



3 Interim Report

THREE MONTHS
ENDED JULY 31, 2001

2001/02



ELEKTA

Interim Report

Three months ended July 31, 2001

- Operating profit was improved by SEK 50 M to SEK 33 M (loss: 17) and the operating margin increased to 6 percent (neg: 4).
- Strong order bookings, up 105 percent to SEK 703 M (343). Order backlog increased 11 percent during first quarter.
- Net sales rose 38 percent to SEK 544 M (394).
- The convertible debenture loan of SEK 233 M was 98 percent converted.
- Equity/assets ratio strengthened to 52 percent.
- Full-year earnings for fiscal year 2001/02 are expected to show a distinct improvement compared with 2000/01.

Elekta's strategy is to provide clinically effective and cost-efficient solutions and services for improved management of cancer and brain disorders – aimed at enhanced quality of life.

Market

Despite the worldwide economic downturn, the health-care market continued to invest in clinically effective, cost efficient and gentle treatment methods for cancer and brain disorders. This benefited Elekta, which offers a sophisticated, high-technology precision radiation-based product range covering both of these treatment areas. The most important markets for Elekta during the first quarter (May-July, 2001) were Europe – particularly the UK and the Netherlands as regards radiation treatment of cancer – and the US in the area of non-invasive radio-surgery in the brain using Leksell Gamma Knife®.

Strategic ventures

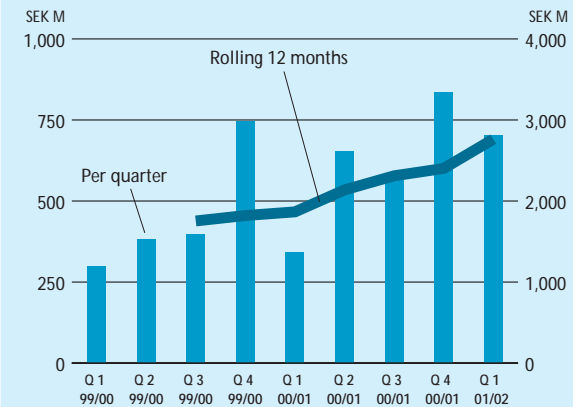
The development of therapies for cancer is focusing increasingly on high-precision radiation treatment. Elekta conducts long-term development efforts aimed at improving treatment methods and results in cancer care. Elekta is a leading innovator of solutions for precise radiation solutions, such as intensity modulated radiotherapy (IMRT).

As part of these efforts, Elekta entered into a cooperation agreement in July with ADAC, a company within Philips Medical Systems. ADAC contributes with its newly developed dose-planning system, ePinnacle, and Elekta with its state-of-the-art radiation treatment system for cancer, Elekta Precise Treatment System. This combination of newly developed, advanced systems makes it possible to perform radiation treatment of cancer using IMRT, resulting in greater treatment efficacy.

Elekta has received approval from the FDA in the US to distribute its system for image registration and tumor localization during radiation treatment of cancer, iViewGT, in the US. The system is a key component in the further development of IMRT.

In June, Elekta officially inaugurated its majority owned company in China, which creates new and improved opportunities to effectively cultivate and contribute to the rapidly growing Chinese medical technology market – one of the world's largest.

ORDER BOOKINGS PER QUARTER AND ROLLING 12 MONTHS



ORDER BOOKINGS

	3 months 2001/02	3 months 2000/01	Change, %	12 months 2000/01
Europe, Middle East, Africa	288	186	55	1,103
North & South America	252	119	112	748
Japan	11	13	-15	266
Asia excl. Japan	152	25	508	285
Group	703	343	105	2,402
of which				
Oncology	480	251	91	1,566
Neurosurgery	223	92	142	836

Order bookings and order backlog

Group order bookings showed a highly positive trend during the first quarter. On a rolling 12-month basis, order bookings amounted to SEK 2,763 M, up 48 percent.

Order bookings for the first quarter increased 105 percent to SEK 703 M (343). Neurosurgical products showed an increase of 142 percent, to SEK 223 M (92), while oncology products increased 91 percent to SEK 480 M (251).

