Nordea funds	2,988,958	2.4	3.2
SEB funds	2,301,336	1.8	2.5
Orkla ASA (Norway)	2,200,000	1.8	2.4
T Rowe Price funds (USA)	1,747,557	1.4	1.9
AMF Insurance & funds	1,501,426	1.2	1.6
SHB funds	1,399,889	1.1	1.5
Other	54,301,347	43.4	58.5
<b>Total</b>	<b>92,795,244</b>	<b>100.0</b>	<b>100.0</b>

The table above lists the 10 largest known shareholders in Elekta AB as of April 30, 2010. The proportion of foreign ownership was approximately 46 percent. Of these shares, 60 percent of holdings were held by trustees. As a result, it is possible that there are other large shareholders with undisclosed holdings, even if no other foreign shareholder has "flagged" for holdings above 5 percent. The proportion of Swedish institutional ownership was approximately 22 percent.

Source: SIS Ägarservice AB and Euroclear AB



## Dividend policy

Elekta's goal is to provide shareholders with a favorable return and value growth. The Board has changed the policy for shareholder distribution, increasing the distribution of net profit in the form of dividends, repurchase of shares or comparable measures to at least 30 (20) percent of net profit. The dividend decisions are based on Elekta's financial position, earnings trend, growth potential and investment requirements.

In accordance with the Company's dividend policy, the Board proposes a dividend of SEK 3.00 (2.00) per share, corresponding to approx. SEK 281 (184) M and 33 (33) percent of net profit.

## Option program

The Annual General Meeting of 2004 resolved to adopt the Elekta AB 2004 Share Unit Plan. The resolution entailed that the conditions and the guidelines stated in the plan were to be the framework for yearly grants of stock options to key

employees within the Elekta group during the period 2004/05 – 2006/07. For detailed description of the plan see note 27.

The Annual General Meeting of 2007 resolved to adopt the Elekta AB 2007 Share Unit Plan. The resolution entailed that the conditions and the guidelines stated in the plan were to be the framework for yearly grants of stock options to key employees within the Elekta group during the period 2007/08 – 2009/10. For detailed description of the plan see note 27.

## Share program

The Annual General Meeting of 2009 resolved to adopt the Elekta AB 2009 Share Unit Plan. The resolution entailed that the conditions and the guidelines stated in the plan shall form the basis for the receipt of shares by key employees of the Elekta Group upon fulfillment of certain performance requirements during the period 2009/10 – 2011/12. For detailed description of the plan see note 27.

### Changes in share capital until April 30, 2010

YEAR	TRANSACTION	TOTAL NUMBER OF SHARES	TOTAL SHARE CAPITAL, SEK 000s
1994	New issue	7 397 180	36 986
1994	Exercise of warrants	7 897 180	39 486
1997	New issue	9 871 475	49 357
1997	New issue	10 497 451	52 487
1999	New issue	20 994 902	104 975
2000	Offset issue	27 853 617	139 268
2001	Conversion of debentures	31 661 867	158 309
2001	Exercise of warrants	31 678 867	158 394
2002	Exercise of warrants	32 175 142	160 876
2003	Exercise of warrants	32 953 967	164 770
2004	Redemption of shares	31 066 254	155 331
2004	Exercise of warrants	31 567 454	157 837
2005	Exercise of warrants	31 596 236	157 981
2005	Bonus issue	31 596 236	189 577
2005	Split 3:1	94 788 708	189 577
2005	Cancellation of repurchased shares	94 114 008	188 228
2005	Exercise of warrants	94 194 372	188 389
2006	Exercise of warrants	94 543 298	189 087
2007	Exercise of warrants	94 705 016	189 410
2007	Cancellation of repurchased shares	93 903 316	187 807
2008	Exercise of warrants	94 706 734	189 413
2008	Cancellation of repurchased shares	93 075 863	186 152
2009	Cancellation of repurchased shares	92 124 563	184 249
2009	Exercise of warrants	92 237 944	184 476
2010	Exercise of warrants	92 795 244	185 590

### Warrants program 2006/2010

Warrants	989,692
Outstanding warrants April 30, 2010	512,381
Subscription period	August 1, 2007–July 31, 2010
Warrant price, SEK	7.00
Subscription price, SEK	145.00

### Warrants program 2007/2012

Warrants	1,853,500
Outstanding warrants April 30, 2010	1,455,800
Subscription period	Nov. 1, 2007–July 31, 2012
Warrant price, SEK	5.90
Subscription price, SEK	118.10

### Warrants program 2008/2012

Warrants	1,756,000
Outstanding warrants April 30, 2010	1,487,729
Subscription period	Nov. 1, 2008–July 31, 2012
Warrant price, SEK	5.00
Subscription price, SEK	109.00

### Share program 2009/2012

Number of shares after confirmed performance goals	133,602
Theoretical value at time of issue, SEK	21,510,000
Allotment of shares	August 1, 2012