The Group order backlog increased 11 percent and amounted to SEK 2,352 M at July 31, 2001, compared with SEK 2,112 M at April 30, 2001.

Favorable order bookings in the oncology area in Europe

Order bookings in Europe, the Middle East and Africa rose 55 percent to SEK 288 M (186). Upgrades and service displayed a strong trend during the quarter. Substantial investments are being made in cancer care in the UK and the Netherlands.

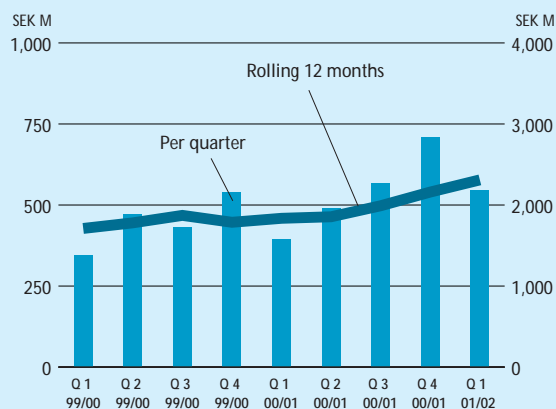
Strong sales of Leksell Gamma Knife in US

As a result of strong order bookings, particularly for Leksell Gamma Knife during the first quarter, order bookings in North and South America increased by 112 percent to SEK 252 M (119).

Seasonally weak order bookings in Japan

Order bookings in Japan were limited mainly for seasonal reasons and amounted to SEK 11 M (13).

NET SALES PER QUARTER AND ROLLING 12 MONTHS



NET SALES

	3 months 2001/02	3 months 2000/01	Change, %	12 months 2000/01
Europe, Middle East, Africa	200	149	34	955
North & South America	175	174	1	770
Japan	86	52	65	307
Asia excl. Japan	83	19	337	128
Group	544	394	38	2,160
of which				
Oncology	360	257	40	1,327
Neurosurgery	184	137	34	833

Favorable demand in Asia

A major need for healthcare and demand for more advanced cancer care in the region resulted in strong order bookings for oncology products, mainly in China and Taiwan. Order bookings in Asia increased to SEK 152 M (25).

Net sales

The Group's net sales rose 38 percent to SEK 544 M (394). Exchange rate movements – particularly the weakening of the Swedish krona against the US dollar, the euro and the British pound – contributed to a 13 percent improvement in net sales. Net sales increased to SEK 184 M (137) for neurosurgical products and to SEK 360 M (257) for oncology products. Net sales of aftermarket products and services increased 19 percent to SEK 165 M (138).

Net sales for rolling 12 months amounted to SEK 2,310 M, an increase of 26 percent.

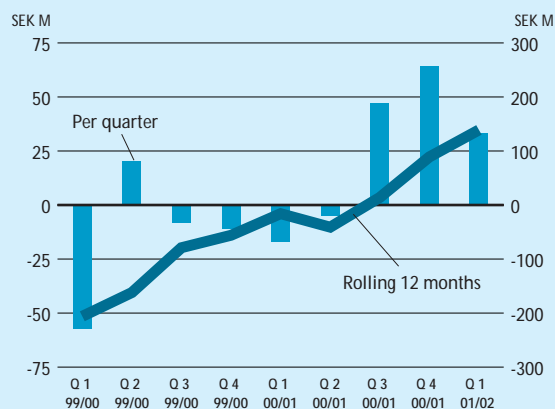
Result

Operating profit improved by SEK 50 M to SEK 33 M (loss: 17). The improvement was mainly due to substantially higher utilization of capacity and favorable product mix during this quarter. The operating margin for the quarter improved to 6 percent (neg: 4). For the rolling 12-month period, the operating margin was 6 percent.

Investments in research and development amounted to SEK 30 M (25). These investments, which are expensed as incurred, corresponded to 6 percent (6) of net sales.

Net financial items amounted to income of SEK 2 M (expense 1), including net interest expenses of SEK 5 M (8),

OPERATING RESULT EXCL. ITEMS AFFECTING COMPARABILITY



of which the convertible debenture loan accounted for SEK 5 M (6). Earnings from participations in associated companies amounted to SEK 3 M (2), and foreign exchange differences totaled SEK 4 M (5).

Profit after net financial items amounted to SEK 35 M (loss: 18). The profit after taxes was SEK 23 M (loss: 10).

Earnings per share amounted to SEK 0.80 (loss: 0.36).

Return on equity amounted to 8 percent and return on capital employed was 14 percent (3).

Investments and depreciation

Investments in intangible and tangible fixed assets amounted to SEK 9 M (5).

Amortization/depreciation of intangible and tangible fixed assets totaled SEK 15 M (15).

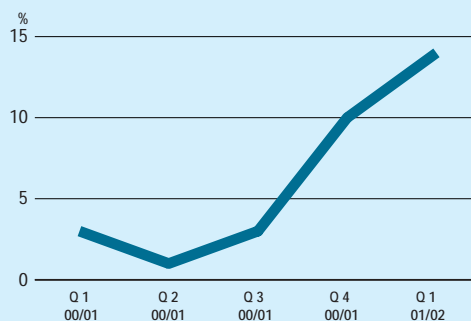
Liquidity and financial position

Cash flow before investments amounted to SEK 53 M (16), as a result of the reported profit. Cash flow after investments and divestments amounted to SEK 46 M (10).

The Group's liquid assets amounted to SEK 469 M on July 31, 2001, compared with SEK 434 M on April 30, 2001. Of the bank balances held, SEK 169 M was pledged, primarily as guarantees for customer advances received.

Convertible debenture loan in a nominal amount of SEK 229 M was converted. The outstanding SEK 4 M is due for repayment by December 31, 2001. The conversion resulted in 3,808,250 new Series B shares. The total number of shares is 31,661,867.

RETURN ON CAPITAL EMPLOYED



Change in accounting principles

The Swedish Financial Accounting Standards Council's new recommendation regarding income tax resulted in a change of accounting principles for Elekta. The income statements and balance sheets for preceding year were adjusted in accordance with the new principles. Loss carry-forwards and other temporary differences, totaling SEK 209 M at April 30, 2001, were reported as a deferred

tax receivable, resulting in a corresponding increase in shareholders' equity.

With this exception the same accounting principles have been applied as in Elekta's latest annual report. This interim report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports.

Income statement

SEK M	3 months May–July 2001/02	3 months May–July 2000/01	12 months Aug.–July 2000/01	12 months May–April 2000/01
Net sales	544	394	2,310	2,160
Cost of products sold	–336	–277	–1,461	–1,402
Gross income	208	117	849	758
Selling expenses	–77	–66	–331	–320
Administrative expenses	–59	–53	–244	–238
R&D expenses	–30	–25	–132	–127
Exchange differences in operation	–9	10	0	19
Operating result	33	–17	142	92
Financial net	2	–1	–20	–23
Income after financial items	35	–18	122	69
Taxes	–15	8	–52	–29
Minority	3		5	2
Net income	23	–10	75	42
Earnings per share	0.80	–0.36	2.68	1.52

Cash Flow

SEK M	3 months May–July 2001/02	3 months May–July 2000/01	12 months Aug.–July 2000/01	12 months May–April 2000/01
Operating cash flow	54	–3	197	140
Change in working capital	–1	19	108	128
Cash flow before investments	53	16	305	268
Investments and disposals	–7	–6	–43	–42
Cash flow after investments and disposals	46	10	262	226

Balance sheet

SEK M	July 31, 2001	July 31, 2000	April 30, 2001
Intangible fixed assets	413	427	415
Tangible fixed assets	97	79	94
Financial fixed assets	19	20	18
Inventories	263	267	224
Other current assets	991	941	1,086
Liquid assets	469	260	434
Total assets	2,252	1,994	2,271
Shareholders' equity	1,158	781	887
Minority	5	—	8
Provisions	76	76	76
Convertible debenture loan	4	219	226
Other interest-bearing liabilities	44	111	47
Interest-free liabilities	965	807	1,027
Total shareholders' equity, provisions and liabilities	2,252	1,994	2,271

Changes in shareholders' equity

SEK M	July 31, 2001	July 31, 2000	April 30, 2001
Opening balance	678	576	576
Changed accounting principles	209	213	213
Conversion of debentures	229	—	—
Warrants premium	—	—	2
Translation differences	19	2	54
Net income	23	–10	42
Closing balance	1,158	781	887

Other interest-bearing liabilities amounted to SEK 44 M.