# The Elekta share

## Data per share

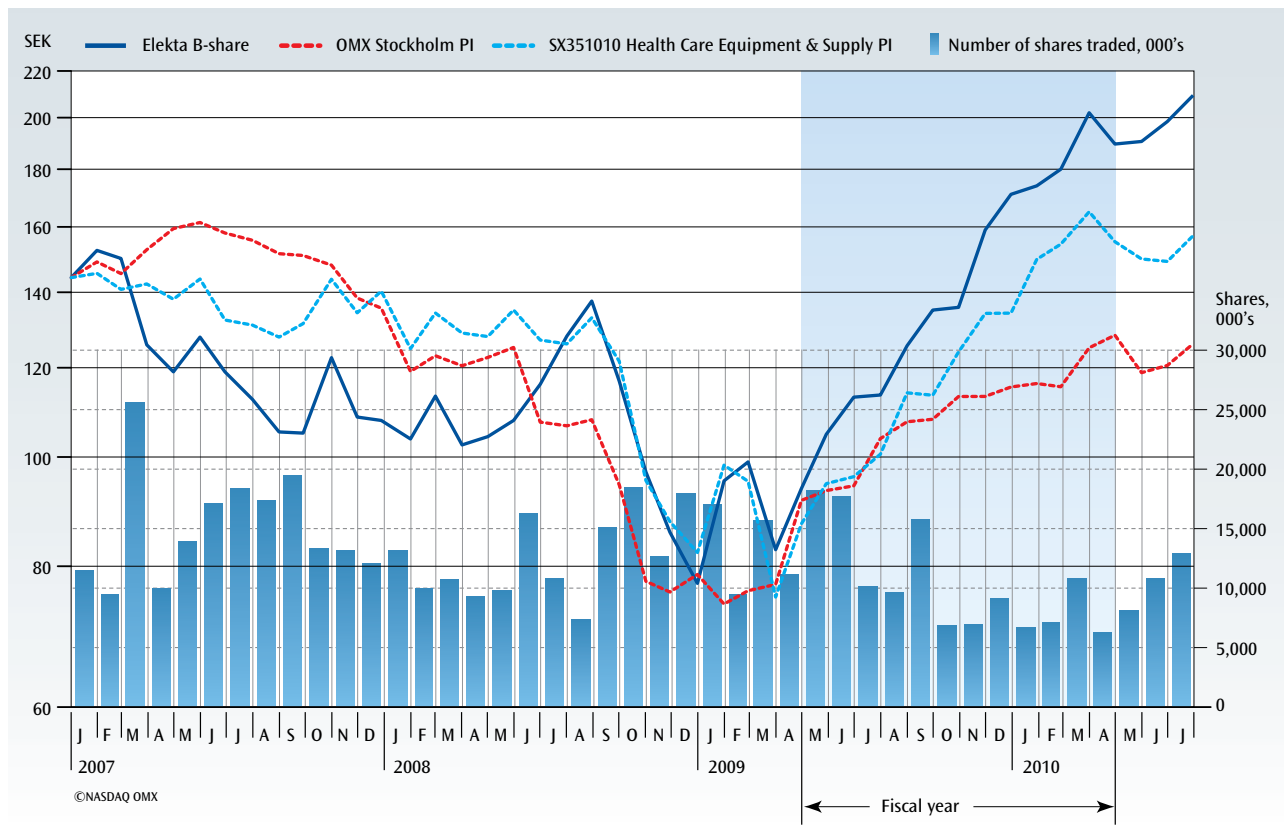
	2005/06	2006/07	2007/08	2008/09	2009/10
Earnings per share					
before dilution, SEK	3.23	3.72	4.46	6.00	9.09
after dilution, SEK	3.21	3.70	4.44	6.00	9.01
Cash flow per share *					
before dilution, SEK	1.68	-1.14	-3.04	6.30	10.50
after dilution, SEK	1.67	-1.14	-3.03	6.30	10.41
Shareholders' equity per share					
before dilution, SEK	19.80	19.96	19.70	27.67	34.95
after dilution, SEK	20.45	20.46	20.03	27.67	37.50
Dividend, SEK	1.00	1.00	1.75	2.00	3.00
Share price, Elekta Series B, April 30, SEK	121.50	119.00	104.25	93.75	189.50
Market capitalization, April 30, SEK M	11,461	11,071	9,546	8,637	17,585
Lowest share price, SEK	83.33	103.00	91.50	72.50	91.00
Highest share price, SEK	139.00	160.50	130.00	142.00	207.00
Average number of shares					
before dilution, 000's	94,136	93,698	92,199	92,029	92,208
after dilution, 000's	94,779	94,249	92,479	92,029	92,945
Number of shares, April 30					
before dilution, 000's	94,332	93,036	91,570	92,125	92,795
after dilution, 000's	95,689	94,072	92,245	92,125	95,895

\* Excluding the acquisitions of Medical Intelligence 2005/06 SEK 3.75 before dilution and SEK 3.72 after dilution, BMEI 2006/07 SEK 0.39 before and after dilution and 3D Line and CMS 2007/08 SEK 2.96 before dilution and SEK 2.95 after dilution.

Dilution 2005/06 – 2007/08 refer to warrants program 2004/2008. Dilution 2009/10 refers to warrants program 2007/2012 and 2008/2012 and share program 2009/2012.

All historical data restated for split 3:1 October 2005.

## Share price development



# Glossary

Benign	The term benign is used when describing tumors or growths that do not threaten the health of an individual. Benign is the opposite of malignant.
Cancer	Uncontrolled, abnormal growth of cells.
Carcinoma	The most common type of cancer. Malignant cancer that arises from epithelial cells.
Chemotherapy	Treatment of cancer diseases with the aid of chemicals that eliminate diseased cells.
Computerized tomography (CT)	A radiological method of producing anatomical structures by means of layering, using computer technology.
Epilepsy	Disorder characterized by repeated, sudden disturbances of brain function.
Fraction	Part of the total radiation dose, delivered at a daily treatment.
Functional disorders	Diseases in the central nervous system.
Gamma Knife® surgery	Stereotactic radiosurgery with Leksell Gamma Knife®.
Gy (gray)	The unit for the energy absorbed from ionizing radiation, equal to one joule per kilogram.
IGRT	Image-guided radiation therapy of cancer, where high precision and accuracy is achieved using high resolution three-dimensional X-ray images of the patient's soft tissues at the time of treatment.
IMRT	Intensity modulated radiation therapy of cancer, where instead of being treated with a single, large, uniform beam, the patient is treated with many very small beams; each of which can have a different intensity.
Invasive	A technique that penetrates the skin, skull, etc. The opposite of non-invasive (bloodless).
Linear accelerator	Equipment for generating and directing ionizing radiation for treatment of cancer.
Magnetoencephalograph (MEG)	Equipment for real time mapping of the function in different parts of the brain, by measuring the magnetic field generated by brain cells activity.
Metastases	Secondary malignant tumors originating from primary cancer tumors in other parts of the body.
Malignant	A clinical term that is used to describe a clinical course that progresses rapidly to death. Can spread through metastases. Malignant is the opposite of benign.
Meningioma	Tumor of the central nervous system that develops from cells of the meninges, the membranes that cover and protect the brain and spinal cord.
Multileaf collimator	An accessory to the linear accelerator, working like an aperture. With a large number of individually adjustable metal leaves, the treatment beam can be shaped to the size and shape of the target volume.
Neurology	The study of the nervous system and its disorders.
Neurosurgery	Surgery of the brain or other parts of the central nervous system.
Oncology	The study of tumor diseases.
Pathology	The scientific study of the nature of disease and its causes, processes, development, and consequences.
Parkinson's disease	Paralysis, with trembling and shaking as well as muscular rigidity, with a change in movements and posture by the patient.
Radiation therapy	Fractionated ionizing radiation treatment of cancer.
Radiosurgery	Non-invasive surgery which a high, single dose of precise ionizing radiation replaces surgical instruments.
Stereotactic radiation therapy (SRT)	Radiation therapy of cancer, where high precision and accuracy is achieved by delivering the radiation based on an external fixed-coordinate system.
Stereotaxy	A technique in which a fixed-coordinate system can determine the location of a point by specifying the coordinates in terms of height, depth and laterally.
Trigeminal neuralgia	Chronic facial pain, emitting from the trigeminal facial nerve.
Volumetric modulated arc therapy (VMAT)	Dynamic conformal delivery technique in which both collimator leaves and gantry move during radiotherapy.

## Annual General Meeting 2010

The Annual General Meeting in Elekta AB (publ) will be held on Tuesday, September 21, 2010 at 3:00 p.m. at Polstjärnan Konferens, Sveavägen 77, Stockholm.

### Participation

Shareholders wishing to participate in the Meeting must be listed in the register of shareholders maintained by Euroclear Sweden AB not later than Wednesday, September 15, 2010 and notify the Company their intent to participate in the Meeting (including the number of assistants

if any) not later than Wednesday, September 15, 2010 at 4:00 p.m. Notification of participation at the Meeting may be forwarded in writing to: Elekta AB (publ), Att: Corporate Communications, P.O. Box 7593, SE-103 93 Stockholm, Sweden, by telefax: +46 8 587 255 00, by telephone +46 8 587 254 00, or by e-mail to [ir@elekta.com](mailto:ir@elekta.com).

### Payment of dividends

Record day for the dividends is proposed to be Friday, September 24, 2010. Payment of dividends is proposed to be on September 29, 2010.

# *Human Care Makes the Future Possible*

[www.elekta.com](http://www.elekta.com)

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