The equity/assets ratio strengthened to 52 percent following the conversion of convertible debenture loan and the inclusion of deferred tax receivables in the balance sheet. See changed accounting principles page 4.

Employees

The average number of employees in the Group was 874 (778). The number of employees at the close of the period was 888, compared with 854 on April 30, 2001.

It is estimated that the increase in the number of employees for the full fiscal year will amount to circa 120 persons or 14 percent. The increase is occurring as a result of increased volumes and a focus on selected strategic areas where future profitable growth opportunities are considered to be favorable.

Parent Company

Parent Company operations comprise Group management, joint Group functions and financial management. The Parent Company's loss before net financial items amounted to SEK 5 M (loss: 6). The average number of employees was 13 (12).

Future prospects

Despite the prevailing political and economic uncertainty in the world, the assessment remains that net sales and operating profit for fiscal year 2001/02 as a whole are expected to be substantially better than in 2000/01. Net sales during the second quarter are expected to be on a level with the first quarter. Investments in research and development and the strengthening of the marketing and service organization, particularly in the US and Asia, will continue.

Financial information

A six-month interim report will be issued on December 12, 2001.

STOCKHOLM, SEPTEMBER 27, 2001

ELEKTA AB (PUBL)



LAURENT LEKSELL
President

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

Key figures

	12 months May–April 1998/99	12 months May–April 1999/2000	12 months May–April 2000/01	12 months* May–April 2000/01	3 months* May–July 2000/01	3 months May–July 2001/02
Net sales, SEK M	1,787	1,789	2,160	2,160	394	544
Items affecting comparability, SEK M	14	19	—	—	—	—
Operating result, SEK M	–208	–37	92	92	–17	33
Operating margin, %	–12	–2	4	4	–4	6
Profit margin, %	–14	–4	3	3	–5	6
Shareholders' equity, SEK M	313	576	678	897	791	1,158
Capital employed, SEK M	914	905	959	1,178	1,121	1,211
Net debt, SEK M	442	80	–161	–161	70	–421
Equity/assets ratio, %	17	31	33	39	39	52
Net debt/equity ratio, times	1.41	0.14	–0.23	–0.18	0.09	–0.36
Return on shareholders' equity, % **	–56	–22	10	5	—	8
Return on capital employed, % **	–17	–3	12	10	3	14

Per share data

	12 months 1998/99	12 months 1999/2000	12 months 2000/01	12 months* 2000/01	3 months* 2000/01	3 months 2001/02
Earnings per share before conversion, SEK	–17.09	–4.24	2.21	1.52	–0.36	0.80
Earnings per share after conversion, SEK	–8.13	–1.17	2.70	1.89	–0.18	0.84
Shareholders' equity before conversion, SEK	20.96	20.68	24.33	31.84	28.40	36.58
Shareholders' equity after conversion, SEK	28.19	24.90	28.43	35.03	31.88	36.58
Average number of shares						
before conversion, 000s	14,957	18,263	27,854	27,854	27,854	29,123
after conversion, 000s	25,624	27,787	31,662	31,662	31,662	31,662
Number of shares at closing						
before conversion, 000s	14,957	27,854	27,854	27,854	27,854	31,662
after conversion, 000s	25,624	31,662	31,662	31,662	31,662	31,662

* Restated for new accounting principles for taxes. ** Based on rolling 12 months.

The dilution in earnings per share of potential common shares from warrants is SEK 0.02 during the first quarter of fiscal year 2001/02, no dilution in earlier periods and equity per share increases.



E L E K T A

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